CITY OF WILLIAMSPORT, PA
RESOLUTION

RESOLUTION # 9722 **DATE** 1-4-24

TITLE

CITY OF WILLIAMSPORT ,
LYCOMING COUNTY, PENNSYLVANIA
AUTHORIZING THE ISSUANCE AND SALE OF A TAX AND REVENUE ANTICIPATION NOTE OF THE CITY IN THE FISCAL YEAR ENDING DECEMBER 31, 2024; DETERMINING THE PRINCIPAL AMOUNT OF SUCH NOTE AND THE FORM AND TERMS OF SUCH NOTE; AUTHORIZING THE AWARD OF SUCH NOTE; AND MAKING CERTAIN OTHER DETERMINATIONS IN CONNECTION THEREWITH;

WHEREAS, the City of Williamsport , Lycoming County, Pennsylvania (the "City"), a third-class City of the Commonwealth of Pennsylvania ("Commonwealth"), has the power and authority, pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 ("Act"), to borrow money from time to time in any fiscal year in anticipation of the receipt by the City in that fiscal year of current taxes and revenues, and to evidence such borrowing by the issuance and sale of tax and revenue anticipation notes; and

WHEREAS, the cash flow forecast with respect to budget requirements of the City for fiscal year ending December 31, 2024 ("2024 Fiscal Year") indicates that the City will experience cash flow deficits during the 2024 Fiscal Year pending receipt of current taxes and other current revenues of the City; and

WHEREAS, the City has determined that, in light of the anticipated cash needs of the City during the 2024 Fiscal Year, it is desirable for the City to authorize a tax and revenue anticipation borrowing, the proceeds of which shall be applied to the funding of the City's cumulative cash flow deficits for the 2024 Fiscal Year; and

Approved

City Clerk

President

WHEREAS, the City has determined to authorize, in accordance with the Act, in the 2024 Fiscal Year, the issuance and sale of a tax and revenue anticipation note evidencing such tax and revenue anticipation borrowing.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Williamsport, Lycoming County, Pennsylvania, in lawful session duly assembled, as follows:

Section 1. Authorization. Authorization is hereby given for the issuance of a tax and revenue anticipation note of the City in the 2024 Fiscal Year, designated as the "Tax and Revenue Anticipation Note, Series of 2024 (Tax-Exempt)" to be issued in one series in the principal amount of $2,000,000 ("Note").

The Note is being authorized hereby and issued in the 2024 Fiscal Year for the purpose of funding the cumulative cash flow deficit of the City forecasted to occur in the 2024 Fiscal Year.

Section 2. Term of Note. The Note shall be dated the date of delivery thereof and payment therefor, and shall be stated to mature on December 31, 2024, which date is within the fiscal year of the City in which the Note is authorized and issued. The Note shall be subject to prior redemption on terms and conditions as provided in the Note.

Section 3. Principal Amount of Note Within Statutory Limit. It is hereby determined that the principal amount of the Note does not exceed the lesser of:

(i) Eighty-five percent (85%) of the sum of taxes levied for the 2024 Fiscal Year and other current revenues for such fiscal year to be received by the City during the period when the Note shall be outstanding and which are pledged for payment of the Note, as estimated and certified by the President of City Council ("President"), or any other Authorized Officer (hereinafter defined) and attested by City Clerk (the "City Clerk") or any other Authorized Officer (hereinafter defined) in accordance with the Act (said certified estimate being annexed hereto as Exhibit "A" and made a part hereof by this reference as though fully set forth herein); or

(ii) The maximum anticipated cumulative cash flow deficit of the City during the 2024 Fiscal Year, as computed by the administrative staff of the City in accordance with the

Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated thereunder.

Section 4. Purchase of the Note. It is hereby determined that it is in the best financial interest of the City to affect a private, negotiated sale of the Note. The proposal of Manufacturers and Traders Trust Company ("Purchaser"), to purchase the Note from the City at not less than par on the terms and conditions set forth in the written proposal presented to this meeting, a copy of which is attached to this Note Resolution as Exhibit "B" (the "Purchase Contract"), is hereby accepted.

Section 5. Execution and Delivery of the Purchase Contract. The President or Vice President of City Council the City Clerk, the City Mayor, and City Controller (each an "Authorized Officer") is hereby authorized to evidence the acceptance of the Purchase Contract authorized hereunder by executing and delivering the Purchase Contract to the Purchaser.

Section 6. Rate of Interest. The Note shall bear a variable rate of interest equal to the bank's prevailing daily SOFR rate plus a spread to provide a bank-qualified tax-exempt equivalent interest rate based on the daily SOFR plus 3.35 Basis Points. Interest shall be computed on a 30/360 day basis. The interest may change daily with a rate floor of 2.50% and the interest rate ceiling of 9.00%.

Section 7. Pledge and Security Interest. As required by Section 8125(a) of the Act, the Note shall be equally and ratably secured by a pledge of, security interest in and lien and charge on, the taxes and revenues of the City to be received during the period when the Note will be outstanding.

Any Authorized Officer of the City is hereby authorized and directed to prepare and file, or have filed, on behalf of the City, in favor of the Fiscal Agent (hereinafter defined), as secured party on behalf of the holders of the Note, and cause the filing of an appropriate financing statement in accordance with the Pennsylvania Uniform Commercial Code in order to perfect such pledge, security interest, lien and charge.

The Fiscal Agent (hereinafter defined) shall enforce such pledge, security interest and lien and charge on behalf of the holder of the Note, in accordance with the provisions of this Resolution and the Act, including, without limitation, Section 8125 of the Act. The registered

owner of the Note shall deliver its Note to the Fiscal Agent upon request of the Fiscal Agent (hereinafter defined) in order to enable the Fiscal Agent to implement such enforcement.

Section 8. Form and Provisions of the Note. The form and provisions of the Note shall be as set forth in the form of Note annexed hereto as Exhibit "C" and made a part hereof by this reference as though fully set forth herein, which form and provisions are hereby affirmed, approved and adopted. The Note shall be issued in fully registered form, in the denomination of $2,000,000.

Section 9. Registration and Transfer.

(a) The City shall keep at the designated corporate trust office of the Fiscal Agent (hereinafter defined), books for the registration, exchange and transfer of Note and hereby appoints the Fiscal Agent (hereinafter defined) its registrar and transfer agent to keep such books and to make such registrations, exchanges and transfers under such regulations as the City or the Fiscal Agent (hereinafter defined) may prescribe and as set forth in the form of Note.

(b) The Note may be transferred upon the registration books upon delivery to the Fiscal Agent (hereinafter defined) of the Note accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Fiscal Agent (hereinafter defined), duly executed by the registered owner of the Note to be transferred or his duly authorized attorney-in-fact or other legal representative, containing written instructions as to the details of the transfer of such Note. No transfer of any Note shall be effective until entered on the registration books maintained by the Fiscal Agent (hereinafter defined) or its successor. In like manner Note may be exchanged by the registered owners thereof or by their duly authorized attorneys-in-fact or other legal representative for Notes of authorized denomination or denominations in the same aggregate principal amount.

Section 10. Execution and Authentication of Note. The Note shall not be valid or obligatory in the hands of the holder thereof unless executed in the name and on behalf of the City by the facsimile or manual signature of any Authorized Officer, attested by the facsimile or manual signature of any Authorized Officer.

Section 11. Sinking Fund Depository and Fiscal Agent. Manufacturers and Traders Trust Company, having an office in Williamsport, Pennsylvania, is hereby appointed sinking fund

depository and fiscal agent ("Fiscal Agent") to act as registrar and transfer agent, sinking fund depository, fiscal and paying agent for the Note. Any successor Fiscal Agent shall be a bank or national banking association or a trust company.

Section 12. Sinking Fund. There is hereby established a sinking fund for the Note to be designated "City of Williamsport, Lycoming County, Pennsylvania, Tax and Revenue Anticipation Note, Series of 2024 Sinking Fund" ("Sinking Fund"), to be held by the Fiscal Agent irrevocably in trust for the benefit of the holders of the Note. The Sinking Fund shall be held by the Fiscal Agent separate and apart from all other funds of the City and the Fiscal Agent.

The City hereby covenants, and appropriate officers of the City are hereby authorized and directed, to pay to the Fiscal Agent for irrevocable deposit into the Sinking Fund the principal of and interest due on the Note on December 31, 2024.

Failure of the City to make any payment in full when due on the date specified in the preceding paragraph shall be cause for the immediate enforcement of the pledge, security interest, lien and charge granted in Section 8125 of the Act and in Section 7 hereof. The Fiscal Agent shall enforce such pledge, security interest, lien and charge as provided in Section 8125 of the Act and in Section 7 hereof.

Section 13. Investment of Sinking Fund Moneys. The Fiscal Agent shall, to the extent not required for immediate payment of the Note, invest the moneys held in the Sinking Fund, at the written direction of the City, in direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America ("Government Obligations"). All Government Obligations shall mature or be subject to redemption all at the option of the holder at not less than par on or prior to the maturity date of the Note.

Section 14. Application of Sinking Fund Moneys. The Fiscal Agent shall apply the moneys, deposits and investments held in the Sinking Fund to the payment of the Note when the same become due and payable, all in accordance with the Act, the Note and the provisions hereof. Payments from the Sinking Fund shall be applied first to interest and then to principal. When payment in full of the Note has been made from the Sinking Fund, any balance in the Sinking Fund shall be paid by the Fiscal Agent to the City, at the written direction of the City.

Section 15. Note to be a General Obligation of the City. The Note shall be a general obligation of the City and, if the same shall not be paid within the fiscal year in which it is issued, shall be deemed to be non-electoral debt of the City enforceable in the manner of a general obligation which, unless funded pursuant to the Act, shall be included in the budget of the City for the ensuing fiscal year and shall be payable from the taxes and revenues of such ensuing fiscal year, as required by the Act.

Section 16. Federal Tax Covenants. The City hereby covenants with the holder from time to time of the Note that it will at all times do and perform all actions and things within its power which are necessary or desirable in order to assure that interest paid on the Note will, for purposes of federal income taxation, be and remain excludable from the gross income of the recipients thereof and that it will refrain from doing or performing any act or thing that would cause such interest not to be so excludable and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants with the holder from time to time of the Note that it will make no investment or other use of the proceeds of the Note, which, if such investment or use had been reasonably expected on the date of issuance of the Note would cause the Note to be "arbitrage bond(s)" within the meaning of Section 148 of the Code, and the regulations applicable thereto and that this covenant shall extend throughout the term of the Note and shall apply to all amounts which are proceeds of the Note for purposes of said section and regulations. No official or agent of the City shall make any investment inconsistent with the foregoing covenant. All other City officials responsible for investment shall request and follow, if given, the advice or direction of note counsel for the City (the "Note Counsel") as to investments, which may be made in compliance with this covenant. The appropriate officers of the City are hereby authorized to execute a tax compliance agreement (the "Tax Compliance Agreement") to carry out the foregoing covenants.

The Tax Compliance Agreement shall be substantially in the form acceptable to Note Counsel, with such changes as may be approved by the officer executing the Tax Compliance Agreement, upon the advice of Note Counsel, such approval to be conclusively evidenced by such officer's execution of the Tax Compliance Agreement. If required under the Tax Compliance Agreement, there shall be established a "bond rebate fund," which shall be held and maintained by the City in accordance with the Tax Compliance Agreement, separate and apart

from other funds of the City. The foregoing tax covenants in this Section 16 may be excused or modified if, and to the extent that, the City receives an opinion of nationally recognized note counsel that such absence of compliance will not adversely affect the exemption from federal income taxation of interest on the Note.

For purposes of this Resolution, the City reasonably expects that the Note will be designated by the City, or will be deemed designated under Section 265(b)(3)(D)(ii), as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The City has not issued, and does not reasonably anticipate issuing, tax-exempt obligations which, when combined with the Note, will result in more than $10,000,000 of tax-exempt obligations being issued in 2024. For purposes only of the foregoing sentence, the term "tax-exempt obligation" shall include any "qualified 501(c)(3) bond," as defined in Code Section 145, but shall not include any other "private activity bond," as defined in Code Section 141(a), any obligation which would be an "industrial development bond" or a "private loan bond," as defined in Sections 103(b)(2) and 103(o)(2)(a) of the Internal Revenue Code of 1954, as amended, but for the fact that it is issued pursuant to Sections 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986, or any obligation issued to currently refund any obligation to the extent the amount thereof does not exceed the outstanding amount of the refunded obligation. The City hereby authorizes the proper officers of the City to execute a certificate to that effect at the time of the issuance of the Note.

Section 17. Ratification of Prior Action. All actions heretofore taken and all documents heretofore prepared by all officers of the City, in connection with the Note and other matters contemplated hereby, are hereby ratified, confirmed and adopted.

Section 18. Resolution and Act a Contract; Amendment. This Resolution and the Act as in force on the date hereof shall constitute a contract between the City and the registered owners from time to time of the Note.

Section 19. Further Action. The Authorized Officers of the City are hereby severally authorized and directed to take or cause to be taken such further action and to prepare, execute and file such documents and instruments as they may consider necessary or appropriate to implement the purposes of this Resolution and the Purchase Contract.

The Authorized Officers of the City are hereby authorized and directed to pay, at or subsequent to the closing for the issuance of the Note, all costs and expenses of the issuance of the Note incurred by or on behalf of the City or required to be paid by the City.

Section 20. Filing with the Pennsylvania Department of Community and Economic Development. Proper officers of the City are hereby authorized and directed to cause the filing of a certified copy of this Resolution, the certificate as to the taxes and revenues remaining to be collected and a true copy of the Purchase Contract with the Pennsylvania Department of Community and Economic Development, as required by Section 8128 of the Act.

Section 21. Headings. Headings used in this Resolution are for the ease of reference only and do not form a part hereof.

Section 22. Effective Date. This Resolution shall be effective immediately, this 4th day of January 2024.

WITNESS the due execution of this Certificate 4th day of January, 2024.

[SEAL]

By: _____
President of City Council

Attest:

_____
City Clerk

EXHIBIT "A"

CITY OF WILLIAMSPORT , LYCOMING COUNTY, PENNSYLVANIA

Certificate as to Amount of City Taxes and Revenues to be Collected or Received During the Period When the Tax and Revenue Anticipation Note, Series of 2024 (Tax-Exempt) Will Be Outstanding

The undersigned, President of City Council and City Clerk of the City of Williamsport, Lycoming County, Pennsylvania (the "City"), hereby certify, pursuant to Section 8126 of the Pennsylvania Local Government Unit Debt Act, Act No. 53 Pa.C.S. Chs. 80-82 ("Act"), as follows:

1. This Certificate is given as of a date not more than thirty (30) days prior to the authorization, by resolution of the Council of the City, duly adopted January 4th, 2024, of the issuance and sale of $2,000,000 principal amount of the City's Tax and Revenue Anticipation Note, Series of 2024 (Tax-Exempt) ("Note");

2. The Note will be outstanding for a period ending no later than December 31, 2024.

3. The amount of moneys estimated to be received by the City during the period when the Note will be outstanding from taxes then levied and assessed and from other revenues, including, without limitation, subsidies and reimbursements, is attached to this Certificate as Schedule I, and is at least $2,000,000; and

4. The foregoing estimate takes due account of the past and anticipated collection experience of the City and of current economic conditions.

5. The amount of the borrowing pursuant to tax and revenue anticipation notes in the above-mentioned fiscal year, including the current obligation, does not exceed 85% of the sum of the revenues.

WITNESS the due execution of this Certificate 4th day of January, 2024.

[SEAL]

By: _____
President of City Council

Attest:

_____
City Clerk

Schedule I

Anticipated Taxes and Revenues
Fiscal Year 2024

Date	Amount
January	$755,305
February	394,534
March	7,478,869
April	2,640,959
May	7,795,863
June	690,767
July	1,636,108
August	846,424
September	1,824,177
October	597,338
November	647,425
December	798,382
TOTAL	**$26,106,151**

EXHIBIT "B"

PURCHASE PROPOSAL

EXHIBIT "C"

FORM OF NOTE

(Original to Be Signed at Closing)

No. TRN-1
$2,000,000.00

CITY OF WILLIAMSPORT
LYCOMING COUNTY, PENNSYLVANIA
UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

TAX AND REVENUE ANTICIPATION NOTE – SERIES OF 2023 (TAX-EXEMPT)

City of Williamsport , Lycoming County, Commonwealth of Pennsylvania (the "Issuer"), for value received, hereby promises to pay to Manufacturers and Traders Trust Company (the "Bank"), the registered owner hereof, the sum of Two Million Dollars ($2,000,000.00), on the 31st day of December, 2024 (the "Maturity Date"). The interest rate will be variable based upon the Bank's prevailing daily SOFR Rate and may change daily. Currently, the monthly SOFR rate is 6.75%; therefore, today's rate would be adjusted to a bank-qualified tax-exempt rate of 5.75%. The interest rate floor is 2.50% and the interest rate ceiling is 9.00%. Interest shall accrue on this Note at the bank qualified tax-exempt rate, based on a 360-day basis. Both the principal of and interest on this Note shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts in the United States (or by instrument payable in immediately available legal tender as aforesaid), at the office of Manufacturers and Traders Trust Company (the "Sinking Fund Depositary"), in Williamsport, Pennsylvania.

This Note is the Tax and Revenue Anticipation Note, Series of 2024, authorized and issued in the aggregate principal amount of Two Million Dollars ($2,000,000.00) (the "Note"), in accordance with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as codified by the Act of December 19, 1996, (P.L. 1158, No. 177), as amended (the "Act"), and pursuant to a resolution adopted on January 5, 2023, by the governing body of the Issuer (the "Resolution") and filed, together with other required documents with the Pennsylvania Department of Community and Economic Development. Reference is to the Act and the Resolution for a complete statement of the rights and limitations of rights of holders of the Note, to all of which the holder hereof by acceptance of this Note assents.

This Note is issued under and in accordance with the Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of taxes by the Issuer from the date of original delivery of the Note to the stated maturity date thereof.

This Note is equally and ratably secured with all other Note issued under the Resolution by the pledge of, security interest in and a lien and charge on the taxes of the issuer specified in the Resolution to be received during the period when the Note is outstanding. Such pledge, security interest, lien and charge have been perfected and are enforceable in the manner provided by the Act. The Note is a general credit obligation of the Issuer.

The Issuer covenants that it will deposit in the sinking fund for the Note established by the Resolution with the Bank, as Sinking Fund Depositary, the taxes collected in amounts which will be sufficient to pay the principal of and interest on all notes issued pursuant to the Resolution as and when the same shall become clue and payable, and such sinking fund shall be applied exclusively to such purpose.

This Note may be prepaid in whole or in part at any time at the option of the Issuer prior to the Maturity Date without penalty.

If an Event of Default occurs with respect to this Note, the interest rate payable on the unpaid principal amount hereof shall automatically increase by 5.0%, and any judgment entered hereon or otherwise in connection with any suit to collect amounts due hereunder shall bear interest at such default rate. The occurrence of any of the following events shall be deemed an "Event of Default" under the Note:

(a) Default in the payment of principal or interest on the Note for a period in excess of fifteen (15) days or any other default under the terms of the Note; or

(b) Default in the performance of any covenant or agreement set forth in the Resolution or in the Note or the occurrence of a default under any other agreement between the Issuer and the Bank; or

(c) Any representation or warranty made by the Issuer is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the Issuer pursuant to the Resolution is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified; or

(d) The Issuer shall fail or refuse to comply with any provisions of the Act, or shall for any reason be rendered incapable of fulfilling its obligations under the Note or thereunder; or

(e) The Issuer shall become insolvent or shall be unable to pay its debts as they mature, or the Issuer shall cease operations, file a voluntary petition in bankruptcy or a voluntary petition seeking reorganization or to effect a plan or other arrangement with creditors, or shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition pursuant to any Act of Congress relating to bankruptcy, or shall be the subject of any order for relief, or shall make an

assignment for the benefit of creditors or make an assignment to an agent (authorized to liquidate any substantial amounts of the assets of the Issuer), or shall apply for or consent to or suffer the appointment of a receiver or trustee for the Issuer or a substantial part of its property; or

(f) An order for relief shall be entered pursuant to an Act of Congress or any law of the Commonwealth of Pennsylvania relating to bankruptcy with respect to an involuntary petition seeking reorganization of, or an order shall be entered appointing any receiver or trustee for, the Issuer or a substantial part of its property, or a writ or warrant of attachment or any similar process shall be issued against a substantial part of the property of the Issuer, or an order shall be entered at either the state court level enjoining or preventing the Issuer from conducting all or any part of its business as it is usually conducted, or garnishment proceedings shall be instituted by attachment, levy or otherwise, against any deposit balance maintained, or any property deposited, with the Bank by the Issuer.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the City , as such, either directly or through the City, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise. All liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note.

If interest payable on this Note is determined at any point during the term of the loan to not be "Tax-Exempt" or it is determined that this Note served as an arbitrage note under federal law, this Note will reset to its taxable equivalent rate, and the Issuer will pay to the Bank the difference between the amount of interest which the Bank should have received at the "Taxable Rate" and the actual amount of interest paid. The Issuer will also pay any and all interest and penalties assessed.

So long as the Bank is the registered owner of this Note, the Issuer shall provide a copy to the Bank of the Issuer's audited annual financial statements. within 180 days of the close of the Issuer's fiscal year.

All acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have been done and performed as required by law, and that the repayment obligation represented by this Note is not in excess of any constitutional or statutory limitation.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City of Williamsport , Lycoming County, Pennsylvania, has caused this Note to be executed in its name on its behalf by the manual signature of the President of Council of the City of Williamsport , and its official corporate seal or a facsimile thereof to be affixed or imprinted hereon, duly attested by the manual signature of the City Secretary, this ____ day of _____, 2024.

CITY OF WILLIAMSPORT ,
LYCOMING COUNTY,
PENNSYLVANIA

[SEAL]

By: _____
MAYOR

ATTEST:

By: _____
City Clerk

_____
CONTROLLER

REGISTRATION RECORD

This Note can be validly negotiated only upon proper execution of the form set forth below, and upon notation of the same upon the books of the City, maintained for such purpose. The City shall treat the Registered Owner of this Note, as noted hereon and on said books, as the absolute owner hereof, and shall not be affected by any changed circumstances, nor by any notice to the contrary.

Original Registered Owner:

Manufacturers and Traders Trust Company

Date	Transferor	Subsequent Purchaser	Registrar

For value received, the last-named Transferor, by its due execution above, does hereby, on the above-stated date, sell, transfer and negotiate this Note unto the last-named Subsequent Purchaser, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note, and further irrevocably authorizes and directs the City to make this transfer on its books maintained for such purpose.

APPROVED

City Clerk

President

M&T Bank
Understanding what's important®

Manufacturers and Traders Trust Company
Government Banking
60 Public Square
Wilkes Barre, PA 18701
(570) 821-7156 Fax (570) 821-8639
Email: jjablowski@mtb.com
John J. Jablowski, Jr., MPA, Senior Vice President

December 15, 2023

City of Williamsport
100 West 3rd Street
Williamsport, PA 17701

RE: 2024 Tax Anticipation Note

Dear Mayor and Council,

On behalf of M&T Bank (the "Bank"), we appreciate the opportunity to provide funding for a 2024 Tax Anticipation Note for the City of Williamsport, Lycoming County, Pennsylvania (the "Borrower").

The attached summary includes a brief description of the principal terms of the proposed financing.

The definitive terms of the proposed Credit Facilities will be more fully evidenced in commitment letter and additional loan documentation including, but not limited to, a Note together with the other agreements, instruments, certificates and documents that M&T Bank may otherwise require.

The settlement of the proposed Credit Facilities is subject to several conditions. After receiving the borrower's concurrence, the Bank will finalize internal credit approval of the transaction. Upon Bank approval, definitive Note Documents will be prepared. This letter is subject to the statutory and other requirements by which M&T Bank is governed.

1) Amount of Note
   Approximately $ 2,000,000

2) Term of Note
   Closing on or about January 2, 2024 with a maturity on or before December 31, 2024.

3) Type of Note
   Tax and Revenue Anticipation Note, Bank Qualified Tax-Exempt. Note will not be drawn upon at closing. Note will be structured as a non-revolving draw down note.

4) Purpose
   To provide interim cash flow for the City of Williamsport, Lycoming County, Pennsylvania in early 2024.

5) Rate of Interest Per Annum

The Note shall (subject to the following terms) bear interest on the outstanding principal balance at a tax-exempt rate on a 360-day basis. The interest rate will be equal to a bank qualified tax-exempt equivalent rate based on the daily SOFR plus 3.35 Basis Points. For comparison purposes only today's effective rate would be 6.75%

If an Event of Default occurs, the interest rate on the unpaid principal shall immediately be automatically increased to five (5) percentage points per year above the otherwise applicable rate per year, and any judgment entered hereon or otherwise in connection with any suit to collect amounts due hereunder shall bear interest at such default rate.

If interest payable on the note is determined at any point during the term of the loan to not be "Tax-Exempt" or it is determined that the note served as an arbitrage note under Federal Law, the note will reset to its taxable equivalent rate, and the Borrower will pay to the bank the difference between the amount of interest which the bank should have received at the "Taxable Rate" and the actual amount of interest paid. The Borrower will also pay any and all interest and penalties assessed.

6) Repayment Terms
The Borrower will covenant full payment of Principal and Interest on or prior to December 31, 2024.

7) Security
The Note shall be general credit obligations of the borrower, and, together with any other tax and revenue anticipation notes issued, or to be issued, by the borrower during the borrower's fiscal year ending on December 31, 2024, shall, upon issuance thereof, be equally and ratably secured by a pledge of, security interest in, and a lien and charge on, the taxes and other revenues to be received by the borrower during the period when the Note is outstanding.

8) Covenants
The Borrower will be required to submit to the bank its financial reports within 180 days from the close of the borrower's fiscal year.

Borrower will be required to submit most recent interim actual to date financials for fiscal year 2023.

The borrower shall have delivered to M&T Bank, sufficiently in advance of closing, all documentation and other information required by M&T Bank in accordance with all applicable banking laws and regulations in effect from time to time, including, without limitation, the USA PATRIOT Act. Any failure by Borrower or any necessary third party to deliver to M&T Bank, in a timely manner, any material information requested, or any misrepresentation or inaccuracy with respect to any such information received, or if M&T's Bank due diligence reveals that opening the accounts contemplated herein would potentially violate M&T's Bank regulatory compliance policies or applicable law, shall permit M&T Bank, in its sole discretion, to withdraw and/or cancel this financing proposal/offer without liability, and retain all fees.

9) Conditions
The Borrower will provide the approved 2024 budget in a timely fashion to M&T Bank. Any questions or concerns M&T Bank has with the 2024 budget will be addressed prior to the closing.

10) Prepayment Privileges
Borrower will have the option to prepay any portion of the outstanding principal of the note outstanding at any time without penalty.

11) Fees and Expenses Standard Origination fee of $ 1,500.

If closing does not take place, all costs and expenses shall be payable upon demand. The borrower agrees to indemnify the bank against any and all claims, which may be incurred in connection with this borrowing.

12) Preparation of Documents

The bank shall be listed as **"Manufacturers and Traders Trust Company"** in all documentation prepared by the borrower's legal counsel and have the following delivered to the Bank at least seven days prior to closing for document review:

- Original Executed Commitment Letter
- Original Executed Tax and Revenue Anticipation Note
- Original Executed Authorizing Resolution
- Original Executed Secretary's Certificate
- Certification of Tax and Revenue to be collected during the term of the note
- Original Executed Legal Opinion Letter as noted
- Internal Revenue Service Form 8038G as required
- Evidence of appropriate DCED filing

On behalf of M&T Bank, we are pleased to be of assistance in the issuance of your Tax Anticipation Note.

Should you have any questions, please do not hesitate to contact me at 570-821-7156.

Sincerely,

John J. Jablowski, Jr.

John J. Jablowski, Jr., MPA
Government Banking Division
Senior Vice President

Approval by the Borrower:

MAYOR

CONTROLLER Deputy

CITY CLERK