

RESOLUTION NO. 2 of 2022

**RESOLUTION OF PLYMOUTH BOROUGH, LUZERNE COUNTY,
AUTHORIZING A TAX AND REVENUE ANTICIPATION NOTE SERIES OF
2022 IN AN AGGREGATE PRINCIPAL AMOUNT OF \$250,000 TO BE ISSUED
IN FEBRUARY OF 2022 AND TO MATURE ON DECEMBER 31, 2022 WITH
THE TERMS SET FORTH IN THE FOREGOING APPROVING A FORM OF
NOTE; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND
DELIVER THE NOTE; AUTHORIZING AND DIRECTING THE FILING OF
PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT; PROVIDING FOR PAYMENT AND SECURITY
OF THE NOTE; MAKING CERTAIN FEDERAL INCOME TAX COVENANTS
IN RESPECT OF THE NOTE; ACCEPTING THE PROPOSAL OF FIRST
KEYSTONE COMMUNITY BANK FOR THE PURCHASE OF THE NOTE; AND
REPEALING INCONSISTENT RESOLUTIONS**

WHEREAS the Borough of Plymouth, Luzerne County, Pennsylvania, hereinafter called the "Borough", duly organized and subsisting as a political subdivision of the Commonwealth of Pennsylvania, anticipates the receipt of both current taxes and current revenues, yet uncollected, during fiscal year ending December 31, 2022; and

WHEREAS based upon monthly estimates of its expected taxes, revenues and expenditures for the upcoming fiscal year, the Borough anticipates that its cash on hand and certain times during such fiscal year may temporarily be reduced to undesirably low levels; and

WHEREAS the Borough is authorized, pursuant to the Local Governmental Unit Debt Act (the "Debt Act"), as codified by the Act of December 19, 1996, P.L. 1158. No. 177, as amended; to borrow money from time to time in any fiscal year in anticipation of the receipt of current taxes and other revenues and to evidence such borrowing by the issuance and sale of tax and revenue anticipation notes; and

WHEREAS First Keystone Community Bank (the "Purchaser"), has submitted a proposal to purchase the Borough's tax and anticipation note in aggregate principal amount of \$250,000.00; and

WHEREAS the Borough desires by adoption of this Resolution to accept such proposal and authorize issuance and sale of its tax and revenue anticipation note in accordance with the Debt Act,

NOW, THEREFORE, BE IT RESOLVED by the Plymouth Borough Council as follows:

1. Plymouth Borough hereby authorizes the issuance of a Tax and Revenue Anticipation Note, Series 2022 in an aggregate principal amount of TWO HUNDRED FIFTY

THOUSAND (\$250,000.00) DOLLARS, (the "Note"), in anticipation of receipt of current taxes and revenues in the 2022 fiscal year. Said Note shall be sold at a private sale and be under the terms and conditions in Exhibit "A" attached which is a copy of the loan commitment from First Keystone Community Bank.

2. The Note shall be as a registered note, in the denomination of \$250,000.00, shall be dated as in February of 2022 and mature on December 31, 2022, shall bear interest (calculated on the basis of a 360-day year and the actual number of days elapsed) at a fixed rate of interest of 1.00% percent. The Note shall be substantially in the form attached hereto as Exhibit "B" with such changes as the President of Council shall deem appropriate.

3. The principal of and interest on the Note shall be payable at maturity, in lawful money of the United States of America at the office of First Keystone Community Bank, in Berwick, Pennsylvania, which is hereby appointed paying agent and registrar for the Note and sinking fund depository and is hereinafter called "Paying Agent."

4. The Principal of the Note may be prepaid in whole or part, at any time at the option of the Borough prior to maturity without any premium or penalty in accordance with the terms of the Note attached hereto and made a part hereof.

5. The proposal of the Purchaser presented to the Borough Council this day to purchase the Note at a price of par (the "Note Purchase Proposal") is hereby accepted and approved, and the Note is hereby awarded to the Purchaser. In the event the sale is a negotiated sale, the Borough Council hereby finds and determines, based on all information available to Council that a private sale of the Note by negotiation is in the best financial interest of the Borough.

6. Any officer of the Borough is hereby authorized and directed to notify the Purchaser of the Borough's acceptance of the Note Purchase Proposal, attached as Exhibit "A", incorporated herein by reference, to execute such acceptance on a duplicate original thereof, to deliver the same to the Purchaser and to file the original of the Note Purchase Proposal with the records of the Borough.

7. The Note shall be a general obligation of the Borough and shall be equally and ratably secured by the pledge of, security interest in, and a first lien and charge on, the taxes and other revenues to be received by the Borough during the period the Note will be outstanding, together with all proceeds thereof. Such pledge, lien and charge shall be fully perfected as against the Borough, all its creditors and all third parties from and after the filing of appropriate financing statements in accordance with the Uniform Commercial Code and Section 8125 of the Debt Act. The execution and filing of such financing statements are hereby authorized and directed.

8. The Borough hereby establishes a sinking fund for the Note to be held by the Paying Agent in the name of the Borough but subject to withdrawal only by the Paying Agent. The Borough covenants and agrees to deposit in said sinking fund not later than December 31, 2022, the principal of and interest on the Note due on December 31, 2022. The Paying Agent shall without further authorization, withdraw moneys from the sinking fund and apply such moneys to the payment of the principal of and interest on the Note.

9. The President or Vice President of Council is hereby authorized and directed to execute in the name of, on behalf of, and under the seal of, the Borough, the Note in a form and containing the terms above described above, and the Secretary or Assistant Secretary or Treasure of the Borough is hereby authorized and directed to attest to the same. Such officers are hereby authorized and directed to deliver the Note to the Purchaser upon receipt of the proceeds thereof and upon compliance with all conditions precedent to such delivery required by the Debt Act, this Resolution, and the Note Purchase Proposal. Immediately, upon receipt of the purchase price for the Note, the President or Vice President of Council is authorized to make disbursements to pay the financing costs incurred in conjunction with the issuance of the Note.

10. The President and Secretary of the Borough have been authorized and directed to prepare a Certificate as to the Taxes and Revenues to be Collected (the "Certificate"), attached as Exhibit "C" and a calculation of the maximum anticipated cumulative cash flow deficit (the "Cash Flow Calculation Worksheet"), each of which, if prepared and submitted to the Council of Commissioners in accordance with Sections 8122 and 8126 of the Debt Act and in accordance with United States Treasury Regulations, respectively, is hereby approved.

11. It is hereby determined that the aggregate principal amount of the Note does not exceed the lesser of : (i) eighty-five percent(85%) of the sum of the taxes and revenues to be collected or received in the 2022 fiscal year during the period when the Note will be outstanding as estimated by the President and Secretary of the Borough in the Certificate; or (ii) the maximum anticipated cash flow deficit of the Borough for the 2022 fiscal year, as reported by the President and Secretary of the Borough in the Cash Flow Worksheet.

12. The president or Vice President of Council and the Secretary or Assistant Secretary of the Borough are hereby authorized to certify to the Purchaser at the time of delivery of the Note that the amount of the Note to remain outstanding will not exceed the limitations of Section 8122 of the Debt Act. A copy of such certificate shall be retained by the Borough until maturity of the Note.

13. The Borough covenants to comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all requirements regarding the use or investments of the proceeds of the Series Note and the rebate requirements in Section 148(f) of the Code.

14. The Borough hereby represents and warrants, after due investigation and to the best of its knowledge, that (i) the Borough is a governmental unit with general taxing powers; (ii) the Note is not a "private activity bond" within the meaning of Section 141 of the Code; (iii) ninety-five percent (95%) or more of the net proceeds of the Note is to be used for local governmental activities of the Borough (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Borough); and (iv) the aggregate face amount of all tax-exempt obligations (other than "private activity bonds") issued or to be issued by the Borough and all other entities which must be aggregated with it pursuant to the Code during the 2012 calendar year, including the Note is not reasonably expected to exceed \$5,000,000.00. The Borough hereby authorizes the proper officers of the Borough to execute a certificate to that effect at the time of closing. The Borough hereby further represents and warrants, after due investigation and to the best of its knowledge, that (i) the Note is not a "private activity bond" within the meaning of Section 141 of the Code; (ii) the aggregate face amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code (which includes qualified 501(c)(3) bonds but not any other private activity bonds) issued by the Borough and all other entities which must be aggregated with it pursuant to the Code in the 2012 calendar year, including the Note is not reasonably expected to exceed \$10,000,000.00. The Borough hereby designates the Note as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code (relating to the disallowance of the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or carry tax-exempt obligations). The Borough hereby authorizes the proper officers of the Borough to execute a certificate to that effect at the time of closing. Therefore, the Borough expects that only twenty percent (20%) of the interest deduction for indebtedness incurred by the bank, thrift institutions and other financial institutions to purchase or carry the Note will be denied under Sections 265(b)(1) and 291(e)(1)(B) of the Code.

15. The President or Vice President of Council and the Secretary or Assistant Secretary of the Borough are hereby authorized and directed to cause certain documents and proceedings in connection with the authorization, issuance and sale of the Note (including certified copies of this Resolution and the Certificate and a true copy of the Note Purchase Proposal) to be filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania in accordance with Section 8128 of the Debt Act.

16. The Borough hereby warrants to the Purchaser, its successors and assigns, that it has not encumbered or pledged its anticipated tax receipts or other revenues for the 2013 fiscal year and further covenants that, except for outstanding operating expenses incurred for the current fiscal year, for the payment of which the Note is being issued and sold, it will not, as long as the principal of or interest on the Note shall remain unpaid, incur any further obligations against such tax receipts or other revenue ranking prior to or on parity with the Note without the prior written consent of the Purchaser.

17. The proper officers of the Borough are hereby authorized and directed to perform all other actions necessary or desirable for the valid issuance, sale and delivery of the Note

in accordance with the Debt Act, the aforesaid proposal of the Purchaser and the provisions of this Resolution.

18. Inconsistent Actions. All prior resolutions or parts thereof inconsistent herewith are hereby repealed.

19. This Resolution shall be effective immediately upon adoption.

This Resolution approved and duly adopted at an advertised and properly constituted Special Meeting of the Plymouth Borough Council held on January 26, 2022, and recorded in the minutes of Plymouth Borough.

Plymouth Borough

By: _____
Ron Kobusky, President
Plymouth Borough Council

ATTEST:

Gail Burdulis, Secretary

[SEAL]

CERTIFICATION

I, Gail Burdulis, Secretary of Plymouth Borough, hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the majority vote of the aforesaid Local Governmental Unit, at a special meeting duly held on January 26, 2022, at 6:00 O'clock p.m., and that the minutes of said meeting showing how each member voted have been duly recorded in the official minutes of Plymouth Borough.

IN WITNESS WHEREOF, I have hereunto set my hand and seal his 26th day of January 2022.

Gail Burdulis, Secretary

[SEAL]



January 13, 2022

Plymouth Borough
Attn: Ronald Kobusky, Borough President
162 West Shawnee Avenue
Plymouth, PA 18651

Dear Plymouth Borough:

On behalf of First Keystone Community Bank (the "Bank"), I am pleased to offer Plymouth Borough (the "Borrower") a commitment for the following credit accommodations (the "Credit Accommodations"), subject to all the following terms and conditions:

1. Time Loan.

- (a) Maker: Plymouth Borough (the "Borough")
- (b) Credit Amount: \$250,000.00
- (c) Type of Credit: Time Loan [Bank Qualified Tax Exempt]
- (d) Purpose: Fund working capital
- (e) Maturity Date: December 31, 2022
- (f) Interest Rate: 1.00% Tax Free, fixed, for the term of the loan
- (g) Payments: All principal and accrued interest is due on the Maturity Date.

2. Optional Prepayment. The principal amount due on the Note may be prepaid in whole or in part at any time prior to maturity, without any premium or penalty.

3. Collateral. The following shall be given as collateral to secure the performance and payment of all obligations respecting the Credit Accommodations:

The Note shall be a Tax Anticipation Note (TAN). The Borough shall irrevocably pledge its full faith, credit and taxing power of the Borough and a pledge of, security interest in and lien and charge on all taxes to be received during fiscal year end December 31, 2022.

4. Financial Reporting.

(a) Plymouth Borough shall furnish the following financial reports:

| <u>Type of Report(s)</u> | <u>Frequency</u> | <u>Due Date</u> |
|--------------------------------|------------------|------------------------------------|
| Financial Statements - Audited | Annually | 120 days after end of fiscal year. |

In addition, Plymouth Borough shall furnish to the Bank such other reports as shall be required in the loan documents.

5. Fees and Expenses. The Borough shall pay all fees and expenses of its own Borough Solicitor. Whether or not the Credit Accommodations are closed, all costs and expenses incurred by the Bank in connection with the Credit Accommodations, including but not limited to preparation of loan documents and the recording of any lien instruments shall be paid by the Borrower on demand therefor. The Borough shall provide reimbursement of the Bank's legal fees.

Exhibit "A"

6. Loan Documents. Loan documents, including the form of Note embodying the terms hereof and of the accepted commitment letter, shall be prepared by Note Counsel, who shall provide the Bank and its counsel with drafts of all documents for review and approval at least one week prior to loan closing.

7. Closing Documents. As a condition of closing the Borough shall deliver to the "Lender" the following:

- A. An opinion of the Borough Solicitor, substantially to the effect that: 1.) the Borough is duly authorized and empowered under the laws of the Commonwealth to issue the Note evidencing the loan; 2.) the Resolution under which the Note is issued and secured is valid and binding; 3.) the Note is a valid and binding obligation of the Borough and is enforceable in accordance with the terms thereof subject to certain creditors' rights limitations; 4.) all loan documents are enforceable in accordance with their terms and do not violate any legal requirements; and 5.) such other matters as the Bank may request.
- B. A certificate of appropriate officers of the Borough and its Solicitor and an opinion of the Borough Solicitor, substantially to the effect that no litigation of any nature is pending or threatened: 1.) seeking to restrain or enjoin or restraining or enjoining: (a) execution and delivery by the Borough of the documents evidencing and securing the Note; or (b) execution, issuance, delivery or sale of the Note; or 2.) otherwise affecting the ability of the Borough to carry out the terms, provisions, covenants and agreements contained in the Resolution; or 3.) in any manner affecting or questioning proceedings and authority of the Borough for execution, authentication, issuance, delivery or sale of the Note; or 4.) affecting, directly or indirectly, or questioning: (a) the validity of the Note; or (b) the creation, organization and existence of the Borough; 5.) affecting the ability of the Borough to undertake the refinancing of any prior obligations that might be financed with proceeds of the Note.
- C. An opinion of Note Counsel, substantially to the effect that: 1.) the Note is exempt from personal property taxes and that interest on the Note is exempt from the Commonwealth's personal income tax and Corporate Net Income Tax; and 2.) such other matters as the Bank may request.
- D. Copy of IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) at time of settlement, and an IRS-receipted copy within ninety (90) days of settlement.
- E. Such other documents, certificates, loan agreements and instruments as shall be required by the Borough Solicitor, to evidence compliance with, or to comply with, the provisions of the Code, and applicable regulations with respect to the exclusion of interest payable on the Note from gross income for federal income tax purposes.

8. Closing. Closing shall occur at a time and place mutually acceptable to the Borough and the Bank.

9. Additional Requirements for Tax-Exempt Note. The Borough will enter into such covenants as shall be necessary, in the opinion of Note Counsel, to assure compliance by the Borough with the Internal Revenue Code of 1986, as amended (the "Code").

In the Resolution, the Borough will designate the Note as a "**qualified tax-exempt obligation**" under Section 265 (b)(3)(B) of the Code.

Note Counsel will stipulate that the Note has been designated as a "**qualified tax-exempt obligation**" for purposes and effect contemplated by Section 265 of the Internal Revenue Code, and interest on the Note is not includable in gross income for Federal income tax purposes under Section 103(a) of the Code.

10. Indemnification. Borrower agrees to indemnify the Bank and hold it harmless from and against all costs, expenses (including fees and expenses of counsel) and liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Bank is a party thereto) which relate to the proposed transactions, including the financing contemplated hereby or any transactions connected therewith, provided that the Bank will not be indemnified for its gross negligence or willful misconduct.

Borrower's obligations under this paragraph shall survive any termination of the Bank's proposal hereunder and shall be effective regardless of whether definitive loan and collateral documentation is executed or any loans are made respecting the Credit Accommodations.

11. Acceptance of Commitment. This commitment letter must be accepted and returned to the Bank no later than at the close of business on January 27, 2022 (along with any fees due with the acceptance of this letter), and the closing of the Credit Accommodations must occur within 90 days thereafter. The Bank's commitment hereunder will expire in the event the Bank has not received such acceptance and applicable fees, if any, on or before January 27, 2022 or the closing has not occurred within such 90 day period, all in accordance with the prior sentence.
12. Use of Proceeds. No portion of any of the Credit Accommodations is to be used for (i) the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. 221 and 224 or (ii) primarily personal, family or household purposes
13. Supersedes Prior Dealings. This letter supersedes Borrower's application for the Credit Accommodations and any other prior dealings between the Borrower and its agents and the Bank in connection with the Credit Accommodations.
14. Survival of Conditions. The terms, conditions, requirements and obligations of the Borrower and any guarantor set forth herein shall survive and remain in full force and effect after the closing of the Credit Accommodations unless expressly superseded by the loan documents or by written waiver of the Bank.
15. Governing Law. This letter shall be governed by the laws of the Commonwealth of Pennsylvania.
16. Counterparts. This letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement.
17. Additional Terms. This letter does not include all the terms and conditions that will be covered in the Bank's legal documentation for the Credit Accommodations, but it does state the essential business terms of the Bank's proposal. These terms have been approved in reliance on the financial statements, projections, and other information provided by Borrower and any guarantor to the Bank, and are therefore conditional upon there being no material adverse change in the Borrower's (or any guarantor's) financial condition or any adverse change, governmental or judicial action concerning the Borrower's business or assets. In addition, the extension of any financial accommodation by the Bank is subject to the execution of, and compliance with, documentation that is satisfactory to the Bank and its counsel, which shall include additional terms and conditions, including without limitation additional reports, as well as the filing by Bank, in its discretion, of initial financing statements.

If you have any questions or comments on the terms of this letter, please do not hesitate to call me. If the foregoing terms and conditions are acceptable to you, please acknowledge below and return a signed counterpart to this letter on or before the close of business on January 27, 2022 together with all applicable fees, if any. The Bank's commitment hereunder will expire at such time in the event the Bank has not received such acceptance and applicable fees, if any, in accordance with the prior sentence.

Very truly yours,
First Keystone Community Bank

By: _____
Stacia L. Arnaud
Vice President

The above commitment is hereby accepted:

Witness:

Borrower:

Plymouth Borough

By: _____

Name:

Title:

By: _____

Name:

Title:

**TAX AND REVENUE ANTICIPATION NOTE
SERIES 2022**

Issuance Date: February ____, 2022

Maturity Date: December 31, 2022

Interest Rate: 1.00% Principal Amount: \$250,000.00

Plymouth Borough, Luzerne County, Pennsylvania (the "Local Government Unit"), for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay to the Registered Owner hereof, First Keystone Community Bank, 111 W. Front St., Berwick, Pennsylvania the principal sum of Two Hundred Fifty Thousand and 00/100 Dollars, together with interest thereof from the Issuance Date hereof at the stated Interest Rate of 1.00%, per 30/360 day year, on the Maturity Date hereof, December 31, 2022, upon presentation and surrender of this Note at the office of the Local Government Unit, in the coin or currency of the United States of America that is, at the time and place of payment, legal tender for the payment of public and private debts. This Note is subject to prepayment prior to the Maturity Date in accordance with the terms hereof.

This Note is issued under and pursuant to 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 "Debt Act"). The indebtedness evidenced hereby is a borrowing in anticipation of taxes and revenues to be received by the Local Government Unit during the fiscal year ending December 31, 2022 and is to be repaid from such taxes and revenues received by it during said fiscal year. In the event of any default hereunder, the Local Government Unit will pay the Registered Owner's reasonable costs and expenses incurred in collection of the amounts due hereunder. The Local Government Unit hereby pledges and grants to the Registered Owner of this Note, a first lien and charge on, and security interests in, its taxes and revenues to be received during the period when this Note is outstanding (including any period of default) in order to secure the payment of the principal indebtedness evidenced hereby and the interest hereon.

This Note is executed and delivered pursuant to a Note Resolution adopted by the Local Government Unit upon the affirmative vote of at least a majority of the members of its Governing Body at a public meeting duly and held, and after filing with the Department of Community and Economic Development of the Commonwealth of Pennsylvania the documents required by Section 8128 of the Debt Act.

The Local Government Unit has the right to prepay the principal amount due on the note in whole or in part at any time prior to maturity, without any premium or penalty.

If the Local Government Unit fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of the Note within 15 calendar days of the date due and payable, the Local Government Unit also shall pay to the Purchaser a late charge equal to the lesser of five percent (5%) of the amount or \$100.00 (the "Late Charge"). Such fifteen-day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Purchaser's option upon the

occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, the Note shall bear interest at a rate per annum (based on a year of 360 days and actual days elapsed) which shall be equal to the rate stated in the Terms, plus three percent (3%) but not more than the maximum rate allowed by law (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on the Note. Both the late charge and the Default rate are imposed as liquidated damages for the purpose of defraying the Purchaser's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Purchaser's exercise of any rights and remedies there under, or under applicable law, and any fees and expenses of any agents or attorneys which the Purchaser may employ. In addition, the Default Rate reflects the increased credit risk to the Purchaser of carrying a loan that is in default. The Local Government Unit agrees that the Late Charge and Default rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Purchaser, and that the actual harm incurred by the Purchaser cannot be estimated with certainty and without difficulty.

The Note is being purchased on the assumption that interest paid on the Note is excludable from the gross income of the Registered Owner for Federal income tax purposes. If interest on the Note shall be declared by the Internal Revenue Service or an agent thereof to be, or shall otherwise be determined or required to be includable in the income of the Registered Owner for purposes of Federal income taxation, including pursuant to any amendment to the Internal Revenue Code of 1986, as amended, the indebtedness evidenced thereby shall thereafter bear interest at an annual rate (the "Taxable Rate") which shall be the Prime Rate of First Keystone Community Bank, such Taxable Rate to changes as of the dates of changes in the Prime Rate without notice to the Local Government Unit; the Local Government Unit will pay to the Registered Owner on demand the difference between the amount of interest which the Registered Owner would have received in interest at the Taxable Rate if the indebtedness evidenced by the Note had borne interest at the Taxable Rate during the entire period that interest on the Note is so declared, determined or required to be taxable, together with such penalties and interest, if any, due and payable because of non-payment of Federal income taxation less interest paid at the rate stated in the Terms of Proposal notwithstanding that the indebtedness evidenced by this Note may have been paid in full prior to such declaration or determination. In the event of any such declaration or determination, the Registered Owner shall promptly give written notice of the same to the Local Government Unit who shall have the privilege of contesting such declaration or determination in the name of the Registered Owner by any available administrative or judicial proceedings, provided that it does so at its own expense and pays all costs, interest and/or penalties resulting therefrom. In the event that any such declaration or determination is reversed pursuant to the entry of a final determination, order, ruling or decree, all amounts theretofore paid to the Registered Owner in excess of the rate stated in the Terms of Proposal shall be promptly refunded to the Local Government Unit and the rate of interest shall revert to the rate stated in the Terms of Proposal.

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 Local Government Unit and the Purchaser; or
- (c) Any representation or warranty made by the Local Governmental unit that is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the Local Government Unit pursuant to the Resolution that 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 Local Government Unit shall fail or refuse to comply with any provisions of the Local Government Unit Debt Act, or shall for any reason be rendered incapable of fulfilling its obligations under the Note or there under; or
- (e) The Local Government Unit shall become insolvent or shall be unable to pay its debts as they mature, or the Local Government Unit 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 Local Government Unit) or shall apply for or consent to or suffer the appointment of a receiver or trustee for the Local Government Unit 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 Local Government Unit 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 Local Government Unit, or an order shall be entered at either the state court level enjoining or preventing the Local Government Unit 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 Purchaser by the Local Government Unit.

Upon the occurrence of an Event of Default specified in clause (e) or (f) above, the outstanding principal balance and accrued interest under the Note, together with any additional amounts payable there under shall be immediately due and payable without demand and without notice of any kind, at Purchaser's option. Further, at the Purchaser's option, the Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default, and the Purchaser may exercise from time to time any of the rights and remedies available under the Resolution or under applicable law.

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 Local Government Unit, as such, either directly or through the Local Government Unit, 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.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the repayment obligation represented by this Note is not in excess of any constitutional or statutory limitation.

This Note is a Qualified Tax-Exempt Obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This tax and revenue anticipation note is executed and delivered pursuant to a resolution by the Local Governmental Unit upon the affirmative vote of at least a majority of its members at a special meeting held on January 26, 2022 and after filing with the Department of Economic Development of the Commonwealth of Pennsylvania the documents required by Section 8128 of the Local Governmental Unit Debt Act.

IN WITNESS WHEREOF, the Local Government Unit has caused this Note to be signed in its name by its President of the Governing Body and its corporate seal to be hereunto affixed, or a facsimile thereof to be printed hereon, duly attested by the Secretary, all as of the date set forth above.

ATTEST:

PLYMOUTH BOROUGH

Gail Burdulis, Borough Secretary

By _____
Ron Kobusky, President of Council

[SEAL]

EXHIBIT "B"

CERTIFICATE OF TAXES AND REVENUES TO BE COLLECTED

Pursuant to Section 8126 of the Local Government Unit Debt Act, the executive officers of Plymouth Borough, LUZERNE County, Pennsylvania (hereinafter the "Local Government Unit") hereby certify that:

1. The undersigned have carefully estimated that the following amounts of moneys will be received from taxes presently levied and assessed, and other revenues to be received (including subsidies and reimbursements) during the following months in the fiscal year ending December 2022. (NOTE: Use only months during which the note will be outstanding)

| DATE | AMOUNT |
|------|--------|
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| | |

TOTAL: \$ _____

COPY ORIGINAL THAT YOU DO DO NOT MARK ORIGINAL AS EXHIBIT "C" ONLY COPY

2. In making the foregoing estimate, the undersigned have considered the past and

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Exhibit "C"

anticipated collection experience of the Local Government Unit and current economic conditions.

3. 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.

IN WITNESS WHEREOF, the undersigned have set their hands this _____ day of January, 2022.

Executive Officer

RON KOBUSKY, President of Council

Secretary

GAIL BONDULIS