

CITY OF PITTSTON  
LUZERNE COUNTY, PENNSYLVANIA

ORDINANCE

FILE OF COUNCIL NO. 1 OF 2024

AN ORDINANCE OF THE COUNCIL OF THE CITY OF PITTSTON, LUZERNE COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE A GENERAL OBLIGATION NOTE IN THE MAXIMUM PRINCIPAL AMOUNT OF ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, 53 PA.C.S. CHAPTERS 80-82, AS AMENDED, REENACTED AND SUPPLEMENTED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTEREST OF THE CITY; DETERMINING THAT SUCH NOTE SHALL EVIDENCE NONELECTORAL DEBT OF THE CITY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS TO FINANCE A PROJECT OF THE CITY CONSISTING OF ALL OR ANY OF THE FOLLOWING: (1) THE ACQUISITION OF REAL PROPERTY BY THE CITY; (2) THE DESIGN, ACQUISITION, CONSTRUCTION, RENOVATION, IMPROVEMENT, AND INSTALLATION, FURNISHING AND EQUIPPING OF IMPROVEMENTS AND/OR ADDITIONS TO THE CITY'S FACILITIES AND PROPERTIES; (3) ADDITIONAL CAPITAL PROJECTS OF THE CITY TO THE EXTENT APPROVED BY THE COUNCIL OF THE CITY; AND (4) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE NOTE; SETTING FORTH THE REASONABLE ESTIMATED USEFUL LIVES OF THE CAPITAL PROJECTS TO BE FINANCED BY THE NOTE; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH NOTE AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH NOTE, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE CITY; FIXING THE DENOMINATION, DATED DATE, INTEREST PAYMENT DATES, INTEREST RATES, REDEMPTION PROVISIONS AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE; AUTHORIZING SPECIFIED OFFICERS OF THE CITY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE NOTE; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTE EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTE; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTE TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTE, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH NOTE WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH NOTE; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY (IF

APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE PROJECT; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE CITY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE NOTE, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH NOTE, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE CITY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE CITY TO DELIVER THE NOTE UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE CITY FROM TAKING ACTIONS WHICH WOULD CAUSE THE NOTE TO BECOME AN "ARBITRAGE BOND" OR A PRIVATE ACTIVITY BOND" AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; DESIGNATING THE NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" UNDER SECTION 265(b) OF THE CODE; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HEREWITH.

WHEREAS, the City of Pittston, Luzerne County, Pennsylvania (the "City"), is a home rule charter city operating under the Home Rule Charter and Optional Plans Law of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, it is necessary that the indebtedness of the City be increased for the purposes of providing funds to finance all or any of the following: (1) the acquisition of real property by the City; (2) the design, acquisition, construction, renovation, improvement, and installation, furnishing and equipping of improvements and/or additions to the City's facilities and properties; (3) additional capital projects of the City to the extent approved by the Council of the City; and (4) paying the costs and expenses of issuance of the hereinafter-defined Note (the "Project"); and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the City, pursuant to constitutional and statutory authority, to be exceeded; and

WHEREAS, the Note will be issued pursuant to the Act of the General Assembly of the Commonwealth of Pennsylvania, 53 P.a.C.S., Chapters 80-82, as amended, reenacted and supplemented, and known as the Local Government Unit Debt Act (the "Act"); and

WHEREAS, to finance the costs of the Project, FNCB Bank (the "Purchaser") has determined to make a loan to the City in the maximum principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000) and has issued its Proposal, dated December 20, 2023, to the City for the financing of the costs of the Project (the " Proposal"); and

WHEREAS, the City desires to formally approve the Project, to accept the Proposal, to authorize the incurrence of nonelectoral debt under the Act, and to authorize the execution and delivery of the Proposal.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Pittston, Luzerne County, Pennsylvania (the "Council"), and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. The maximum principal amount of the General Obligation Note, Series of 2024 (the "Note") of the City proposed to be issued is One Million Eight Hundred Thousand Dollars (\$1,800,000), same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. The City hereby approves the Project to be undertaken consisting of providing funds for financing all or any of the following: (1) the acquisition of real property by the City; (2) the design, acquisition, construction, renovation, improvement, and installation, furnishing and equipping of improvements and/or additions to the City's facilities and properties; (3) additional capital projects of the City to the extent approved by the Council of the City; and (4) paying the costs and expenses of issuance of the Note.

The City hereby finds and certifies that realistic cost estimates have been obtained for the costs of the Project from financial analysts, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

It is hereby determined and declared that the realistic estimated useful life of the capital projects to be financed by the proceeds of Note is at least 40 years.

It is hereby certified that a principal amount of the Note at least equal to the realistic estimated cost of such capital project shall mature prior to the end of the useful life of such project.

Stated installments or maturities of principal of the Note will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project, if any, or two years from the date of issuance of the Note.

SECTION 3. Said indebtedness shall be evidenced by a general obligation note in the maximum principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act, at a rate of interest as set forth in the Proposal, payable on the unpaid balance of said Note during the term of said Note. The Note shall mature in maximum installments of principal and interest as shown on the attached schedule hereinafter

referred to as Exhibit A.

The City reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payment dates thereof, in accordance with the limitations as specified in the Proposal, if any.

The principal and interest of said Note shall be payable at the office of the sinking fund depositary selected for the Note as hereinafter provided.

SECTION 4. The Note is hereby declared to be a general obligation of the City.

SECTION 5. The City hereby covenants that it shall include the amount of debt service on the Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts from its general revenues for the payment of such debt service; and shall duly and punctually pay or cause to be paid from its general revenues the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

The maximum amounts which the City hereby covenants to pay in each of the fiscal years that the Note is outstanding on the basis of a tax-exempt fixed interest rate as specified in the Proposal are shown on Exhibit A attached hereto.

SECTION 6. In accordance with the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), the City hereby finds, determines and designates the Note as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code, for the purposes of such Section 265(b) of the Code. The City determines that it and all entities with which it is aggregated under Section 265(b)(3)(E) of the Code have not issued, and do not reasonably expect to issue, tax-exempt obligations which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the calendar year 2024. The City also determines that it will not engage in any action or inaction which will or may cause the Note to fail or cease to constitute a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

SECTION 7. The City covenants to and with the registered owners of the Note that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Note, would cause such Note to be an "arbitrage bond" or a "private activity bond" as those terms are defined in Section 148 and Section 141 of the Code and the applicable regulations thereunder. The City further covenants that it will comply with the requirements of such Section 148 and Section 141 and with the regulations thereunder throughout the term of this issue. In addition, the Mayor or Deputy Mayor of the City, being the official(s) responsible for issuing the Note, attested by the City Administrator or Assistant City Administrator of the City, are hereby authorized and directed to execute and deliver, in the name and on behalf of the City, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing

of its opinion that the Note is not an "arbitrage bond" or a "private activity bond" within the meaning of Section 148 and Section 141 of the Code and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the Note, which certificate shall set forth the reasonable expectations of the City as to the amount and use of the proceeds of the Note.

SECTION 8. The form of the Note shall be substantially as shown on the attached Exhibit B.

SECTION 9. The Note shall be executed in the name and under the seal of the City by the Mayor and the Controller of the City and attested to by the City Administrator of the City in substantially the forms attached hereto together with such changes, modifications, insertions and deletions, including the appropriate designation of the year such Note is issued, as such officers, with the advice of counsel, deem necessary and appropriate; its execution and delivery thereof shall be conclusive evidence of the approval and authorization by the City of the final terms of the Note. The City Administrator, Controller, Treasurer or other proper official of the City is hereby authorized and directed to deliver the Note to the Purchaser and receive payment therefor on behalf of the City. The Mayor or Deputy Mayor of the City or the City Administrator or Assistant City Administrator of the City are each, both severally and jointly, authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act, and to take other necessary action, including, if necessary or desirable, the filing, either before or after the issuance of the Note, additional debt statements or any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 10. FNCB Bank, Dunmore, Pennsylvania, or such other paying agent which shall be a bank or bank and trust company authorized to do business in the Commonwealth, as may be selected by the Mayor of the City, is hereby designated as the Sinking Fund Depository for the obligations herein authorized, and there is hereby created and established (i) a sinking fund to be known as the "City of Pittston, Luzerne County, Pennsylvania, Sinking Fund - General Obligation Note, Series of 2024 ( the "Sinking Fund") for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The City Administrator, Controller, Treasurer, or other appropriate officer of the City shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment and interest on the obligations no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the City withdraw available monies from the Sinking Fund and apply said monies to payment of the principal of and interest on the Note.

SECTION 11. The Mayor or Deputy Mayor of the City is hereby authorized to contract with FNCB Bank, Dunmore, Pennsylvania, or such other paying agent which shall be a bank or bank and trust company authorized to do business in the Commonwealth, as may be selected by the Mayor or Deputy Mayor of the City, for its services as Sinking Fund Depository for the Note and Paying Agent for the same (the "Paying Agent").

SECTION 12. In compliance with Section 8161 of the Act, the Council has determined that a private sale by negotiation, rather than public sale, is in the best financial interest of the City. The Proposal is hereby accepted and the Note in the maximum principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), herein authorized to be issued and sold, is hereby awarded and sold to the Purchaser in accordance with its commitment to purchase the said Note at par provided the said Note is dated the date of delivery thereof to the Purchaser and is in substantially the form set forth in Exhibit B to this Ordinance with such changes as may be approved by the officers of the City executing such Note; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act. A copy of the Proposal shall be attached hereto as Exhibit C. The Proposal shall be lodged with the official minutes of this meeting and is hereby incorporated herein by reference.

SECTION 13. If necessary, the City hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "Investments") for investment of the proceeds of the Note in connection with the Project. The City hereby authorizes and directs the Mayor or Deputy Mayor of the City to execute and the City Administrator or Assistant City Administrator of the City to attest any investment agreement on behalf of the City, in the form approved by the Solicitor and Bond Counsel to the City. The Investments shall be limited to those authorized under law for proceeds of the Note.

SECTION 14. The proper officers of the City are hereby authorized, jointly and severally, to do any and all other things necessary to effectuate the issuance, execution, delivery and sale of the Note and the financing of the Project, including the execution and delivery of any and all additional documents, representations, declarations, loan agreements, reimbursement agreements, security agreements, remarketing agreements, promissory notes, intercreditor agreements, derivative and/or interest rate management agreements, derivative and/or interest rate management termination agreements, escrow agreements, assignments, financing statements, certificates, authorizations, contracts, agreements, insurance binders and other papers as may be necessary to effectuate any of the foregoing, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by the City.

SECTION 15. All expenses incurred in connection with issuance of the Note shall be paid out of the proceeds derived from the issuance of the Note and the Mayor or Deputy Mayor of the City is authorized to approve requests for payment of such expenses and to pay such expenses.

SECTION 16. The City hereby appoints and engages Stevens & Lee, P.C., to act as Bond Counsel to the City in connection with the issuance of the Note and to facilitate the intent of this Ordinance. The Mayor or Administrator of the City are hereby each, both severally and jointly, authorized and directed to execute and to deliver an engagement letter with Stevens & Lee, P.C., and the execution and delivery of such agreement shall constitute conclusive evidence of the authorization and approval thereof by the City.

SECTION 17. The action of the proper officers and the advertising of a summary

of this Ordinance as required by law in a newspaper of general circulation in the City is ratified and confirmed. The advertisement of enactment in said newspaper is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 18. The proper officers of the City are hereby authorized to execute and deliver such other documents and to take such other action as may be necessary or proper to effect the completion of the financing or the intent and purposes of this Ordinance.

SECTION 19. All expenses incurred in connection with issuance of the Note shall be paid out of the proceeds derived from the issuance of the Note and the Mayor or Deputy Mayor of the City is authorized to approve requests for payment of such expenses and to pay such expenses.

SECTION 20. 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 the City that the remainder of this Ordinance shall remain in full force and effect.

SECTION 21. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

SECTION 22. This Ordinance shall be effective in accordance with Section 8003 of the Act.

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ORDAINED AND ENACTED THIS 2ND DAY OF JANUARY, 2024.

CITY OF PITTSTON  
Luzerne County, Pennsylvania

By: \_\_\_\_\_  
Mayor

(SEAL)

Attest:

\_\_\_\_\_  
City Administrator



EXHIBIT A TO ORDINANCE

Amortization Schedule

Compound Period ..... : Exact Days

Nominal Annual Rate .... : 6.520 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	01/30/2024	1,800,000.00	1		
2 Payment	02/29/2024	Interest Only	24	Monthly	01/31/2026
3 Payment	02/28/2026	55,248.11	36	Monthly	01/31/2029

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	01/30/2024				1,800,000.00
1	02/29/2024	9,780.00	9,780.00	0.00	1,800,000.00
2	03/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
3	04/30/2024	9,780.00	9,780.00	0.00	1,800,000.00
4	05/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
5	06/30/2024	9,780.00	9,780.00	0.00	1,800,000.00
6	07/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
7	08/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
8	09/30/2024	9,780.00	9,780.00	0.00	1,800,000.00
9	10/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
10	11/30/2024	9,780.00	9,780.00	0.00	1,800,000.00
11	12/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
2024 Totals		109,536.00	109,536.00	0.00	
12	01/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
13	02/28/2025	9,128.00	9,128.00	0.00	1,800,000.00
14	03/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
15	04/30/2025	9,780.00	9,780.00	0.00	1,800,000.00
16	05/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
17	06/30/2025	9,780.00	9,780.00	0.00	1,800,000.00
18	07/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
19	08/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
20	09/30/2025	9,780.00	9,780.00	0.00	1,800,000.00
21	10/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
22	11/30/2025	9,780.00	9,780.00	0.00	1,800,000.00
23	12/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
2025 Totals		118,990.00	118,990.00	0.00	
24	01/31/2026	10,106.00	10,106.00	0.00	1,800,000.00
25	02/28/2026	55,248.11	9,128.00	46,120.11	1,753,879.89
26	03/31/2026	55,248.11	9,847.06	45,401.05	1,708,478.84
27	04/30/2026	55,248.11	9,282.74	45,965.37	1,662,513.47
28	05/31/2026	55,248.11	9,334.09	45,914.02	1,616,599.45
29	06/30/2026	55,248.11	8,783.52	46,464.59	1,570,134.86
30	07/31/2026	55,248.11	8,815.43	46,432.68	1,523,702.18
31	08/31/2026	55,248.11	8,554.74	46,693.37	1,477,008.81
32	09/30/2026	55,248.11	8,025.08	47,223.03	1,429,785.78

	Date	Payment	Interest	Principal	Balance
	33 10/31/2026	55,248.11	8,027.45	47,220.66	1,382,565.12
	34 11/30/2026	55,248.11	7,511.94	47,736.17	1,334,828.95
	35 12/31/2026	55,248.11	7,494.32	47,753.79	1,287,075.16
	2026 Totals	617,835.21	104,910.37	512,924.84	
	36 01/31/2027	55,248.11	7,226.21	48,021.90	1,239,053.26
	37 02/28/2027	55,248.11	6,283.38	48,964.73	1,190,088.53
	38 03/31/2027	55,248.11	6,681.69	48,566.42	1,141,522.11
	39 04/30/2027	55,248.11	6,202.27	49,045.84	1,092,476.27
	40 05/31/2027	55,248.11	6,133.65	49,114.46	1,043,361.81
	41 06/30/2027	55,248.11	5,668.93	49,579.18	993,782.63
	42 07/31/2027	55,248.11	5,579.54	49,668.57	944,114.06
	43 08/31/2027	55,248.11	5,300.68	49,947.43	894,166.63
	44 09/30/2027	55,248.11	4,858.31	50,389.80	843,776.83
	45 10/31/2027	55,248.11	4,737.34	50,510.77	793,266.06
	46 11/30/2027	55,248.11	4,310.08	50,938.03	742,328.03
	47 12/31/2027	55,248.11	4,167.76	51,080.35	691,247.68
	2027 Totals	662,977.32	67,149.84	595,827.48	
	48 01/31/2028	55,248.11	3,880.97	51,367.14	639,880.54
	49 02/29/2028	55,248.11	3,360.79	51,887.32	587,993.22
	50 03/31/2028	55,248.11	3,301.26	51,946.85	536,046.37
	51 04/30/2028	55,248.11	2,912.52	52,335.59	483,710.78
	52 05/31/2028	55,248.11	2,715.77	52,532.34	431,178.44
	53 06/30/2028	55,248.11	2,342.74	52,905.37	378,273.07
	54 07/31/2028	55,248.11	2,123.79	53,124.32	325,148.75
	55 08/31/2028	55,248.11	1,825.53	53,422.58	271,726.17
	56 09/30/2028	55,248.11	1,476.38	53,771.73	217,954.44
	57 10/31/2028	55,248.11	1,223.69	54,024.42	163,930.02
	58 11/30/2028	55,248.11	890.69	54,357.42	109,572.60
	59 12/31/2028	55,248.11	615.19	54,632.92	54,939.68
	2028 Totals	662,977.32	26,669.32	636,308.00	
	60 01/31/2029	55,248.11	308.43	54,939.68	0.00
	2029 Totals	55,248.11	308.43	54,939.68	
	Grand Totals	2,227,563.96	427,563.96	1,800,000.00	

Last interest amount decreased by 0.03 due to rounding.

EXHIBIT B TO ORDINANCE

Form of the Note

CITY OF PITTSTON  
LUZERNE COUNTY, PENNSYLVANIA

GENERAL OBLIGATION NOTE  
SERIES OF 2024

\$1,800,000

Dated: January 30, 2024

KNOW ALL MEN BY THESE PRESENTS, that the City of Pittston, Luzerne County, Pennsylvania (the "City"), a city existing by and under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself indebted and promises to pay to the order of FNCB Bank (the "Bank" or "Purchaser"), at 100 South Blakely Street, Dunmore, Pennsylvania 18512, or at such other place as the Bank, from time to time, may designate in writing, the principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), in lawful money of the United States of America, together with interest at the annual rate of interest specified and computed in accordance with the purchase proposal from the Bank to the City (the "Proposal"), payable on the unpaid principal balance of this Note. A copy of such Proposal is attached hereto as Exhibit "A", the terms and conditions of which are binding upon the City and are incorporated herein by reference.

This Note shall bear interest from the date of issuance at the annual rate of interest specified and computed in accordance with the Proposal, payable on the unpaid principal balance of this Note during the term of this Note.

Monthly payments of interest only are due on the last day of each month commencing on February 29, 2024, and continuing through and including January 31, 2026, as shown on Exhibit "B" attached hereto and made a part hereof at the annual interest rate as specified on Exhibit "B". Commencing on February 28, 2026, and continuing on the last day of each month thereafter to and including January 31, 2029, payments of principal of and interest on this Note are payable as shown on the attached Exhibit "B". Interest on this Note shall be computed on the basis of a 360-day year for the actual number of days elapsed (365 or 366/360, as the case may be).

On January 31, 2029, all principal, accrued, unpaid interest and other amounts evidenced by this Note shall be due and payable in full, without notice or demand.

Upon any taxing authority's final decree or judgment that: (i) this Note is an arbitrage bond; or (ii) the interest on this Note is not excluded from gross income of the Bank for purposes of federal income taxation, the interest rate on this Note shall be reset to the Bank's taxable equivalent rate (the "Taxable Rate") as determined by the Bank, effective as of the date of the taxing authority's final decree or judgment. The City shall pay the Bank the difference between (i) the interest that would have been paid on this Note had the interest been set at the Taxable Rate as of the date of the taxing authority's final decree or judgment; and (ii) the interest actually paid under this Note. In addition, the City shall pay all taxes, interest, and penalties assessed to the Bank by any taxing authority with respect to this Note's tax status.

The City shall pay to the Bank a late charge for any payment of principal and/or interest not received by the Bank within fifteen (15) days of the due date in an amount equal to five percent (5.00%) of the amount of the delinquent installment of principal and/or interest or \$100.00, whichever is less. The delinquency charge shall be paid promptly but only once for each delinquent payment.

Upon the occurrence of an Event of Default (as described herein), the City shall pay interest on the unpaid principal balance of this Note at the Default Rate.

For purposes hereof, the following terms shall have the following meanings:

“Default” means any Event of Default, and any event which with the passage of time or notice, or both, would become an Event of Default.

“Default Rate” means a rate per annum equal to the interest rate as then in effect on this Note plus 5.000%.

“Event of Default” shall have the meaning set forth herein under the heading “Events of Default”.

If the due date for payment of interest on or principal of this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to close with the same force and effect as if made on the due date for payment of principal or interest.

Both principal and interest are payable in such coin or currency as on the respective date of payment thereof and shall be legal tender for the payment of public and private debts, at the office of the Bank located at 100 South Blakely Street, Dunmore, Pennsylvania 18512.

This General Obligation Note, Series of 2024 (the "Note") is issued under and pursuant to provisions of the Ordinance enacted by the Council of the City (the "Council") on January 2, 2024 (the "Ordinance"). This Note is authorized to be issued under the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act"), without the assent of electors, and pursuant to the Ordinance. This Note shall be issued in the principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000) and is subject to provisions and is entitled to the benefit of provisions of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

The City has covenanted in the Ordinance, to and with the registered owner(s) hereof, that it (i) shall include the amount of the debt service for this Note, for each fiscal year of the City in which such amounts are payable, in its budget for that fiscal year, (ii) that it shall appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year, and (iii) that it 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 amount of this Note and the interest due thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof and for such budgeting, appropriation and payment the City has pledged, irrevocably, its full faith, credit and taxing power.

In the Ordinance, the City has covenanted to and with registered owners of this Note that it will make no use of the proceeds of this Note, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of this Note, would cause this Note to be an "arbitrage bond" or a "private activity bond" as such terms are defined in Section 148 and 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder. The City has further covenanted that it will comply with the requirements of such Section 148 and 141 and with the regulations thereunder throughout the term of this Note.

This Note has been designated in the Ordinance by the City as a "qualified tax-exempt obligation," within the meaning of Section 265(b)(3) of the Code.

The City shall have the option of prepaying the unpaid principal balance of this Note to the Bank in advance of the maturity date hereof, in whole or in part, at any time without penalty.

Any partial prepayment of principal shall be applied in such order of maturity as selected by the City and shall be accompanied by written instructions as to which installment or installments that the prepayment is to be applied.

This Note does not pledge the credit or taxing power of the Commonwealth; nor shall this Note be deemed an obligation of the Commonwealth; nor shall the Commonwealth be liable for payment of the principal of or interest on this Note.

Financial Reporting Requirements. The City agrees to provide to the Bank, (i) not later than 270 days after the end of each fiscal year of the City, audited financial statements of the City accompanied by a report of an independent certified public accountants, (ii) within thirty (30) days of adoption thereof, a copy of the City's annual operating budget, and (iii) any other financial information or operating reports as reasonably requested by the Bank.

Events of Default. Any of the following events shall constitute an "Event of Default" under this Note:

- (a) the nonpayment of any amount payable under this Note or of any amount owed to the Bank with regard to this Note within five (5) days after the same becomes due, or the failure of the City to observe or perform, after thirty (30) days written notice, any agreement of any nature whatsoever with the Bank, including but not limited to, those contained in the documents executed in connection with the issuance of this Note; provided that such thirty (30) day notice period shall not apply to events which, in the Bank's reasonable judgment, are not capable of being cured within thirty (30) days and the notice so provides;



(b) if the City becomes insolvent or makes an assignment for the benefit of creditors, or if any petition is filed against the City under any provision of any state or federal law or statute alleging that the City is insolvent or unable to pay its debts as they mature or under any provision of the Federal Bankruptcy Code, and the failure to cause the same to be discharged within ninety (90) days, or the City voluntarily files any petition for such purpose;

(c) if any information or signature furnished to the Bank by the City at any time in connection with this Note is false or incorrect;

(d) the failure of the City to furnish timely to the Bank such financial and other information required under the Financial Reporting Requirements paragraph of this Note;

(e) the City defaults in the payment of any amounts due under any other bond, note, contract, lease or obligation to the Bank; or

(f) the entry of any judgement in excess of \$500,000 against the City or any property of the City which remains unsatisfied for forty-five (45) days.

#### Remedies.

(a) At any time after occurrence of an Event of Default, the Bank may, at the Bank's option and sole discretion and without notice or demand, exercise any right or remedy as may be provided in this Note, the Ordinance, any other writing delivered with this Note or which is provided at law or in equity.

(b) The interest rate on the unpaid principal balance of this Note shall accrue at the Default Rate from the date on which an Event of Default occurs until the date on which all defaults are cured or the entire unpaid principal balance and all other sums due under this Note are actually received by the Bank, and any judgement entered hereon or otherwise in connection with any suit to collect amounts hereunder shall bear interest at the Default Rate.

No Acceleration. This Note shall not be subject to acceleration prior to its stated maturity date upon the occurrence of an Event of Default.

In any action under this Note, the Bank may recover all reasonable costs of suit and other expenses in connection with the action, including the cost of any attorneys' fees, paid or incurred by the Bank.

The rights and remedies provided to the Bank in this Note and in the Ordinance, (a) are not exclusive and are in addition to any other rights and remedies that the Bank may have at law or in equity, (b) shall be cumulative and concurrent, (c) may be pursued singly, successively or together against the City, and/or any of the security at the sole discretion of the Bank, and (d) may be exercised as often as occasion therefor shall arise. The failure to exercise

or delay in exercising any such right or remedy shall not be construed as a waiver or release thereof.

The Bank shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Bank. Such a written waiver signed by the Bank shall waive the Bank's rights and remedies only to the extent specifically stated in such written waiver. A waiver as to one or more particular events of defaults shall not be construed as continuing or as a bar to or waiver of any right or remedy as to another or subsequent event or default.

The Bank shall have the right to exercise the remedies set forth in the Act. Any failure by the Bank to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the City or of any successor body, as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Note.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the City to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the City are within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the City has established with the Paying Agent, as sinking fund depository, a sinking fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

The City hereby acknowledges and agrees that the Purchaser reserves the absolute right to assign all or any of its interest in this Note or to participate with other lenders in this Note on such terms and at such times as the Purchaser may determine from time to time, all without any consent thereto or notice thereof by or to the City. The Purchaser may disclose all financial, business and other information about the City which the Purchaser may possess at any time to all prospective and actual assignees and participants.

*[The remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, the City of Pittston, Luzerne County, Pennsylvania, has caused this Note to be properly executed by its Mayor and its City Controller and its corporate seal to be hereto affixed, attested to by the City Administrator this 30th day of January, 2024.

CITY OF PITTSTON  
Luzerne County, Pennsylvania

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
City Controller

Attest:  
  
\_\_\_\_\_  
City Administrator

(SEAL)

EXHIBIT A TO NOTE

Proposal



100 South Blakely Street  
Dunmore, PA 18512  
1.877.879.3622 | fncb.com | Member FDIC |

December 20, 2023

City of Pittston  
35 Broad Street  
Pittston, PA 18640

**RE: \$1,800,000.00 General Obligation Note**

To Whom It May Concern:

Enclosed please find a Term Sheet outlining the specific terms and conditions for a General Obligation Note not to exceed \$1,800,000.00. The following list of items is a brief description of the principal terms and conditions of the suggested credit facility. The Bank may require additional items as deemed necessary.

**TERMS:**

**Borrower:** City of Pittston

**Amount:** General Obligation Note not to exceed \$1,800,000.00

**Purpose:** Proceeds shall be used to purchase real estate located at 401 Kennedy Blvd., Pittston, Pennsylvania and for the construction of a public parking facility.

**Term:** Five (5) Years.

**Rate:** 6.52% Tax-Exempt, fixed.

**Repayment:** Monthly interest payments for the first two (2) years with level debt service for years 3-5.

**Interest:** Interest shall be computed on the basis of a year consisting of 360 days and paid for the actual days elapsed.

**Security:** The Note will be a general obligation of the City, payable from its tax and other general revenues. The City will covenant in a debt authorizing ordinance that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Note for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, or any other of its revenues or funds, the principal of the

Note and the interest thereon at the dates and place and in the manner stated in the Note, and for such budgeting, appropriation and payment the City will irrevocably pledge its full faith, credit and available taxing power.

**Prepayment Penalty:** Borrower shall have the privilege, at any time, to prepay the unpaid principal, in whole in or in part, without penalty or premium.

**Fee(s):** The Borrower shall pay a loan origination fee of \$15,000.00.

Any additional fees and expenses relating to the issuance of the Note, including expenses of Bank's counsel and preparation of loan documentation shall be the responsibility of the Borrower. Any expenses of the Borrower's Solicitor in connection of the issuance of this transaction and all proceedings shall also be the responsibility of the Borrower.

**CONDITIONS:**

- Receipt of a fully executed Agreement of Sale for the real estate located at 401 Kennedy Blvd., Pittston, PA, prior to closing.
- Annual receipt of approved budget for City of Pittston.
- Annual receipt of Audited Financial Statements for City of Pittston.
- Written acknowledgement from DCED confirming FNCB Bank is still eligible to make the contribution for the project and apply for the NAP tax credits through FYE 12/31/2023.
- An unqualified opinion of the City's solicitor acceptable to the Bank, as to the delivery of the Note and the regularity of the proceedings regarding the issuance thereof, the tax-free status of the Note and opinion that the issuance of the Note is in compliance with all local, state and federal laws and regulation.
- The City shall have duly adopted an Ordinance authorizing the issuance of the Note to the Bank and the Bank shall receive a copy of the Ordinance duly certified by authorized officials of the City
- Evidence that the proceedings have been approved by and are filed in accordance with the Local Government Unit Debt Act (LGUDA) as administered by Department of Community and Economic Development (DCED); and

- Such other closing affidavits, certificates and documents as the Bank or its counsel may reasonably request.
- If Bank incurs fees associated with the transaction after the execution of this document and Borrower does not close the transaction at FNCB Bank, Borrower will be responsible for all costs incurred by Bank in connection with the borrowing.
- Such other conditions and covenants as are deemed necessary by The Bank and Bank's Counsel.

**OTHER REQUIREMENTS:**

All documents required herein, shall be satisfactory in form and content, and acceptable to the Bank.

All items required to be furnished, shall be furnished without cost to the Bank. Borrowers will reimburse Bank for all out-of-pocket expenses incurred in connection with the loan.

**ACCEPTANCE:**

Provided that the foregoing is acceptable to Borrower, this Term Sheet may be accepted by signing copies enclosed in the manner indicated below, and by returning such copies to the Bank on or before January 12<sup>th</sup>, as evidence of the agreement between the Bank and Borrower. This loan must close on or before January 31, 2024.

Please call me at your earliest convenience to discuss the terms and conditions as outlined herein. We can be reached at [Karen.Smith@fncb.com](mailto:Karen.Smith@fncb.com) or 570-602-8611.

Sincerely,  
**FNCB BANK**

*Karen M. Smith*

Karen M. Smith  
Senior Vice President

KMS / has

{Acceptance signature page follows}

**ACCEPTANCE**

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**BORROWER'S ACCEPTANCE**

City of Pittston

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name:  
Title:



EXHIBIT B TO NOTE

Amortization Schedule

Compound Period ..... : Exact Days

Nominal Annual Rate .... : 6.520 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	01/30/2024	1,800,000.00	1		
2 Payment	02/29/2024	Interest Only	24	Monthly	01/31/2026
3 Payment	02/28/2026	55,248.11	36	Monthly	01/31/2029

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	01/30/2024				1,800,000.00
1	02/29/2024	9,780.00	9,780.00	0.00	1,800,000.00
2	03/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
3	04/30/2024	9,780.00	9,780.00	0.00	1,800,000.00
4	05/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
5	06/30/2024	9,780.00	9,780.00	0.00	1,800,000.00
6	07/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
7	08/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
8	09/30/2024	9,780.00	9,780.00	0.00	1,800,000.00
9	10/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
10	11/30/2024	9,780.00	9,780.00	0.00	1,800,000.00
11	12/31/2024	10,106.00	10,106.00	0.00	1,800,000.00
2024 Totals		109,536.00	109,536.00	0.00	
12	01/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
13	02/28/2025	9,128.00	9,128.00	0.00	1,800,000.00
14	03/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
15	04/30/2025	9,780.00	9,780.00	0.00	1,800,000.00
16	05/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
17	06/30/2025	9,780.00	9,780.00	0.00	1,800,000.00
18	07/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
19	08/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
20	09/30/2025	9,780.00	9,780.00	0.00	1,800,000.00
21	10/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
22	11/30/2025	9,780.00	9,780.00	0.00	1,800,000.00
23	12/31/2025	10,106.00	10,106.00	0.00	1,800,000.00
2025 Totals		118,990.00	118,990.00	0.00	
24	01/31/2026	10,106.00	10,106.00	0.00	1,800,000.00
25	02/28/2026	55,248.11	9,128.00	46,120.11	1,753,879.89
26	03/31/2026	55,248.11	9,847.06	45,401.05	1,708,478.84
27	04/30/2026	55,248.11	9,282.74	45,965.37	1,662,513.47
28	05/31/2026	55,248.11	9,334.09	45,914.02	1,616,599.45
29	06/30/2026	55,248.11	8,783.52	46,464.59	1,570,134.86
30	07/31/2026	55,248.11	8,815.43	46,432.68	1,523,702.18
31	08/31/2026	55,248.11	8,554.74	46,693.37	1,477,008.81
32	09/30/2026	55,248.11	8,025.08	47,223.03	1,429,785.78

	Date	Payment	Interest	Principal	Balance
	33 10/31/2026	55,248.11	8,027.45	47,220.66	1,382,565.12
	34 11/30/2026	55,248.11	7,511.94	47,736.17	1,334,828.95
	35 12/31/2026	55,248.11	7,494.32	47,753.79	1,287,075.16
	2026 Totals	617,835.21	104,910.37	512,924.84	
	36 01/31/2027	55,248.11	7,226.21	48,021.90	1,239,053.26
	37 02/28/2027	55,248.11	6,283.38	48,964.73	1,190,088.53
	38 03/31/2027	55,248.11	6,681.69	48,566.42	1,141,522.11
	39 04/30/2027	55,248.11	6,202.27	49,045.84	1,092,476.27
	40 05/31/2027	55,248.11	6,133.65	49,114.46	1,043,361.81
	41 06/30/2027	55,248.11	5,668.93	49,579.18	993,782.63
	42 07/31/2027	55,248.11	5,579.54	49,668.57	944,114.06
	43 08/31/2027	55,248.11	5,300.68	49,947.43	894,166.63
	44 09/30/2027	55,248.11	4,858.31	50,389.80	843,776.83
	45 10/31/2027	55,248.11	4,737.34	50,510.77	793,266.06
	46 11/30/2027	55,248.11	4,310.08	50,938.03	742,328.03
	47 12/31/2027	55,248.11	4,167.76	51,080.35	691,247.68
	2027 Totals	662,977.32	67,149.84	595,827.48	
	48 01/31/2028	55,248.11	3,880.97	51,367.14	639,880.54
	49 02/29/2028	55,248.11	3,360.79	51,887.32	587,993.22
	50 03/31/2028	55,248.11	3,301.26	51,946.85	536,046.37
	51 04/30/2028	55,248.11	2,912.52	52,335.59	483,710.78
	52 05/31/2028	55,248.11	2,715.77	52,532.34	431,178.44
	53 06/30/2028	55,248.11	2,342.74	52,905.37	378,273.07
	54 07/31/2028	55,248.11	2,123.79	53,124.32	325,148.75
	55 08/31/2028	55,248.11	1,825.53	53,422.58	271,726.17
	56 09/30/2028	55,248.11	1,476.38	53,771.73	217,954.44
	57 10/31/2028	55,248.11	1,223.69	54,024.42	163,930.02
	58 11/30/2028	55,248.11	890.69	54,357.42	109,572.60
	59 12/31/2028	55,248.11	615.19	54,632.92	54,939.68
	2028 Totals	662,977.32	26,669.32	636,308.00	
	60 01/31/2029	55,248.11	308.43	54,939.68	0.00
	2029 Totals	55,248.11	308.43	54,939.68	
	Grand Totals	2,227,563.96	427,563.96	1,800,000.00	

Last interest amount decreased by 0.03 due to rounding.

EXHIBIT C TO ORDINANCE

Proposal of the Purchaser



100 South Blakely Street  
Dunmore, PA 18512  
1.877.879.3622 | fncb.com | Member FDIC

December 20, 2023

City of Pittston  
35 Broad Street  
Pittston, PA 18640

**RE: \$1,800,000.00 General Obligation Note**

To Whom It May Concern:

Enclosed please find a Term Sheet outlining the specific terms and conditions for a General Obligation Note not to exceed \$1,800,000.00. The following list of items is a brief description of the principal terms and conditions of the suggested credit facility. The Bank may require additional items as deemed necessary.

**TERMS:**

- Borrower:** City of Pittston
- Amount:** General Obligation Note not to exceed \$1,800,000.00
- Purpose:** Proceeds shall be used to purchase real estate located at 401 Kennedy Blvd., Pittston, Pennsylvania and for the construction of a public parking facility.
- Term:** Five (5) Years.
- Rate:** 6.52% Tax-Exempt, fixed.
- Repayment:** Monthly interest payments for the first two (2) years with level debt service for years 3-5.
- Interest:** Interest shall be computed on the basis of a year consisting of 360 days and paid for the actual days elapsed.
- Security:** The Note will be a general obligation of the City, payable from its tax and other general revenues. The City will covenant in a debt authorizing ordinance that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Note for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, or any other of its revenues or funds, the principal of the

Note and the interest thereon at the dates and place and in the manner stated in the Note, and for such budgeting, appropriation and payment the City will irrevocably pledge its full faith, credit and available taxing power.

**Prepayment Penalty:** Borrower shall have the privilege, at any time, to prepay the unpaid principal, in whole in or in part, without penalty or premium.

**Fee(s):** The Borrower shall pay a loan origination fee of \$15,000.00.

Any additional fees and expenses relating to the issuance of the Note, including expenses of Bank's counsel and preparation of loan documentation shall be the responsibility of the Borrower. Any expenses of the Borrower's Solicitor in connection of the issuance of this transaction and all proceedings shall also be the responsibility of the Borrower.

**CONDITIONS:**

- Receipt of a fully executed Agreement of Sale for the real estate located at 401 Kennedy Blvd., Pittston, PA, prior to closing.
- Annual receipt of approved budget for City of Pittston.
- Annual receipt of Audited Financial Statements for City of Pittston.
- Written acknowledgement from DCED confirming FNCB Bank is still eligible to make the contribution for the project and apply for the NAP tax credits through FYE 12/31/2023.
- An unqualified opinion of the City's solicitor acceptable to the Bank, as to the delivery of the Note and the regularity of the proceedings regarding the issuance thereof, the tax-free status of the Note and opinion that the issuance of the Note is in compliance with all local, state and federal laws and regulation.
- The City shall have duly adopted an Ordinance authorizing the issuance of the Note to the Bank and the Bank shall receive a copy of the Ordinance duly certified by authorized officials of the City
- Evidence that the proceedings have been approved by and are filed in accordance with the Local Government Unit Debt Act (LGUDA) as administered by Department of Community and Economic Development (DCED); and

- Such other closing affidavits, certificates and documents as the Bank or its counsel may reasonably request.
- If Bank incurs fees associated with the transaction after the execution of this document and Borrower does not close the transaction at FNCB Bank, Borrower will be responsible for all costs incurred by Bank in connection with the borrowing.
- Such other conditions and covenants as are deemed necessary by The Bank and Bank's Counsel.

**OTHER REQUIREMENTS:**

All documents required herein, shall be satisfactory in form and content, and acceptable to the Bank.

All items required to be furnished, shall be furnished without cost to the Bank. Borrowers will reimburse Bank for all out-of-pocket expenses incurred in connection with the loan.

**ACCEPTANCE:**

Provided that the foregoing is acceptable to Borrower, this Term Sheet may be accepted by signing copies enclosed in the manner indicated below, and by returning such copies to the Bank on or before January 12<sup>th</sup>, as evidence of the agreement between the Bank and Borrower. This loan must close on or before January 31, 2024.

Please call me at your earliest convenience to discuss the terms and conditions as outlined herein. We can be reached at [Karen.Smith@fncb.com](mailto:Karen.Smith@fncb.com) or 570-602-8611.

Sincerely,  
**FNCB BANK**

*Karen M. Smith*

Karen M. Smith  
Senior Vice President

KMS / has

{Acceptance signature page follows}



**ACCEPTANCE**

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**BORROWER'S ACCEPTANCE**

City of Pittston

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name:  
Title:

