

**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 inters 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 change 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"