

WYOMING AREA SCHOOL DISTRICT
LUZERNE AND WYOMING COUNTIES, PENNSYLVANIA

RESOLUTION

A RESOLUTION OF THE BOARD OF SCHOOL DIRECTORS OF WYOMING AREA SCHOOL DISTRICT, LUZERNE AND WYOMING COUNTIES, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE A GENERAL OBLIGATION NOTE, SERIES OF 2022, IN THE MAXIMUM PRINCIPAL AMOUNT OF TWO MILLION ONE HUNDRED THOUSAND DOLLARS (\$2,100,000) 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 SCHOOL DISTRICT; DETERMINING THAT SUCH NOTE SHALL EVIDENCE NONELECTORAL DEBT OF THE SCHOOL DISTRICT; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS TO FINANCE A PROJECT OF THE SCHOOL DISTRICT WHICH COLLECTIVELY CONSISTS OF, AMONG OTHER THINGS: (1) THE DESIGN, ACQUISITION, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF ALTERATIONS, RENOVATIONS, ADDITIONS AND IMPROVEMENTS TO EXISTING FACILITIES OF THE SCHOOL DISTRICT, INCLUDING, BUT NOT LIMITED TO, THE SCHOOL DISTRICT'S ATHLETIC FACILITIES; (2) THE PURCHASE OF CAPITAL EQUIPMENT FOR USE IN OR IN CONNECTION WITH THE FACILITIES OF THE SCHOOL DISTRICT; AND (3) THE PAYMENT OF THE COSTS AND EXPENSES OF ISSUANCE OF THE NOTE; SETTING FORTH THE REASONABLE ESTIMATED USEFUL LIFE OF THE PROJECT 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 SCHOOL DISTRICT; 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 SCHOOL DISTRICT 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 SCHOOL DISTRICT 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 AND DIRECTING SPECIFIED OFFICERS OF THE SCHOOL DISTRICT 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 SCHOOL DISTRICT, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE SCHOOL DISTRICT TO DELIVER THE NOTE UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE SCHOOL DISTRICT 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; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING WHEN THIS RESOLUTION SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS INsofar AS THE SAME SHALL BE INCONSISTENT HERewith.

WHEREAS, Wyoming Area School District, Luzerne and Wyoming Counties, Pennsylvania (the "School District"), is a school district of the Commonwealth of Pennsylvania; and

WHEREAS, the Board of School Directors of the School District (the "Board") has determined to issue its General Obligation Note, Series of 2022, in the maximum principal amount of Two Million One Hundred Thousand Dollars (\$2,100,000) (the "Note"); and

WHEREAS the project to be funded with, among other things, the proceeds of the Note (the "Project") is as follows: (1) the design, acquisition, construction, installation, furnishing and equipping of alterations, renovations, additions and improvements to existing facilities of the School District, including, but not limited to, the School District's athletic facilities; (2) the purchase of capital equipment for use in or in connection with the facilities of the School District; and (3) the payment of the costs and expenses of issuance of the Note; and

WHEREAS, it is necessary that the indebtedness of the School District be increased for the purpose of funding 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 School District, pursuant to constitutional and statutory authority, to be exceeded; and

WHEREAS, the School District received a proposal letter, dated September 23, 2022, for the financing of the Project (as such proposal letter may be amended and supplemented from time to time, the "Proposal") from Fidelity Bank (also known as The Fidelity Deposit and Discount Bank), Dunmore, Pennsylvania (the "Purchaser"); and

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

NOW, THEREFORE, BE IT ADOPTED AND RESOLVED by the Board as follows:

SECTION 1. Authorization of the Note. The maximum principal amount of the Note of the School District, proposed to be issued pursuant to this Resolution and the Act, is Two Million One Hundred Thousand Dollars (\$2,100,000). The Note shall be issued for the purpose of financing the Project and shall be incurred as nonelectoral debt of the School District.

SECTION 2. Approval of 2022 Project; Determination of Useful Life of the Project. The School District hereby approves the Project to be undertaken collectively consisting of providing funds for: (1) the design, acquisition, construction, installation, furnishing and equipping of alterations, renovations, additions and improvements to existing facilities of the School District, including, but not limited to, the School District's athletic facilities; (2) the purchase of capital equipment for use in or in connection with the facilities of the School District; and (3) the payment of the costs and expenses of issuance of the Note.

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

The Board hereby finds and determined that the realistic cost estimates have been obtained for the costs of the Project from School District officials, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

The Board hereby authorizes and directs its proper officers, agents and employees to execute and to submit to the Pennsylvania Department of Education, at the appropriate time, the appropriate application and other documents and information necessary to obtain state reimbursement with respect to the debt service on the Note (including the filing of PLANCON Parts, as and if applicable).

SECTION 3. Approval of the Note; Terms of Repayment. The indebtedness to be incurred hereunder shall be evidenced by one general obligation note of the School District, to be designated "Wyoming Area School District, Luzerne and Wyoming Counties, Pennsylvania,

General Obligation Note, Series of 2022".

The Note will be issued in the maximum principal amount of Two Million One Hundred Thousand Dollars (\$2,100,000), dated and bearing interest from the date of issue, at a maximum annual rate of interest specified in the Proposal, payable on the unpaid balance of the Note during the term of the Note. Interest is payable on the unpaid balance of the Note during its term until paid. The Note shall mature in maximum installments of principal and at the maximum annual rate of interest as shown on the attached schedule hereinafter referred to as "Exhibit A."

The School District 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 the Note shall be payable at the office of the sinking fund depositary selected for the Note as hereinafter provided.

SECTION 4. General Obligation Note of the School District. The Note, when issued, will be a general obligation of the School District. The School District hereby covenants that (a) 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; (b) it shall appropriate such amounts from its general revenues for the payment of such debt service; and (c) it 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 (d) for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the School District are hereby irrevocably pledged.

The maximum amounts which the School District hereby covenants to pay in each of the fiscal years that the Note is outstanding on the basis of the maximum annual interest rate as specified in the Proposal are shown on Exhibit "A" hereto.

SECTION 5. Designation of Note as "Bank-Qualified". In accordance with the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), the School District hereby finds, determines and designates the Note as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The School District 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) as calculated for purposes of such Section during the calendar year 2022. The School District 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 "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

SECTION 6. Covenants Regarding Use of Proceeds and Compliance with Tax Code Requirements. The School District covenants to and with the registered owner 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

the 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 School District 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 President or Vice President of the Board, being the official(s) responsible for issuing the Note, attested by the Secretary or Assistant Secretary of the School District, are hereby authorized and directed to execute and deliver, in the name and on behalf of the School District, 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 School District as to the amount and use of the proceeds of the Note.

SECTION 7. Form of Note. The form of the Note shall be substantially as shown on the attached Exhibit "B".

SECTION 8. Execution of the Note and Other Documents and Instruments; Delivery and Payment. The Note shall be executed in the name and under the corporate seal of the School District by the President or Vice President of the Board and attested to by the Secretary or Assistant Secretary of the School District. Such Note shall be in substantially the form attached hereto together with such changes, modifications, insertions and deletions as such officers, with the advice of counsel, deem necessary and appropriate; their execution and delivery thereof shall be conclusive evidence of the approval and authorization by the School District of the final terms of the Note. The Secretary, Assistant Secretary, Treasurer or other proper official of the School District is hereby authorized and directed to deliver the Note to the Purchaser and receive payment therefor on behalf of the School District. The President or Vice President of the Board or the Secretary or Assistant Secretary of the School District are each 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 9. Designation of Sinking Fund Depositary and Paying Agent. The Purchaser is hereby designated as the sinking fund depositary and paying agent for the Note (in such capacity, the "Paying Agent"), and there is hereby created and established with the Paying Agent a sinking fund, to be known as the "Wyoming Area School District, Luzerne and Wyoming Counties, Pennsylvania, Sinking Fund - General Obligation Note, Series of 2022" (the "Sinking Fund"). The Sinking Fund shall be maintained until the Note has been paid in full. The Secretary, Assistant Secretary, Treasurer or other appropriate officer of the School District shall deposit into the Sinking Fund amounts sufficient for the payment of the principal and interest on the Note no later than the date upon which such debt service on the Note becomes due and payable. The Paying Agent shall, as and when said payments are due, without further action or direction by the School District withdraw available monies in the Sinking Fund and apply said monies to payment of the principal of and interest on the Note.

The President or Vice President of the Board and the Secretary or Assistant Secretary of the School District are hereby authorized, empowered and directed to contract with the Paying Agent for its services as sinking fund depositary and paying agent for the Note.

SECTION 10. Sale of Note; Acceptance of Proposal. In compliance with Section 8161 of the Act, the Board has determined that a private sale by negotiation, rather than public sale, is in the best financial interest of the School District. The Proposal is hereby accepted and the Note in the maximum principal amount of Two Million One Hundred Thousand Dollars (\$2,100,000), herein authorized to be issued and sold, is hereby awarded and sold to the Purchaser in accordance with its Proposal to purchase the Note at par; provided the Note is dated the date of delivery thereof to the Purchaser and is in substantially the form set forth in Exhibit "B" to this Resolution with such changes as may be approved by the officers of the School District executing such Note; and further provided that the proceedings have been approved by the Department of Community and Economic Development as required under the provisions of the Act. The Proposal shall be executed in the name of the School District by the President or Vice President of the Board; or the Secretary, Assistant Secretary, or Business Manager of the School District. A copy of said Proposal shall be attached hereto as Exhibit "C" and is hereby incorporated herein by reference.

SECTION 11. Investment of Proceeds. If necessary, the School District 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 School District hereby authorizes and directs the President or Vice President of the Board to execute and the Secretary or Assistant Secretary of the School District to attest any investment agreement on behalf of the School District, in the form approved by the Solicitor and Bond Counsel of the School District. The Investments shall be limited to those authorized under law for proceeds of the Note.

SECTION 12. Legal Advertisements. The action of the proper officers and the advertising of a summary of this Resolution as required by law in a newspaper of general circulation in the School District, is ratified and confirmed. The advertisement of adoption in said newspaper is hereby directed within fifteen (15) days following the day of final adoption.

SECTION 13. Delivery of Documents and Instruments. The proper officers of the School District are hereby authorized, empowered and directed to execute and deliver such other documents, certificates, agreements, and other instruments and to take such other action as may be necessary, proper or desirable to effect the completion of the financing or the intent and purposes of this Resolution.

SECTION 14. Bond Counsel. The School District hereby appoints and engages Stevens & Lee, P.C., to act as Bond Counsel to the School District in connection with the issuance of the Note and to facilitate the intent of this Resolution. The President, Vice President, Secretary, Assistant Secretary or Business Manager of the School District are each hereby authorized and directed to execute and to deliver an engagement letter with Stevens &

Lee, P.C., the execution and delivery of such agreement shall constitute conclusive evidence of the authorization and approval thereof by the School District.

SECTION 15. Covenant Regarding Section 1703E-4 of the Fiscal Code. In accordance with Section 1703E-4 of the Act of April 9, 1929 (P.L. 343, No. 176) known as the Fiscal Code, as amended, including Act No. 85 of 2016 (P.L. 664, No. 85) (the "Fiscal Code"), the School District covenants to file with the Secretary of the Pennsylvania Department of Education ("PDE"), in such format as PDE may direct, within thirty (30) days of receipt of the proceeds of the Note, a copy of the authorizing Resolution which includes an executed copy of the Proposal for the Note, a copy of the executed Note, and a copy of the schedules of principal and interest, sinking fund deposit dates and debt service payment dates for the School District's outstanding debt obligations which are subject to an intercept statute or intercept agreement.

SECTION 16. Expenses. 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 President or Vice President of the Board is authorized to approve requests for payment of such expenses and to pay such expenses.

SECTION 17. Severability. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the School District that the remainder of this Resolution shall remain in full force and effect.

SECTION 18. Conflicts. All resolutions or parts of resolutions not in accord with this Resolution are hereby repealed insofar as they conflict herewith.

[The remainder of this page intentionally left blank.]

SECTION 19. Effective Date. This Resolution shall be effective in accordance with Section 8003 of the Act.

DULY RESOLVED AND ADOPTED THIS 27TH DAY OF SEPTEMBER, 2022.

WYOMING AREA SCHOOL DISTRICT
Luzerne and Wyoming Counties, Pennsylvania

By: Michael J. Lipp
President

Attest:

Dorel Alley
Secretary

(SEAL)

EXHIBIT A TO RESOLUTION

Amortization Schedule

WYOMING AREA SCHOOL DISTRICT
LUZERNE AND WYOMING COUNTIES, PENNSYLVANIA

GENERAL OBLIGATION NOTE, SERIES OF 2022

MAXIMUM DEBT SERVICE REQUIREMENTS

DATE	MAX PRINCIPAL	MAX RATE	MAX INTEREST	MAX DEBT SERVICE	MAX ANNUAL DEBT SERVICE
3-Nov-22					
1-May-23			42,571.67	42,571.67	42,571.67
1-Nov-23	5,000.00	4.100%	43,050.00	48,050.00	
1-May-24	-		42,947.50	42,947.50	90,997.50
1-Nov-24	5,000.00	4.100%	42,947.50	47,947.50	
1-May-25	-		42,845.00	42,845.00	90,792.50
1-Nov-25	5,000.00	4.100%	42,845.00	47,845.00	
1-May-26	-		42,742.50	42,742.50	90,587.50
1-Nov-26	5,000.00	4.100%	42,742.50	47,742.50	
1-May-27	-		42,640.00	42,640.00	90,382.50
1-Nov-27	5,000.00	4.100%	42,640.00	47,640.00	
1-May-28	-		46,168.75	46,168.75	93,808.75
1-Nov-28	5,000.00	4.450%	46,168.75	51,168.75	
1-May-29	-		46,057.50	46,057.50	97,226.25
1-Nov-29	5,000.00	4.450%	46,057.50	51,057.50	
1-May-30	-		45,946.25	45,946.25	97,003.75
1-Nov-30	5,000.00	4.450%	45,946.25	50,946.25	
1-May-31	-		45,835.00	45,835.00	96,781.25
1-Nov-31	5,000.00	4.450%	45,835.00	50,835.00	
1-May-32	-		45,723.75	45,723.75	96,558.75
1-Nov-32	5,000.00	4.450%	45,723.75	50,723.75	
1-May-33	-		45,612.50	45,612.50	96,336.25
1-Nov-33	5,000.00	4.450%	45,612.50	50,612.50	
1-May-34	-		45,705.75	45,705.75	96,318.25
1-Nov-34	5,000.00	4.470%	45,705.75	50,705.75	
1-May-35	-		45,594.00	45,594.00	96,299.75
1-Nov-35	372,000.00	4.470%	45,594.00	417,594.00	
1-May-36	-		37,279.80	37,279.80	454,873.80
1-Nov-36	390,000.00	4.470%	37,279.80	427,279.80	
1-May-37	-		28,563.30	28,563.30	455,843.10
1-Nov-37	407,000.00	4.470%	28,563.30	435,563.30	
1-May-38	-		19,466.85	19,466.85	455,030.15
1-Nov-38	426,000.00	4.470%	19,466.85	445,466.85	
1-May-39	-		9,945.75	9,945.75	455,412.60
1-Nov-39	445,000.00	4.470%	9,945.75	454,945.75	454,945.75
	2,100,000.00		1,351,770.07	3,451,770.07	3,451,770.07

OPTIONAL REDEMPTION DATE: NOVEMBER 1, 2027 @ 100%

PURPOSE OF THE ISSUE: CAPITAL PROJECTS

IDS

SECURITY: FIDELITY BANK LOAN

EXHIBIT B TO RESOLUTION

Form of Note

WYOMING AREA SCHOOL DISTRICT
LUZERNE AND WYOMING COUNTIES, PENNSYLVANIA

GENERAL OBLIGATION NOTE
SERIES OF 2022

MULTIPLE ADVANCE

\$2,100,000

Dated: November __, 2022

KNOW ALL MEN BY THESE PRESENTS, that Wyoming Area School District, Luzerne and Wyoming Counties, Pennsylvania (the "School District"), a school district 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 Fidelity Bank (the "Bank" or "Purchaser"), at 101 North 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 Two Million One Hundred Thousand Dollars (\$2,100,000), or such lesser sum advanced by the Purchaser from time to time on a non-revolving basis, in lawful money of the United States of America, together with interest at the maximum annual rate of interest specified and computed in accordance with the purchase proposal from the Bank to the School District (the "Proposal"), payable on the unpaid and advanced principal balance of this Note, subject to the terms and provisions of an Alternate Rate and Indemnity Agreement of even date herewith. A copy of such Proposal is attached hereto as Exhibit "A", the terms and conditions of which are binding upon the School District and are incorporated herein by reference.

The School District may request advances hereunder until May __, 2024 at which time the balance of the undrawn proceeds of this Note will be advance to the School District in full. The School District may request advances hereunder upon giving oral or written notice to the Bank by 11:00 a.m. (Wyoming, Pennsylvania time) three (3) business days prior to the proposed advance, followed promptly thereafter by the School District's written confirmation to the Bank of any oral notice.

Annual payments of principal of this Note are payable as set forth herein and as shown on Exhibit "B" attached hereto and made a part hereof. This Note shall bear interest from the date of issue at the maximum annual rate of interest specified and computed in accordance with the Proposal payable on the unpaid and advanced principal balance of this Note during the term of this Note. Maximum semi-annual payments of interest on this Note are payable as set forth herein and as shown on Exhibit "B" attached hereto and made a part hereof at the maximum annual interest rate as specified on Exhibit "B". Interest on this Note shall be payable semi-annually on the unpaid and advanced principal balance of this Note. Interest on this Note shall be calculated on the basis of a year of 360 days comprised of (12) twelve (30) thirty-day months.

On November 1, 2039, all principal, accrued, unpaid interest and other amounts evidenced by this Note shall be due and payable in full, without notice or demand.

The School District 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 School District 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 Fidelity Bank, the paying agent, located at 101 North Blakely Street, Dunmore, Pennsylvania 18512.

This General Obligation Note, Series of 2022 (the "Note") is issued under and pursuant to provisions of the Resolution adopted by the Board of School Directors of the School District on September 27, 2022 (the "Resolution"). 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 Resolution. This Note shall be issued in the principal amount of Two Million One Hundred Thousand Dollars (\$2,100,000) and is subject to provisions and is entitled to the benefit of provisions of the Resolution. The terms and provisions of the Resolution are hereby incorporated by reference as if set forth fully herein.

The School District has covenanted in the Resolution, 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 School District 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 Resolution 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 School District has pledged, irrevocably, its full faith, credit and taxing power.

In the Resolution, the School District 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 note" or a "private activity note" 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 School District 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 Resolution by the School District as a "qualified tax-exempt obligation," within the meaning of Section 265(b)(3) of the Code.

The School District 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 and from time to time accompanied by a prepayment penalty based on the percentage of the principal amount of the prepayment. The applicable percentage of the prepayment penalty shall be as follows:

<u>Year of Prepayment</u>	<u>Penalty Percentage</u>
One	2.000%
Two	2.000%
Three	2.000%
Four	2.000%
Five	2.000%

Notwithstanding the foregoing, the School District 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 and from time to time without premium or penalty from internally generated funds of the School District or from funds provided by the Bank in connection with a refinancing of this Note.

Any partial prepayment of principal shall be applied in such order of maturity as selected by the School District 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.

The School District agrees to provide to the Bank, (i) not later than 270 days after the end of each fiscal year of the School District, audited financial statements of the School District accompanied by a report of an independent certified public accountants, (ii) within thirty (30) days of adoption thereof, a copy of the School District'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 when due, after ten (10) days written notice or oral notice followed by written confirmation, of any amount payable under this Note or of any amount owed to the Bank with regard to this Note when due, or the failure of the School District 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 School District becomes insolvent or makes an assignment for the benefit of creditors, or if any petition is filed against the School District under any provision of any state or federal law or statute alleging that the School District 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 School District voluntarily files any petition for such purpose;

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

(d) the failure of the School District to furnish timely to the Bank such financial and other information as the Bank may reasonably request or require.

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 Resolution, 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.

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 Resolution, (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 School District, 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 Resolution, against any member, officer or employee, past, present, or future, of the School District or of any successor body, as such, either directly or through the School District 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 School District 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 School District are within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the School District 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 School District are hereby irrevocably pledged.

The School District 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 School District. The Purchaser may disclose all financial, business and other information about the School District 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, Wyoming Area School District, Luzerne and Wyoming Counties, Pennsylvania, has caused this Note to be properly executed by its President or Vice President of the Board of School Directors of the School District and its corporate seal to be hereto affixed, attested to by the Secretary or Assistant Secretary of the School District this ____ day of November, 2022.

WYOMING AREA SCHOOL DISTRICT
Luzerne and Wyoming Counties, Pennsylvania

By: Michael Rhyz
President

Attest:

Dul Allen
Secretary

(SEAL)

EXHIBIT A TO NOTE

Proposal

Fidelity BANK

September 23, 2022

Wyoming Area School District
C/O Michael Vind-FSL Public Finance, LLC
252 Memorial Street
Exeter, PA 18643

RE: General Obligation Note, Series of 2022

Dear Mr. Vind:

Thank you for the opportunity in allowing Fidelity Bank (the "Bank") the opportunity to provide a proposal on the General Obligation Note, Series of 2022 (the "Note") in the amount of \$2,100,000.00 for the Wyoming Area School District, Wyoming and Luzerne County, Pennsylvania (the "District").

The below discussion provides a description of the terms and conditions of the proposed General Obligation Note, Series of 2022. Upon receiving the District's approval, the Bank will seek internal credit approval of the obligation. After Bank approval, the necessary documents will be prepared, and a closing date will be scheduled.

The proposal and the subsequent Note issued is subject to the following requirements: (i) the Wyoming Area School District, Wyoming and Luzerne County, Pennsylvania compliance with all the provisions of the Pennsylvania Local Government Unit Debt Act; (ii) the statutory and other requirements by which we as a banking association are governed; (iii) closing approval of the Commonwealth of Pennsylvania Department of Community and Economic Development regarding the Borrowing; and (iv) the District's and the District's, compliance with all of the terms and conditions set forth in this letter.

1) **Amount of Note**

Up to \$2,100,000.00-Proceeds of the Note will be advanced from time to time as requested by the District over an eighteen (18) month period commencing as of the date of closing at which time the balance of the undrawn proceeds will be advanced to the District in full.

2) **Term of Note**

Maturity Date on or before November 1, 2039.

3) **Rate of Interest Per Annum**

The Note shall bear interest on the outstanding principal balance at a bank qualified fixed tax-exempt rate based upon a 30/360-day count basis.

The bank qualified tax-exempt rate for this financing will be as follows:



Fidelity BANK

Years-1-5 Fixed at 4.10%
Years-6-10 Floating Rate with a floor of 3.99% and cap of 4.45%
Years-11-17 Floating Rate with a floor of 3.99% and cap of 4.47%

The floating rate will be based upon the preceding 30-day average of the 5-year US Treasury Note plus 175bps adjusted to the bank qualified tax-exempt rate.

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

If the interest on the Note is determined at any time during the term of the Note to not be "Tax-Exempt" or it is determined the Note served as an arbitrage Note under Federal Law, the Note will reset to its taxable equivalent rate (5.65%). The District will pay to the Bank the difference between the amount of interest which the Bank would have received at the "Taxable Rate" and the actual amount of interest paid. The District will also pay all interest and penalties assessed.

4) Repayment Terms

The principal amount borrowed under the 2022 Note shall be fully amortized over the term of the 2022 Note in annual amounts that, together with semiannual interest payments on the outstanding principal amount, shall result in approximately level annual aggregate debt service for the District. The first principal payment will be due on November 1, 2023.

Interest shall be payable semiannually on each May 1st and November 1st commencing May 1, 2023, through final maturity of the 2022 Note calculated on a 30/360 interest rate day count basis.

5) Security

The 2022 Note will be a general obligation of the District, payable from its tax and other general revenues. The District will covenant 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 2022 Note for such year, and will duly and punctually pay or cause to be paid any other of its revenues or funds, the principal of the 2022 Note and the interest thereon and for such budgeting, appropriation and payment the District will irrevocably pledge its full faith, credit and all available taxing power, within the limits provided by law.

6) Prepayment Penalty

During the first five (5) years, the District will have a two (2.00%) percent pre-payment penalty assessed if the District were to refinance the principal balance of the Loan with another financial institution.



Fidelity BANK

7) **Fees and Expenses**

The Origination Fee for this financing will be waived. The documentation review fee by Bank Counsel will not exceed Two Thousand Five Hundred (\$2,500.00) dollars.

All expenses associated with the preparation and/or review of the Note documents by the District's Bond Counsel will be the responsibility of the District. If closing does not take place, all costs and expenses shall be payable to the Bank. The District agrees to indemnify the Bank against all claims caused by the District's negligence, which may be incurred in connection with this borrowing.

8) **Conditions/Documentation**

All documentation shall have the Bank listed as "Fidelity Bank" and provided at least five (5) days prior to closing for review.

- A Note in form and content satisfactory to the Bank shall be issued and sold by the District pursuant to the Pennsylvania Local Government Unit Debt Act 177 of 1996, P.L. 1155 of the General Assembly of the Commonwealth of Pennsylvania, as amended, (the "Act").
- The Bank shall purchase the Note at such time as the District shall request, but no later than November 1, 2022, subject, however, to the satisfaction of the following conditions precedent at or before the issuance of the Note and making of the loan evidenced thereby, to which:
- The District shall have duly adopted a Resolution in form and content satisfactory to the Bank authorizing the issuance of the Note to the Bank, and the Bank shall receive a copy of the Ordinance duly certified by a duly authorized officer of the District.
- The Bank shall have received the unqualified approving legal opinion of the District's Solicitor as to (i) the due adoption, legal sufficiency and continuing effectiveness of the Ordinance, (ii) the due authorizations, execution, issuance and delivery, validity, binding effect and enforceability of the Note, and (iii) the absence of pending or threatened litigation with respect to or affecting acceptance of this Proposal, adoption of the Ordinance and issuance of the Note, and such other matters as the Bank may reasonably request;
- If applicable, the Bank shall have received the unqualified legal opinion of Bond Counsel that the interest in the hands of the holder is free of Pennsylvania income tax.
- All legal details and proceedings in connection with the transactions contemplated by this proposal and such loan shall be in form and substance satisfactory with the Bank,



Fidelity BANK

and the Bank shall have received all such counterparts or certified copies of such documents and proceedings as the Bank may request.

- Such other documents required by the Bank and its counsel for a transaction of similar structure.
- The Bank's completion of all due diligence deemed necessary.

9) **Affirmative and Negative Covenants**

In addition to negative covenants typically required by the Bank for similar transactions to similar Districts, the following affirmative covenants shall apply:

- The District shall covenant to budget and appropriate for debt service in its annual operating budget.
- The District shall covenant to submit its financial report within 270 from the close of the District's fiscal year.
- The District shall covenant that it will not incur any additional debt if after giving effect to such debt would exceed its Statutory Limits.

10) **Events of Default**

The following Events of Default shall apply:

- Non-payment of fees, principal, or interest by the District
- Failure to perform covenants by the District
- Breach of representations and warranties by the District
- Default on other existing or future debt proceedings by the District

11) **Acceptance**

This letter is not a binding commitment and does not define all the terms and conditions of the financing but is a framework for further discussion and negotiation of the terms as appropriate. This proposal expires on October 5, 2022, if not accepted by the District.



NMLS# 440404
Member FDIC

Page 4 of 6
THIS IS A PROPOSAL ONLY
FINAL CREDIT APPROVAL IS REQUIRED BY FIDELITY BANK

bankatfidelity.com
570.342.8281
800.388.4380





On behalf of Fidelity Bank, we are pleased to be of assistance to the Wyoming Area School District on the General Obligation Note, Series of 2022.

If any questions arise concerning the General Obligation Note, Series of 2022 proposal, please do not hesitate to contact me at 570-504-2204.

Sincerely,

Ryan McGowan

Ryan McGowan
Public Finance
Vice President



Fidelity BANK

Accepted this 27, day of Septemberr, 2022.

ATTEST:

WYOMING AREA SCHOOL DISTRICT, PA

Del Alby

By: Michael Schupp

Title: Board President



NMLS# 440404
Member FDIC

Page 6 of 6

THIS IS A PROPOSAL ONLY

FINAL CREDIT APPROVAL IS REQUIRED BY FIDELITY BANK

bankatfidelity.com

570.342.8281
800.388.4380



EXHIBIT B TO NOTE

Amortization Schedule

WYOMING AREA SCHOOL DISTRICT
LUZERNE AND WYOMING COUNTIES, PENNSYLVANIA

GENERAL OBLIGATION NOTE, SERIES OF 2022

MAXIMUM DEBT SERVICE REQUIREMENTS

DATE	MAX PRINCIPAL	MAX RATE	MAX INTEREST	MAX DEBT SERVICE	MAX ANNUAL DEBT SERVICE
3-Nov-22					
1-May-23			42,571.67	42,571.67	42,571.67
1-Nov-23	5,000.00	4.100%	43,050.00	48,050.00	
1-May-24	-		42,947.50	42,947.50	90,997.50
1-Nov-24	5,000.00	4.100%	42,947.50	47,947.50	
1-May-25	-		42,845.00	42,845.00	90,792.50
1-Nov-25	5,000.00	4.100%	42,845.00	47,845.00	
1-May-26	-		42,742.50	42,742.50	90,587.50
1-Nov-26	5,000.00	4.100%	42,742.50	47,742.50	
1-May-27	-		42,640.00	42,640.00	90,382.50
1-Nov-27	5,000.00	4.100%	42,640.00	47,640.00	
1-May-28	-		46,168.75	46,168.75	93,808.75
1-Nov-28	5,000.00	4.450%	46,168.75	51,168.75	
1-May-29	-		46,057.50	46,057.50	97,226.25
1-Nov-29	5,000.00	4.450%	46,057.50	51,057.50	
1-May-30	-		45,946.25	45,946.25	97,003.75
1-Nov-30	5,000.00	4.450%	45,946.25	50,946.25	
1-May-31	-		45,835.00	45,835.00	96,781.25
1-Nov-31	5,000.00	4.450%	45,835.00	50,835.00	
1-May-32	-		45,723.75	45,723.75	96,558.75
1-Nov-32	5,000.00	4.450%	45,723.75	50,723.75	
1-May-33	-		45,612.50	45,612.50	96,336.25
1-Nov-33	5,000.00	4.450%	45,612.50	50,612.50	
1-May-34	-		45,705.75	45,705.75	96,318.25
1-Nov-34	5,000.00	4.470%	45,705.75	50,705.75	
1-May-35	-		45,594.00	45,594.00	96,299.75
1-Nov-35	372,000.00	4.470%	45,594.00	417,594.00	
1-May-36	-		37,279.80	37,279.80	454,873.80
1-Nov-36	390,000.00	4.470%	37,279.80	427,279.80	
1-May-37	-		28,563.30	28,563.30	455,843.10
1-Nov-37	407,000.00	4.470%	28,563.30	435,563.30	
1-May-38	-		19,466.85	19,466.85	455,030.15
1-Nov-38	426,000.00	4.470%	19,466.85	445,466.85	
1-May-39	-		9,945.75	9,945.75	455,412.60
1-Nov-39	445,000.00	4.470%	9,945.75	454,945.75	454,945.75
	2,100,000.00		1,351,770.07	3,451,770.07	3,451,770.07

OPTIONAL REDEMPTION DATE: NOVEMBER 1, 2027 @ 100%

PURPOSE OF THE ISSUE: CAPITAL PROJECTS

IDS

SECURITY: FIDELITY BANK LOAN