

TERM SHEET
Dated March ___, 2021

City of York
York County, Pennsylvania
\$20,000,000 Tax and Revenue Anticipation Note, Series A of 2021 (the “Note”)

The terms and conditions upon which the Lender will purchase the Note from the Issuer are as follow:

Issuer: City of York, York County, Pennsylvania

Lender: Pennsylvania American Water Company

Loan Amount: \$20,000,000, fully funded at closing

Interest Rate: 0.00% per annum

Purpose: To provide financing to the Issuer in anticipation of the receipt of current taxes and current revenues over the term of the Note in accordance with the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 *et seq.*, as amended and supplemented, including by Act 114 of 2020 (the “Debt Act”).

Maturity Date: December 31, 2022 (as permitted by Act 114 of 2020)

Repayment: The Loan Amount shall be due and payable on the Maturity Date.

Lender Fees: None

Security: Pledge of, security interest in, and a lien and charge on the taxes and revenues of the Issuer to be received during the period within which the Note is outstanding.

Prepayment: Issuer shall have the right to prepay the Note at its option, in whole or in part, from time to time, on any date prior to the Maturity Date specified herein, without premium or penalty.

Legal Opinions: Purchase of the Note will be subject to the satisfactory legal opinions of the Solicitor and Note Counsel to the Issuer, addressed to the Lender, in such forms as are acceptable to the Lender.

Documentation: Loan documentation shall be prepared by Note Counsel, McNeese, McNeese Wallace & Nurick LLC, which firm represents the Issuer at the Issuer’s expense.

Conditions Receipt of the acknowledgment of the Pennsylvania Department of

Precedent: Community and Economic Development of the documents required to be submitted pursuant to Section 8128 of the Debt Act (as amended by Act 114 of 2020).

Execution by all parties of the Asset Purchase Agreement, by and among the York City Sewer Authority, the Issuer and the Lender.

Loan documentation acceptable to the Lender and its counsel including (1) the form of Note, (2) UCC-1 Financing Statement, (3) the Legal Opinions, and (4) a General and Incumbency Certificate of the Issuer.

Submitted by:

PENNSYLVANIA AMERICAN WATER COMPANY

By: _____

Name:

Title:

Accepted by the City of York, York County, Pennsylvania as of this ____ day of March, 2021.

CITY OF YORK, YORK COUNTY, PENNSYLVANIA

By: _____
(Vice) President of City Council