

A RESOLUTION OF THE BOARD OF SCHOOL DIRECTORS
OF THE PINE-RICHLAND SCHOOL DISTRICT
(ALLEGHENY COUNTY, PENNSYLVANIA)
ADOPTED MAY 2, 2022 AND NUMBERED _____

**FORMAL ACTION CONSTITUTING A DEBT ORDINANCE
UNDER THE LOCAL GOVERNMENT UNIT DEBT ACT**

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN THE PRINCIPAL AMOUNT OF FIVE MILLION EIGHT HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$5,885,000); COVENANTING TO PAY, AND PLEDGING ALL AVAILABLE TAXING POWER FOR THE PAYMENT OF, THE NOTE; FIXING THE FORM, INTEREST RATE, MATURITY, REDEMPTION AND OTHER PROVISIONS FOR THE PAYMENT THEREOF; AUTHORIZING THE ACCEPTANCE OF A PROPOSAL FOR A LOAN EVIDENCED BY THE NOTE; AUTHORIZING THE FILING OF REQUIRED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; RATIFYING AND DIRECTING CERTAIN ACTIONS OF OFFICERS; AND MAKING CERTAIN OTHER COVENANTS AND PROVISIONS IN RESPECT OF THE NOTE.

Note Counsel:

Dinsmore & Shohl LLP
Six PPG Place, Suite 1300
Pittsburgh, PA 15222

Solicitor:

Goehring, Rutter & Boehm
Frick Building, 437 Grant Street, Suite 1424
Pittsburgh, PA 15219

WHEREAS, the Governing Body of the above-named Local Government Unit (defined hereinafter) deems it advisable to borrow the principal sum of \$5,885,000 pursuant to the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 *et seq.* (the “Debt Act”), for the purposes described on **Exhibit P** hereto (the “Project”); and

WHEREAS, PNC Bank, National Association (the “Lender”) has presented a Term Sheet (defined hereinafter), attached hereto as **Exhibit TS**, to make a loan to the Local Government Unit (the “Loan”) evidenced by the Note (defined hereinafter) to be executed and delivered by the Local Government Unit in order to achieve the financing of the Local Government Unit’s Project.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:

Section 1. Definitions

Unless the context clearly indicates otherwise, the following terms shall, for all purposes of this Resolution, have the meanings hereby ascribed to them. Moreover, such terms, together with all other provisions of this Resolution, shall be read and understood in a manner consistent with the provisions of the Debt Act, as generally interpreted by the Department (herein defined) or by courts maintaining competent jurisdiction.

Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word “person,” in addition to natural persons, shall mean and include corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

“Dated Date” means the date of delivery of the applicable Note, expected to be June 7, 2022, or such other date upon which interest will begin to accrue on the Note, that is determined and fixed by the Local Government Unit, and which is acceptable to the Lender.

“Designated Officers” has the meaning given to such term in Section 2 hereof.

“First Payment Date” means July 15, 2022, with respect to the 2022 Note, the date upon which interest or interest and principal on the Note is first payable, or such other date that is determined and fixed by the Local Government Unit, and which is acceptable to the Lender.

“Governing Body” means the Board of School Directors of the Local Government Unit.

“Lender” means PNC Bank, National Association, with offices at The Tower at PNC Plaza, 300 Fifth Avenue, Pittsburgh, PA 15222.

“Loan Agreement” has the meaning given to such term in Section 2 hereof.

“Local Government Unit” means the Pine-Richland School District, situated in the County of Allegheny, a school district of third class of the Commonwealth of Pennsylvania, duly organized and validly existing under the Constitution and laws of the Commonwealth, particularly the School Code.

“Maturity Date” means July 15, 2031.

“Note Counsel” means Dinsmore & Shohl LLP, Suite 1300, Six PPG Place, Pittsburgh, Pennsylvania 15222.

“Note” means the debt obligation of the Local Government Unit authorized herein and identified as the “General Obligation Note, Series of 2022”, or similar designations.

“Note Payment Date(s)” means, singularly or jointly, January 15 and July 15 of each year during the term of the Note, commencing with the applicable First Payment Date.

“Premium Prepayment Commencement Date #1” means July 15, 2027.

“Premium Prepayment Commencement Date #2” means July 15, 2029.

“Principal Installment Date(s)” means, singularly or jointly, July 15 of each year during the term of the Note, on which dates a portion of the principal of the Note shall be due and payable, in the form of a mandatory redemption of a portion of the Note, as a term instrument.

“Project” has the meaning given to such term in Exhibit P hereto.

“School Code” means the Public School Code of 1949, Act of March 10, 1949, P.L. 30, No. 14, as amended.

“Sinking Fund Depository” means PNC Bank, National Association.

“Specified Price” means, with respect to each Note, 100% of the par amount of said instrument, together with accrued interest, if any, to the date of delivery of said Note, less any such fees, discounts or interest as shall be specified in the Term Sheet.

“Solicitor” means Goehring, Rutter & Boehm, Frick Building, 437 Grant Street, Suite 1424, Pittsburgh, Pennsylvania 15219.

“Tax-Exempt Rate” means 2.92% per annum.

“Term Sheet” means the Proposal of the Lender, dated May 2, 2022, to make the Loan evidenced by the Note, as presented by the Lender and accepted by the Local Government Unit by execution and delivery of the same pursuant to Section 6 hereof.

Section 2. Authorization

The Local Government Unit hereby authorizes the incurrence, and the increase, of nonelectoral indebtedness in a principal amount of \$5,885,000, to be evidenced by the Note, in substantially the form attached hereto as Exhibit A to the Loan Agreement (defined hereinafter) (with such changes as the Designated Officers, hereinafter defined, shall approve), in order to pay the costs of the Project. The Note will be dated the applicable Dated Date, will bear interest at the applicable Tax-Exempt Rate (30/360 basis), payable as to interest on each of the Note Payment Dates, beginning on the respective First Payment Date, and payable as to principal on each of the applicable Principal Installment Dates, and on the Maturity Date applicable to the Note, according to the schedule attached hereto as **Exhibit DS**.

At the option of the Local Government Unit, the Note may be prepaid and redeemed, in whole or in part, (a) on any date on or before the Premium Prepayment Commencement Date #1, upon payment of (i) the principal amount of the Note being prepaid together with interest accrued and owing thereon through the date selected for such prepayment plus (ii) the Yield Maintenance Amount calculated as set forth in the

applicable Loan Agreement, or (b) on any date before the Premium Prepayment Commencement Date #2 and on or after the Premium Prepayment Commencement Date #1, upon payment of the lesser of (i) the sum of (A) the principal amount of the Note being prepaid and (B) the Yield Maintenance Amount or (ii) 103.5% of the principal amount of the Note being prepaid, in both cases together with interest accrued and owing thereon through the date selected for such prepayment, or (c) on any date on or after the Premium Prepayment Commencement Date #2, upon payment of the lesser of (i) the sum of (A) the principal amount of the Note being prepaid and (B) the Yield Maintenance Amount or (ii) 101.75% of the principal amount of the Note being prepaid, in both cases together with interest accrued and owing thereon through the date selected for such prepayment.

Furthermore, the Note evidencing the Loan will be executed and delivered subject to, and its terms and conditions of payment and security further delineated by and under, a loan agreement (the “Loan Agreement”) substantially incorporating the terms and conditions of the Term Sheet. The Loan Agreement, substantially in the form attached hereto as **Exhibit LA**, is hereby approved, and the same shall be executed and delivered, with such changes as the Designated Officers shall approve, upon the issuance and delivery of the 2022 Note, in exchange for the amount loaned at the settlement thereof. The Note will be issued and delivered on its Dated Date.

The Local Government Unit hereby authorizes and directs the President, Vice President and Treasurer of the Board of School Directors and the Board Secretary, or their duly elected and acting successors, along with the Director of Financial and Operational Services (the “Designated Officers” and each a “Designated Officer”), to execute and deliver the Note, the Loan Agreement and all such documents, and to do and perform all acts necessary and proper for the issuance and further security of the Note, including the filing of proceedings with the Pennsylvania Department of Community and Economic Development (the “Department”) to enable the Department to certify its approval with respect to the issuance, execution and delivery of the Note by the Local Government Unit.

The Designated Officers are hereby authorized and directed to prepare such materials and make such filings, applications and solicitations that are necessary to obtain the appropriate approval of the Department of Education of the issuance of the Note and the matters contemplated hereby, including any approvals from the Department of Education for reimbursement of debt service payments.

The Designated Officers are hereby further authorized and directed to provide to the Lender each year, not later than two hundred and seventy (270) days following the end of a respective fiscal year, for as long as the Note is outstanding, copies of the Local Government Unit’s audited financial statements, as the same shall be further delineated in the Loan Agreement.

Section 3. Preparation of Debt Statement

As required by §8110 of the Debt At, the President of the Board of School Directors and the Board Secretary of the Local Government Unit are authorized to prepare, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate.

Section 4. Security and Payment of the Note

The Note shall be the valid and binding general obligation of the Local Government Unit to the extent permitted by law. The Local Government Unit hereby covenants with the Lender and with subsequent holders, from time to time, of the Note that it will (a) include the amount of the debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service, and (c) duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates, at the place and in the manner stated therein according to the true intent and meaning thereof.

For such budgeting, appropriation and payment, the Local Government Unit hereby irrevocably pledges its full faith, credit and all available taxing power. The Local Government Unit further covenants and agrees to undertake, perform and pursue all acts, applications, appeals, procedures and petitions, including the filing and pursuit of legal actions and remedies within appropriate administrative and judicial forums, necessary to permit and enable the Local Government Unit to budget, levy and collect taxes and other revenues adequate to fulfill the foregoing covenant, as the same may be required under the Taxpayer Relief Act, Act 1 of Special, Session 2006, as amended, or similar law, including regulations and rulings promulgated thereunder. The amounts of debt service which are payable in respect of the Note are set forth in **Exhibit DS** attached hereto.

As provided in the Debt Act, the foregoing covenants are specifically enforceable, and are intended to represent a complete, absolute and unconditional obligation to pay the interest on and principal of the Note as and when due.

Notwithstanding the foregoing, nothing contained herein shall prohibit or restrain the authorization, issuance, sale or delivery of additional bonds or notes of the Local Government Unit including but not limited to tax and revenue anticipation notes, on parity with the Note.

The obligations of the Local Government Unit hereunder shall not be affected by any bankruptcy, arrangement of creditors, reorganization or similar proceedings of the Local Government Unit; and, to the extent applicable, the Local Government Unit specifically waives any right or benefit which could accrue to it by reason of any such proceeding and agrees that the same shall not affect the liability of the Local Government Unit hereunder.

The Local Government Unit does hereby create, and orders to be established (in its name and identified by reference to the Note), a Sinking Fund for the payment of the Note with PNC Bank, National Association, 300 Fifth Avenue, Pittsburgh, PA 15222 (herein "PNC Bank"), which is a national banking association lawfully conducting business in the Commonwealth of Pennsylvania, and does further covenant to maintain the Sinking Fund, in accordance with the Local Government Unit Debt Act, until the Note is paid in full. Any Designated Officer is hereby authorized and directed to contract with PNC Bank for its services as Sinking Fund Depository. PNC Bank shall undertake the duties of Sinking Fund Depository according to the provisions of the Debt Act, while the Local Government Unit shall serve as its own Paying Agent and Registrar, also, in both cases, in compliance with current industry standards and practices.

Section 5. Tax Covenants

The Local Government Unit hereby states its intention to comply with all the provisions of Sections 103 and 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Tax Code"); the Local Government Unit represents and covenants that it has undertaken and performed, and will undertake and perform, or, as appropriate, discontinue, upon the instruction of Note Counsel, all those acts necessary and proper to the maintenance of the exclusion from gross income of the interest on the Note to the registered owner(s) thereof conferred by those Sections, as interpreted by applicable regulations, rulings or other pronouncements of the Secretary of the United States Department of the Treasury.

The Local Government Unit covenants that the Note is not an issue: (1)(a) more than 10 percent of the proceeds of which are to be used for any private business use, and (b) the payment of the principal of, or the interest on, more than 10 percent of the proceeds, directly or indirectly, is (x) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (y) to be derived from payments in respect of property, or borrowed money, used or to be used for a private business use; nor (2) the proceeds of which, in an amount exceeding the lesser of five percent of such proceeds, or \$5,000,000, are to be used to make or finance loans to persons other than governmental units.

The Local Government Unit certifies that it is a school district and a political subdivision duly organized and validly existing under the Constitution and laws of the Commonwealth, particularly the School Code.

The Local Government Unit covenants that no portion of the proceeds of the Note is reasonably expected (at the time of issuance of the Note) to be used, nor will intentionally be so used, directly or indirectly, (1) to acquire higher yielding investments, or (2) to replace funds which were used directly or indirectly to acquire higher yielding investments. This prohibition does not apply to proceeds invested in higher yielding investments (a) for a reasonable temporary period until such proceeds are needed for the purpose of the Note, or (b) as a part of a reasonably required reserve or replacement fund. For these purposes, "higher yielding investment" means any investment property (generally, a security or debt obligation) that produces a yield over the term of the Note which is materially higher than the yield on the Note, but does not include any tax-exempt obligation.

The Local Government Unit covenants to pay and rebate its arbitrage profits (being an amount equal to the sum of (1) the excess of (a) the amount earned on all nonpurpose investments over (b) the amount which would have been earned if the nonpurpose investments were invested at a rate equal to the yield on the Note; plus (2) any income attributable to said excess (provided, further, that any gain or loss on the disposition of a nonpurpose investment will be taken into account) to the United States in accordance with the provisions of Section 148(f) of the Tax Code and regulations thereunder, but only as and to the extent that none of the following exceptions apply to the Local Government Unit).

Rebate to the United States as described above shall not be required of the Local Government Unit if, and in the event that any one of the following exceptions applies: **SIX MONTH SAFE HARBOR** - the gross proceeds of the Note are expended for the Project by no later than the day which is six months after the date of issuance of the Note, or, the gross proceeds, except the lesser of five percent of the gross proceeds of the Note, or \$100,000, are so expended by said date and such remaining portion is expended by no later than the day which is one year after the date of issuance of the Note.

The Local Government Unit shall prepare, or cause to be prepared, execute and submit to the Secretary IRS Form 8038-G (or 8038-GC, as applicable) according to all the requirements for information reporting contained in Section 149(e) of the Tax Code.

The Local Government Unit hereby designates the Note to be a “qualified tax-exempt obligation” for the purposes of, and according to all the terms and conditions of, Section 265(b)(3) of the Tax Code. Having considered tax-exempt obligations previously issued, together with the Note, during the calendar year in which the Note is being issued, the Local Government Unit represents and covenants that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Local Government Unit (together with all subordinate entities) during said calendar year does not exceed \$10,000,000, determined by including debt issued to refund prior debt on a current refunding basis only to the extent of any excess over the amount of such prior debt. For these purposes, “tax-exemption obligations” means any obligation the interest on which is wholly-exempt from taxes under the Tax Code.

Section 6. Award

After due consideration of sundry factors and current market conditions, the Local Government Unit hereby: (1) determines that a private sale by negotiation of the Note is in the best financial interest of the Local Government Unit; and (2) authorizes the President or Vice-President of the Board of School Directors (or their appropriate successors acting by reason of absence or other incapacity), in their sole discretion, to award the Note to the Lender at the Specified Price, by means of the execution and delivery to the Lender of the Term Sheet, which Note shall evidence the Loan provided for therein. The execution and delivery of the Term Sheet is hereby authorized and confirmed.

Section 7. Redemption of Prior Note

The Local Government Unit hereby declares its intention (and the purpose of the issuance of the Note is) to effect a complete and prompt prepayment and discharge of the \$5,885,000 outstanding principal amount of the Prior Note, together with all interest accrued and owing thereon. The Designated Officers are authorized and directed to transfer, or to cause the transfer, of proceeds of the Note sufficient for the foregoing purpose to PNC Bank, National Association, the holder of the Prior Note, at the closing on the Note, and to execute and deliver such instructions to PNC Bank, National Association as shall be necessary and proper to accomplish said prepayment and discharge in a timely and efficient manner.

Section 8. Expeditious Settlement

The Local Government Unit hereby authorizes and directs the Designated Officers, Note Counsel and the Solicitor to undertake and perform all actions on behalf of the Local Government Unit necessary and proper to the expeditious settlement of the issuance of the Note.

The Designated Officers are further authorized and directed to undertake and perform, or cause to be undertaken or performed, all the ordinary duties of the Local Government Unit (and the same are hereby specifically approved) which may be required under, or reasonably contemplated by, the Term Sheet and the Project, including without limitation, delivery of the notice of prepayment of the Prior Note (as defined in **Exhibit P** attached hereto), the prepayment of the Prior Note, retention of professionals, and execution and delivery of any certificates, orders, security agreements and other similar documents and agreements that may be necessary, in the opinion of the Lender, Note Counsel or Solicitor, for proper settlement of the sale of the Note.

Section 9. Note Resolution a Contract

Upon the Local Government Unit's execution of a Term Sheet relating to the Note, this Resolution, together with the Loan Agreement relating thereto, if and when executed and delivered, shall be deemed to be a contract with the Lender and the holders, from time to time, of the Note.

DULY ADOPTED on May 2, 2022.

PINE-RICHLAND SCHOOL DISTRICT

President, Board of School Directors

[SEAL]

Attest:

Board Secretary

DESCRIPTION OF PROJECT

“Project” means: funding (i) the refunding of the Prior Note, in order to eliminate the covenants and restrictions applicable to the Prior Note consisting of calculation of interest at a variable rate, and (ii) the payment of the costs of issuance of the 2022 Note (collectively, the “Project”). Reasonable estimates of the cost of the Project, which is not less than the principal amount of the indebtedness authorized hereby, together with the remaining useful life of the assets to be refinanced by the Note (being in excess of eighteen (18) years), have been obtained with the assistance of persons qualified by experience. Nothing contained herein prohibits the Governing Body, under proper enactment of an ordinance and compliance with all provisions of law, from amending, adding to, subtracting from, substituting for or otherwise altering the Project.

“Prior Note” means the \$5,885,000 currently outstanding Pine-Richland School District General Obligation Note, Series 2015A. The Prior Note being refunded was issued to refund the Pine-Richland School District General Obligation Note, Series C of 2011, which was issued to refund the Pine-Richland School District General Obligation Bonds, Series D of 2001, where were issued for a capital improvement program consisting of designing, constructing, furnishing and equipping additions and renovations to the High School and the Hance Elementary School, a portion of the costs of designing, constructing, furnishing and equipping an athletic complex, and capital improvements to various other School District facilities.

DEBT SERVICE PAYMENT SCHEDULE

General Obligation Note, Series of 2022

Note Payment Date	Principal	Interest Rate	Interest	Semiannual Debt Service	Fiscal Year Debt Service
7/15/22	\$ 15,000	2.920%	\$ 18,138.88	\$ 33,138.88	
1/15/23			85,702.00	85,702.00	\$ 118,840.88
7/15/23	15,000	2.920%	85,702.00	100,702.00	
1/15/24			85,483.00	85,483.00	186,185.00
7/15/24	15,000	2.920%	85,483.00	100,483.00	
1/15/25			85,264.00	85,264.00	185,747.00
7/15/25	15,000	2.920%	85,264.00	100,264.00	
1/15/26			85,045.00	85,045.00	185,309.00
7/15/26	10,000	2.920%	85,045.00	95,045.00	
1/15/27			84,899.00	84,899.00	179,944.00
7/15/27	20,000	2.920%	84,899.00	104,899.00	
1/15/28			84,607.00	84,607.00	189,506.00
7/15/28	10,000	2.920%	84,607.00	94,607.00	
1/15/29			84,461.00	84,461.00	179,068.00
7/15/29	5,000	2.920%	84,461.00	89,461.00	
1/15/30			84,388.00	84,388.00	173,849.00
7/15/30	2,560,000	2.920%	84,388.00	2,644,388.00	
1/15/31			47,012.00	47,012.00	2,691,400.00
7/15/31	3,220,000	2.920%	47,012.00	3,267,012.00	
1/15/32			-	-	3,267,012.00
Totals:	\$ 5,885,000		\$ 1,471,860.88	\$ 7,356,860.88	\$ 7,356,860.88

EXHIBIT DS

FORM OF LOAN AGREEMENT
(INCLUDING FORM OF NOTE)

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”), is dated this June 7, 2022, by and between the PINE-RICHLAND SCHOOL DISTRICT (Allegheny County, Pennsylvania), with its District Administrative Offices located at 702 Warrendale Road, Gibsonia, Pennsylvania 15044 (the “Local Government Unit”), and PNC Bank, National Association, with an address at The Tower at PNC Plaza, 300 Fifth Avenue, Pittsburgh, PA 15222 (the “Lender”).

RECITALS:

The Local Government Unit is both a “Local Government Unit” and a “School District,” duly organized and operating under the Constitution and the laws of the Commonwealth of Pennsylvania (the “Commonwealth”), particularly the Local Government Unit Debt Act, as amended (53 Pa.C.S.A. § 8001 *et seq.*, the “Debt Act”) and the Public School Code of 1949, Act of March 10, 1949, P.L. 30, No. 14, as amended (the “School Code”).

The Lender is duly authorized to conduct business within the Commonwealth of Pennsylvania.

The Local Government Unit has determined to undertake a Project consisting, in relevant part, of: funding the refunding, in order to eliminate covenants and restrictions relating to variable rate interest, of the Prior Note, and (ii) the payment of the costs of issuance of the Note (the “Project”).

The Local Government Unit is authorized by law, among other things, to borrow money and to make and issue negotiable notes and bonds, and to make such agreements in connection therewith as the Local Government Unit shall deem advisable.

The Local Government Unit has determined to finance the Project and has requested the Lender to extend credit by making a loan to the Local Government Unit in order to enable it to borrow the sum of \$5,885,000 (as evidenced by the Note, the “Loan”), and the Lender is willing to make the Loan evidenced by the Note to the Local Government Unit upon the terms and conditions hereinafter set forth in the Term Sheet dated May 2, 2022 (the “Term Sheet”), which was accepted by the Local Government Unit by its officers pursuant to the authority of an authorizing resolution adopted May 2, 2022 (the “Resolution”).

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein set forth, the parties hereto, each intending to be legally bound hereby, covenant and agree as follows:

Section 1. Definitions.

In this Agreement (except as otherwise expressly provided for or unless the context otherwise requires), the following terms have the meanings specified in the foregoing recitals:

Agreement	Loan	Resolution
Commonwealth	Local Government Unit	School Code
Debt Act	Project	Term Sheet
Lender		

In addition, the following terms shall have the following meanings, unless the context otherwise requires:

“Break Funding Amount” has the meaning given to such term in Section 10(i) of this Agreement.

“Business Day” shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Pittsburgh, Pennsylvania.

“Closing Date” shall be the date on which all conditions precedent in Section 8 of this Agreement have been satisfied or waived by the Lender with respect to the Note.

“Dated Date” means the date of delivery of the Note, expected to be June 7, 2022, or such other date upon which interest will begin to accrue on the Note, that is determined and fixed by the Local Government Unit, and which is acceptable to the Lender.

“Default Rate” means a variable interest rate, subject to change on a daily basis, equal to the greatest of (a) sum of (i) the PNC Prime Rate and (ii) 3% per annum; (b) the sum of (i) the Overnight Bank Funding Rate and (ii) 3.5%; and (c) 7.0%.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Local Government Unit files any statement, supplemental statement or other tax schedule, return or document in which the Local Government Unit discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Lender has received written notification from the Local Government Unit, supported by a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax exempt municipal finance, to the effect that an Event of Taxability has occurred;

(iii) on the date when the Local Government Unit shall be advised in writing by the Commissioner or any Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that based upon filings of the Local Government Unit (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of the Local Government Unit, or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Local Government Unit shall receive notice from the Lender that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender the interest on the Loan or Note due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the Local Government Unit has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined after taking into account any permitted appeals.

“Event of Taxability” means (i) a change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Local Government Unit, or the failure to take any action by the Local Government Unit, or the making by the Local Government Unit of any misrepresentation herein or in any certificate required to be

given in connection with this Agreement) which has the effect of causing interest paid or payable on the Loan or the Note to become includable, in whole or in part, in the gross income of the Lender for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Secretary of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Loan or the Note to become includable, in whole or in part, in the gross income of the Lender for federal income tax purposes.

“Maximum Federal Corporate Tax Rate” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect on such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender as of such day).

“Note” means the Local Government Unit’s General Obligation Note, Series of 2022.

“Overnight Bank Funding Rate” shall mean, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (“NYFRB”), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Purchaser for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Purchaser at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Local Government Unit.

“PNC Prime Rate” means the rate publicly announced by the Lender from time to time as its prime rate. The PNC Prime Rate is determined from time to time by the Lender as a means of pricing some loans to its borrowers. The PNC Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Lender to any particular class or category of customers.

“Taxable Date” means the date on which interest on the Loan or the Note is first includable in gross income of the Lender as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“Taxable Gross-Up Rate” means, for each day during a Taxable Period, a rate of interest equal to the product of (i) the interest rate on the Note for such day and (ii) the Taxable Rate Factor; provided that such Taxable Gross-Up Rate shall not exceed the Default Rate.

“Taxable Rate Factor” means, for each day that the Taxable Gross-Up Rate is determined, the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

“Taxable Period” has the meaning set forth in Section 2 hereof.

“Tax-Exempt Rate” means 2.92% per annum.

“Event of Default” means an event specified in Section 11.

“Maturity Date” means July 15, 2031.

“Premium Prepayment Commencement Date #1” means July 15, 2027.

“Premium Prepayment Commencement Date #2” means July 15, 2029

“Principal Installment Date(s)” means, singularly or jointly, July 15 of each year during the term of the Note, on which dates a portion of the principal of such Note shall be due and payable, in the form of a mandatory redemption of a portion of such Note, as a term instrument.

“Sinking Fund Depository” means PNC Bank, National Association.

All terms defined in the Resolution shall have a consistent meaning within the context of this Agreement and all terms defined in this Agreement shall have those same meanings when used in the Note, certificates, reports or other documents made or delivered pursuant to this Agreement, unless the context otherwise requires.

In this Agreement, unless otherwise indicated, (i) defined terms may be used in the singular or the plural and the use of any gender includes all genders, (ii) the words “hereof”, “herein”, “hereunder” and words of similar import refer to this entire Agreement, and (iii) all references to particular Sections are references to the Sections of this Agreement.

Section 2. Loan; Note; Interest.

Subject to the terms and conditions and relying upon the representations and warranties herein set forth, the Lender agrees to make the Loan to the Local Government Unit on the date hereof. To evidence the Loan, the Local Government Unit shall execute and deliver the Note to the Lender. The Note shall be in the form of fully registered instruments in the principal amount of \$5,885,000.

The Note will be dated the Dated Date and will bear interest on the outstanding principal amount thereof, at the Tax-Exempt Rate, based on a 30/360 day year convention. Such interest shall be payable semi-annually during the term of the Note, on January 15 and July 15 of each year. Principal of the Note shall be payable in annual installments due on each of the Principal Installment Dates, and in full on the Maturity Date for the Note, in the amounts and according to the amortization schedule attached to the Note. If the date for payment of the principal of, or interest on, this Note is not a Business Day, then the date of such payment shall be the next succeeding day which is a Business Day. Payment on such subsequent Business Day shall have the same force and effect as if made on the nominal date of payment but interest shall accrue until the date of such payment. All such payments of principal of and interest on the Note shall be paid in immediately available funds to such account as directed by the Lender without the need for the Lender to surrender such Note.

In the event a Taxable Date occurs with respect to the Note, (i) the Note shall continue to be outstanding but will bear interest at the Taxable Gross-Up Rate and (ii) to the extent that not already paid to the Lender pursuant to the clause (i) above, the Issuer hereby agrees to pay to the Lender on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender on the Note during the period for which interest on such Note is includable in the gross income of the Lender if such Note had borne interest at the Taxable Gross-Up Rate, beginning on the Taxable Date (the **“Taxable Period”**), and (B) the amount of interest actually paid to the Lender during the Taxable Period, and

(2) an amount equal to any interest, penalties or charges owed by the Lender as a result of interest on the Loan or Note becoming includable in the gross income of the Lender, together with any and all reasonable attorneys' fees, court costs, or other out of pocket costs incurred by the Lender in connection therewith.

Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, at the option of the Lender, the Note shall bear interest at the Default Rate.

The obligations of the Local Government Unit under this Section 2 shall survive the termination of this Agreement.

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 fifteen (15) calendar days of the date due and payable, the Local Government Unit also shall pay to the registered owner thereof a late charge equal to the greater of five percent (5%) of the amount of such payment 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.

Both the Late Charge and the Default Rate are imposed as liquidated damages for the purposes of defraying the Lender'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 hereunder, under the other Loan Documents 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 Lender 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 Lender, and that the actual harm incurred by the Lender cannot be estimated with certainty and without difficulty.

Section 3. Payments.

Payments on the Loan will be made in accordance with the Debt Service Schedule attached to the Note and incorporated by reference, together with interest thereon at the applicable rate stated in Section 2. All outstanding principal of and accrued interest on the Note shall be due and payable in full not later than the Maturity Date of the Note.

Section 4. Prepayment.

(a) The Local Government Unit has retained the right to prepay all or any portion of the outstanding principal of the Note in advance of particular Principal Installment Dates, as well as in advance of its Maturity Date. Such right may be exercised on any Business Day upon five (5) Business Days' written notice to the Lender.

(b) (i) In the case of prepayment occurring on or after the Premium Prepayment Commencement Date #1 and before Premium Prepayment Commencement Date #2, such prepayment shall be at the lesser of (A) the sum of (1) the principal amount of the Note being prepaid and (2) the Break Funding Amount, if any, or (B) 103.50% of the principal amount of the Note being prepaid, in both cases together with interest accrued and owing thereon through the date selected for such prepayment.

(ii) In the case of prepayment occurring on or after the Premium Prepayment Commencement Date #2, such prepayment shall be at the lesser of (A) the sum of (1) the principal amount of the Note being prepaid and (2) the Break Funding Amount, if any, or (B) 101.75% of the principal amount of the Note being prepaid, in both cases together with interest accrued and owing thereon through the date selected for such prepayment.

(iii) In the case of prepayment occurring before the Premium Prepayment Commencement Date #1, such prepayment shall be at 100% of the principal amount prepaid, plus the Break Funding Amount, if any, plus accrued interest to the date of prepayment.

(c) In the event of a partial prepayment, such partial prepayment shall be applied in inverse order of maturity or Principal Installment Dates.

Section 5. Note Registration.

Pursuant to the Resolution, the Local Government Unit shall serve as the Paying Agent and Registrar for the Note (the "Registrar") and as such the Local Government Unit shall keep books for the registration of the Note. The principal of and interest on the Note shall be payable only to the registered owner or his attorney or legal representative.

The transfer of the Note may be registered only upon the books kept for the registration and transfer of the Note upon surrender thereof to the Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative and shall be in such form as shall be satisfactory to the Registrar.

The person in whose name a Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on said Note shall be made only to the registered owner thereof or his registered assigns. All such payments shall be valid and effectual to satisfy and discharge the liability upon said Note, including the interest thereof, to the extent of the sum or sums so paid.

Section 6. Security.

The Note shall be a valid and binding general obligation of the Local Government Unit. The Local Government Unit hereby covenants with Lender (and the owners from time to time of the Note) to: (a) include the amount necessary to service the debt on the Note, for each fiscal year in which such sums are payable, in its budget for that year; (b) appropriate such amounts from its general revenues to the payment of such debt service; and (c) duly and punctually pay, or cause to be paid, from its Sinking Fund or from any other of its revenues or funds, the principal of and the interest on the Note at the dates and place and in the manner stated in the Note, according to the true intent and meaning thereof.

For such budgeting, appropriation and payment of the Note, the Local Government Unit hereby irrevocably pledges its full faith, credit and all available taxing power. The Local Government Unit further covenants and agrees to undertake, perform and pursue all acts, applications, appeals, procedures and petitions, including the filing and pursuit of legal actions and remedies within appropriate administrative and judicial forums, necessary to permit and enable the Local Government Unit to budget and collect taxes and other revenues adequate to fulfill the foregoing covenant. The amounts of debt service covenanted to be paid are set forth in the Debt Service Schedule attached to the Note and incorporated by reference.

As provided in the Debt Act, the foregoing covenants are specifically enforceable, and are intended to represent a complete, absolute and unconditional obligation to pay the interest on and principal of the Note as and when due.

Notwithstanding the foregoing, nothing contained herein shall prohibit or restrain the authorization, issuance, sale or delivery of additional bonds or notes of the Local Government Unit, including but not limited to tax and revenue anticipation notes, on parity with the Note.

This Agreement, the Note, the Resolution and all other agreements and documents executed and/or delivered pursuant hereto, as each may be amended, modified, extended or renewed from time to time, are collectively referred to as the "Loan Documents." Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Documents.

The obligations of the Local Government Unit hereunder shall not be affected by any bankruptcy, arrangement of creditors, reorganization or similar proceedings of the Local Government Unit; and, to the extent applicable, the Local Government Unit specifically waives any right or benefit which could accrue to it by reason of any such proceeding and agrees that the same shall not affect the liability of the Local Government Unit hereunder.

Section 7. Representations and Warranties.

The Local Government Unit represents and warrants to the Lender that:

(a) The Local Government Unit is a school district duly organized and validly existing under the School Code, constituting a Local Government Unit, as defined in the Debt Act. The Local Government Unit possesses all requisite power and authority under laws of the Commonwealth to enter into and to perform all the covenants and agreements set forth in this Agreement, to issue the Note and to undertake the Project. The Local Government Unit is duly authorized to execute and deliver the Loan Documents, all necessary action to authorize the execution and delivery of the Loan Documents has been properly taken, and the Local Government Unit is duly authorized to borrow under this Agreement and to perform all of the other terms and provisions of the Loan Documents.

(b) The Local Government Unit has full power and authority to enter into the transactions provided for in this Agreement and has been duly authorized to do so by appropriate action of the Board of School Directors or otherwise as may be required by law, charter, other organizational documents or agreement, and this Agreement and the Note, when executed and delivered by the Local Government Unit, will constitute the legal, valid and binding obligations of the Local Government Unit enforceable in accordance with their terms.

(c) There is no litigation pending in any court against the Local Government Unit, nor to the knowledge of the Local Government Unit is there any threatened, in any court or other tribunal of competent jurisdiction, State or Federal, against the Local Government Unit, in any way: (a) affecting the existence of the Local Government Unit or the titles of its officers to their respective offices; (b) seeking to prohibit, restrain or enjoin the issuance, execution or delivery of the Note or the collection of taxes and general revenues of the Local Government Unit pledged to pay the Note; (c) contesting the power or authority of the Local Government Unit to issue, execution and deliver the Note, to adopt the Resolution, to execute and deliver this Agreement and any other Loan Documents, or to perform any official act in connection with any of the foregoing instruments; or (d) questioning or affecting the validity of the Note, the Resolution, this Agreement, or any other Loan Documents, or the proceedings of the Local Government Unit relating to the issuance, execution or delivery of the Note.

(d) Neither this Agreement, the Note, the other Loan Documents, nor any certificate or other document furnished to the Lender in connection herewith contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained in this Agreement or the Note not misleading. There is no fact known to the Local Government Unit which materially adversely affects or, so far as the Local Government Unit can now foresee, might materially adversely affect, the business, assets, operations, financial condition or results of operation of the Local Government Unit and which has not otherwise been fully set forth in this Agreement.

(e) The Local Government Unit is in compliance with all terms and conditions set forth herein, and no Event of Default and no condition or event which, with the giving of notice or lapse of time, or both, would, unless cured or waived, become an Event of Default, has occurred and is continuing or exists.

(f) There is no agreement or law binding on the Local Government Unit which would conflict with or in any way prevent the execution, delivery or performance of any Loan Document or which would be in default or violated as a result of such execution, delivery or performance.

(g) The financial statements of the Local Government Unit for the fiscal year ended June 30, 2021 heretofore furnished to the Lender present fairly the financial condition at the respective dates indicated therein and there has been no material adverse change in the business, assets, operations, financial condition or results of operation of the Local Government Unit from that reflected in such financial statements. Since the date of such financial statements, the Local Government Unit has not entered into any direct or contingent bond debt, lease, installment purchase, or loan obligations.

(h) The Local Government Unit has not issued and will not issue any tax-exempt obligations during calendar year 2022 in excess of \$10,000,000 (including the Note), except as the same may be “deemed designated” as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

(i) The Local Government Unit is not in default in the payment of any indebtedness of the Local Government Unit.

(j) It is hereby certified and recited that all conditions, acts and things required by law to exist, to have been performed and to have happened precedent to and in connection with the execution, issuance and delivery of this Loan Agreement and the Note do exist, have been performed and have happened and that the Note is within every debt and other limitation prescribed by law.

Section 8. Conditions of Lending.

The obligation of the Lender to make the Loan is subject to the accuracy of all representations and warranties herein contained, to the performance by the Local Government Unit of its agreements to be performed hereunder, and to the satisfaction of the following further conditions:

(a) The Local Government Unit shall be in compliance with all terms and conditions set forth herein, and no Event of Default and no condition or event which, with the giving of notice or lapse of time, or both, would, unless cured or waived, become an Event of Default, shall have occurred and be continuing or shall exist;

(b) Concurrently with the execution and delivery of this Agreement and the Note, the Local Government Unit shall have also furnished to the Lender (i) certified copies of the Resolution and the approval of the Department of Community and Economic Development for the issuance of said Note, (ii) evidence of the authority of each person who has signed this Agreement, the Note and certificates on behalf of the Local Government Unit, (iii) an opinion of the Local Government Unit’s solicitor, in form and substance satisfactory to the Lender, as to all matters incident to the transactions herein contemplated which the Lender may reasonably request pursuant to the terms of its Term Sheet, (iv) an opinion of Note Counsel, in form and substance satisfactory to the Lender, as to all matters incident to the transactions herein contemplated which the Lender may reasonably request, (v) a certification from the Local Government Unit as to its compliance with the debt limitations under the Debt Act, and as to all matters incident to the transaction herein contemplated which the Lender may reasonably request.

(c) All legal details and proceedings in connection with the transactions contemplated by this Agreement shall be in form and substance satisfactory to the Lender, and the Lender shall have received all such counterparts, originals or certified or other copies of such documents or proceedings in connection with such transactions, in form and substance as to certification and otherwise, satisfactory to the Lender, as the Lender may reasonably request.

(d) The payment of the fee of Lender's counsel in an amount not to exceed \$7,500.

Section 9. Requisition of Loan Proceeds.

On the Closing Date of the Note, the Local Government Unit shall draw the proceeds of the same and apply such proceeds diligently to the purposes of the Project.

Section 10. Covenants of the Local Government Unit.

The Local Government Unit covenants that, from the date of execution of this Agreement until the Loan has been fully paid, it will:

(a) At all times comply with the laws of the Commonwealth of Pennsylvania applicable to the Local Government Unit;

(b) Promptly notify the Lender of any condition or event which constitutes an Event of Default or which, with the lapse of time or giving of notice would become such an Event of Default, and, if such a condition or event has been so disclosed, specifying the nature and extent thereof and the corrective measures which the Local Government Unit proposes to take in relation thereto;

(c) Execute or provide, as requested by the Lender, such other documents and information as are reasonably necessary with respect to the transactions contemplated by this Agreement.

(d) Furnish to the Lender during each year that the Note is outstanding, not later than two hundred seventy (270) days following the end of each fiscal year, the following financial information and reports of the Local Government Unit: audited financial statements as the close of and for such fiscal year, all in reasonable detail, with supporting schedules, audited by and with the report of Local Government Unit's auditor (the "Audit"), which may be in electronic .pdf format. To the extent the Audit is filed on the MSRB's "EMMA" website, to satisfy its requirements hereunder the Local Government Unit may email a link to the posted information to the Lender. The electronic reporting Information or EMMA link may be sent to the Lender's notice email address set forth in Section 12(c) of this Agreement. In the event that the Audit is not available, the Local Government Unit will furnish unaudited financial statements to Lender in the manner described in this Section and will then supply the Audit immediately upon the availability thereof. The Local Government Unit also covenants to provide the Lender, from time to time, such financial information as it may reasonably request, in writing, provided such information or reports are customarily prepared within the normal course of school accounting practice and are readily available.

(e) Maintain books and records in accordance with Generally Accepted Accounting Principles and permit any officers or qualified employees or representatives of the Lender designated by it to visit and inspect the Local Government Unit's books and discuss the affairs, finances and accounts of the Local Government Unit, all at such times and as often as the Lender may reasonably request.

(f) The covenants and agreements of the Local Government Unit under the Resolution, together with the related definitions contained therein, are hereby incorporated by reference in this Agreement as if each and every covenant, agreement and definition were set forth herein in its entirety, and each of such

covenants and agreements is hereby made for the benefit of the Lender. No amendments to such covenants, agreements or definitions or any waiver of such covenants or agreements shall be effective to amend or waive such covenants, agreements or definitions as incorporated herein by reference without the prior written consent of the Lender.

(g) Pay all costs, expenses (including reasonable attorneys' fees), and disbursements incurred by Lender (i) in all efforts made to enforce or collect payment of the Note or amount due hereunder, (ii) in connection with entering into, modifying or amending this Agreement, or any consents or waivers hereunder and all related documents, and (iii) in defending or prosecuting any actions or proceedings arising out of or relating to Lender's transactions with the Local Government Unit. The obligations of the Local Government Unit under this subsection (e) shall survive the termination of this Agreement.

(h) On written demand, together with written evidence of the justification therefor, pay the Lender all direct costs incurred, any losses suffered or payments made by the Purchaser as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Lender, its holding company or any of their respective assets relative to the Loan. "**Change in Law**" means the occurrence, after the Dated Date of the Note, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

(i) Indemnify the Lender against any liabilities, losses or expenses (including, without limitation, loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any advance (or any part thereof) bearing interest at a fixed rate) which the Lender sustains or incurs (such amount or amounts payable to Lender from time to time under this subsection (h) being referred to herein and in the Note as the "**Break Funding Amount**") as a consequence of either (i) the Local Government Unit's failure to make a payment on the due date thereof, (ii) the Local Government Unit's revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Lender to request, convert, renew or prepay any advance bearing interest at a fixed rate, or (iii) the Local Government Unit's payment or prepayment of the Note (whether voluntary, after acceleration of the maturity of the Note or otherwise) on a day other than the regularly scheduled due date therefor and other than at a prepayment price determined under Section 4(b)(i)(B) or 4(b)(ii)(B) hereof. A notice as to any amounts payable pursuant to this paragraph given to the Local Government Unit by the Lender shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The Local Government Unit's indemnification obligations hereunder shall survive the payment in full of the advances and all other amounts payable hereunder.

(j) The Lender shall have the benefit of all current and future financial and rating based covenants, events of default and remedies (including with respect to acceleration and the right of repayment of other creditors with respect to the Local Government Unit's debt) which are agreed to by the Local Government Unit with any other lender, credit or liquidity provider or bond insurer with respect to any such debt, while such debt remains outstanding.

Section 11. Events of Default.

The occurrence of any of the following events shall each be deemed an Event of Default:

(a) Failure of the Local Government Unit to pay, when due, the principal of or interest on the Note or the Loan or any other default under the terms of the Note; or

(b) Default in the performance of any covenant or agreement set forth in this Agreement, in the Note or in any other Loan Document or the occurrence of a default under any other agreement between the Local Government Unit and the Lender; or

(c) Any representation or warranty made by the Local Government Unit 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 this Agreement is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified; or

(d) Any certificate or financial statement furnished pursuant to the Loan Documents or the Debt Act shall prove to have been false or misleading in any material respect as of the time made or furnished; or

(e) If the Local Government Unit shall commence a voluntary case under any applicable bankruptcy, insolvency or similar law, or shall consent to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of or for any substantial part of the Local Government Unit's property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of the foregoing; or

(f) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Local Government Unit or of any part of its property and such custody or control shall not be terminated or stayed within 90 days from the date of assumption of such custody or control; or

(g) The Local Government Unit shall fail or refuse to comply with any provisions of the Debt Act or shall for any reason be rendered incapable of fulfilling its obligations hereunder or thereunder; or

(h) 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 Lender by the Local Government Unit;

(i) Default in any payment of principal of or interest on any obligation for borrowed money beyond any period of grace with respect thereto or default in the observance of any material covenant, term or condition with respect to such obligation beyond any period of grace if the effect of such default is to cause, or to permit the holder or holders of such obligation or obligations (or a trustee or agent on behalf of such holder or holders) to cause, all or part of such obligation or obligations to become due before its or their otherwise stated maturity;

(j) Default in making any required payment to PSERS; or

(k) The long-term unenhanced debt rating drops below “A-” by S&P Global Ratings or “A3” by Moody’s Investors Service, or any such rating is withdrawn or suspended for credit related reasons.

Upon the occurrence of an Event of Default: (i) if an Event of Default specified in clause (e), (f), (h) or (i) above shall occur, the outstanding principal balance and accrued interest under the Note together with any additional amounts payable thereunder or hereunder shall be immediately due and payable without demand or notice of any kind; (ii) if any other Event of Default shall occur, the outstanding principal balance and accrued interest under the Note together with any additional amounts payable thereunder or hereunder, at the Lender’s option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (iii) at the Lender’s option, the Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (iv) the Lender may exercise from time to time any other rights and remedies available under the Loan Documents, the Debt Act, the School Code and/or any other laws and pursue any other action available at law or in equity.

Section 12. Miscellaneous.

(a) No delay or failure of the Lender in exercising any right, power or privilege hereunder or under law shall affect the right, power or privilege, nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof. Any waiver, permit, consent or approval of any kind or character on the part of the Lender of any breach or default under this Agreement or any waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent in such writing specifically set forth. Nothing in this Agreement shall be deemed any waiver or prohibition of Lender’s right of banker’s lien or setoff.

(b) All representations, warranties, covenants and agreements of the Local Government Unit contained herein or made in writing in connection herewith shall survive execution and delivery of this Agreement, the making of the Loan and issuance of the Note to the Lender, except as herein otherwise expressly provided.

(c) All notices, demands, requests, consents, approvals and other communications required or permitted hereunder (“**Notices**”) must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Agreement) and will be effective upon receipt. Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time. Notices may be sent to a party’s address as set forth below or to such other address as any party may give to the other for such purpose in accordance with this section.

If to the Lender:

PNC Bank, National Association
The Tower at PNC Plaza
300 Fifth Avenue
Pittsburgh, Pennsylvania 15222
Attention: Ben Ganter
Email: benjamin.ganter@pnc.com

If to the Local Government Unit: Pine-Richland School District
Attn: Director of Financial and Operational Services
702 Warrendale Road
Gibsonia, PA 15044

(d) This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, each of which shall be regarded for all purposes as an original, but such counterparts shall constitute but one and the same instrument.

(e) This Agreement constitutes the entire contract between the Lender and the Local Government Unit and supersedes all prior communications, oral and written, as well as all contemporaneous oral communications between the parties.

(f) This Agreement may only be amended in writing executed by the Local Government Unit and the Lender.

(g) If any part or provision of this Agreement is found or declared to be invalid or in contravention of any governing law or regulation, such part or provision shall be severable without affecting the validity of any other part or provision of this Agreement.

(h) This Agreement shall be binding upon and inure to the benefit of the Lender, the Local Government Unit and their respective successors and assigns, except the Local Government Unit may not voluntarily transfer or assign its rights hereunder. At any time, without any notice to the Local Government Unit, the Lender may sell, assign, transfer, negotiate, grant participations in, or otherwise dispose of all or any part of the Lender's interest in the Loan. The Local Government Unit hereby authorizes the Lender to provide, without any notice to the Local Government Unit, any information concerning the Local Government Unit, including information pertaining to the Local Government Unit's financial condition, business operations or general creditworthiness, to any assignee of or participant in or any prospective assignee of or participant in all or any part of the Lender's interest in the Loan.

(i) This Agreement shall be deemed to be a contract made under the laws of the Commonwealth of Pennsylvania, and shall be governed by and construed in accordance with the laws thereof. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE LENDER AND THE LOCAL GOVERNMENT UNIT DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT).** The Local Government Unit hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Lender's office address provided herein is located; provided that nothing contained in this Agreement will prevent the Lender from bringing any action, enforcing any award or judgment or exercising any rights against the Local Government Unit individually, against any security or against any property of the Local Government Unit within any other county, state or other foreign or domestic jurisdiction. The Lender and the Local Government Unit agree that the venue provided above is the most convenient forum for both the Lender and the Local Government Unit. The Local Government Unit waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

(j) **IMPORTANT INFORMATION ABOUT PROCEDURES REQUIRED BY THE USA PATRIOT ACT.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each

entity or person who opens an account or establishes a relationship with the Lender. What this means: When an entity or person opens an account or establishes a relationship with the Lender, the Lender may ask for the name, address, date of birth, and other information that will allow the Lender to identify the entity or person who opens an account or establishes a relationship with the Lender. The Lender may also ask to see identifying documents for the entity or person.

(k) EACH PARTY HERETO WAIVES ITS RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO THIS AGREEMENT AND THAT THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE LOCAL GOVERNMENT UNIT, ON BEHALF OF THE LOCAL GOVERNMENT UNIT, AND THE LENDER IS MADE IN RELIANCE UPON SUCH WAIVER. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

(l) The Local Government Unit represents, warrants and covenants to the Lender, as of the date hereof, the date of each advance of proceeds under the Loan, the date of any renewal, extension or modification of the Loan, and at all times until the Loan has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Jurisdiction or in the possession, custody or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Jurisdiction or Sanctioned Person; (b) the proceeds of the Loan will not be used to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Jurisdiction or Sanctioned Person; (c) the funds used to repay the Loan are not derived from any unlawful activity; (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws; and (e) no Collateral is or will become Embargoed Property. The Local Government Unit covenants and agrees that (a) it shall immediately notify the Lender in writing upon the occurrence of a Reportable Compliance Event; and (b) if, at any time, any Collateral becomes Embargoed Property, in addition to all other rights and remedies available to the Lender, upon request by the Lender, the Local Government Unit shall provide substitute Collateral acceptable to the Lender that is not Embargoed Property.

As used herein: “**Anti-Terrorism Laws**” means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, all as amended, supplemented or replaced from time to time; “**Collateral**” means any collateral securing any debt, liabilities or other obligations of any Obligor to the Lender; “**Compliance Authority**” means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; “**Covered Entity**” means the Local Government Unit, its affiliates and subsidiaries, all guarantors, pledgors of collateral, all owners of the foregoing, and all brokers or other agents of the Local Government Unit acting in any capacity in connection with the Loan; “**Embargoed Property**” means any property (a) in which a Sanctioned Person holds an interest; (b) beneficially owned, directly or indirectly, by a Sanctioned Person; (c) that is due to or from a Sanctioned Person; (d) that is located in a Sanctioned Jurisdiction; or (e) that would otherwise cause any actual or possible violation by the Lender of any applicable Anti-Terrorism Law if the Lender were to obtain an encumbrance on, lien on, pledge of or security interest in such property or provide services in consideration of such property; “**Reportable Compliance Event**” means (1) any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers

facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law; (2) any Covered Entity engages in a transaction that has caused or may cause the Lender to be in violation of any Anti-Terrorism Laws, including a Covered Entity's use of any proceeds of the Loan to fund any operations in, finance any investments or activities in, or, make any payments to, directly or indirectly, a Sanctioned Jurisdiction or Sanctioned Person; or (3) any Collateral becomes Embargoed Property; "**Sanctioned Jurisdiction**" means a country subject to a sanctions program maintained by any Compliance Authority; and "**Sanctioned Person**" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

(m) The Lender will not be responsible for any damages, consequential, incidental, special, punitive or otherwise, that may be incurred or alleged by any person or entity, including the Local Government Unit and any Guarantor, as a result of this Agreement, the other Loan Documents, the transactions contemplated hereby or thereby, or the use of the proceeds of the Loan.

(n) By providing telephone number(s) to the Lender, now or at any later time, the Local Government Unit hereby authorizes the Lender and its affiliates and designees to contact the Local Government Unit regarding the Local Government Unit's account(s) with the Lender or its affiliates, whether such accounts are Local Government Unit's individual accounts or business accounts for which Local Government Unit is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or by leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Local Government Unit hereby consents that any phone call with the Lender may be monitored or recorded by the Lender.

(o) In connection with the Loan, this Agreement and the other Loan Documents, the Lender and the Local Government Unit will be providing to each other, whether orally, in writing or in electronic format, nonpublic, confidential or proprietary information (collectively, "**Confidential Information**"). Each of the Local Government Unit and the Lender agrees (i) to hold the Confidential Information of the other in confidence; and (ii) not to disclose or permit any other person or entity access to the Confidential Information of the other party, except for disclosure or access (a) to a party's affiliates and its or their employees, officers, directors, agents, representatives, (b) to other third parties that provide or may provide ancillary support relating to the Loan, this Agreement and/or the other Loan Documents, (c) in connection with the exercise of any remedies or enforcement of rights under this Agreement or any action or proceeding relating to the Loan, this Agreement and/or the other Loan Documents, (d) to its external or internal auditors or regulatory authorities, (e) upon the order of a court or other governmental agency having jurisdiction over a party or as otherwise required by law, or (f) as required under any agreement entered into by the Local Government Unit pursuant to the Securities Exchange Commission (SEC) Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as amended or supplemented from time to time.

It is understood and agreed that the obligation to protect such Confidential Information shall be satisfied if the party receiving such Confidential Information utilizes the same control (but no less than reasonable) as it does to avoid disclosure of its own confidential and valuable information. It is also understood and agreed that no information shall be within the protection of this Agreement where such information: (w) is or becomes publicly available through no fault of the party to whom such Confidential Information has been disclosed, (x) is released by the originating party to anyone without restriction, (y) is rightly obtained from third parties who are not, to such receiving party's knowledge, under an obligation of confidentiality, or (z) is required to be disclosed by law.

For the purposes of this Agreement, Confidential Information of a party shall include, without limitation, any financial information, scientific or technical information, design, process, procedure or improvement and all concepts, documentation, reports, data, data formats, specifications, computer software, source code, object code, user manuals, financial models, screen displays and formats, software, databases, inventions, knowhow, showhow and trade secrets, whether or not patentable or copyrightable, whether owned by a party or any third party, together with all memoranda, analyses, compilations, studies, notes, records, drawings, manuals or other documents or materials which contain or otherwise reflect any of the foregoing information.

Each of the Local Government Unit and the Lender agrees to return to the other or destroy all Confidential Information of the other upon the termination of this Agreement; provided, however, each party may retain such limited information for customary archival and audit purposes only for reference with respect to prior dealings between the parties subject at all times to the continuing terms of this subsection.

Each of the Local Government Unit and the Lender agrees not to use the other's name or logo in any marketing, advertising or related materials, without the prior written consent of the other party.

(p) The Local Government Unit acknowledges that from time to time other financial and banking services may be offered or provided to the Local Government Unit or one or more of its subsidiaries and/or affiliates (in connection with this Agreement or otherwise) by the Lender or by one or more subsidiaries or affiliates of the Lender or of The PNC Financial Services Group, Inc., and the Local Government Unit hereby authorizes the Lender to share any information delivered to the Lender by the Local Government Unit and/or its subsidiaries and/or affiliates pursuant to this Agreement or any of the Loan Documents to any subsidiary or affiliate of the Lender and/or The PNC Financial Services Group, Inc., subject to any provisions of confidentiality in this Agreement or any other Loan Documents.

(q) Notwithstanding any other provision herein, the Local Government Unit agrees that this Agreement, the Loan Documents, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a “**Communication**”) may, at the Lender’s option, be in the form of an electronic record. Any Communication may, at the Lender’s option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Lender of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement as of the day and year first above written.

PINE-RICHLAND SCHOOL DISTRICT

President, Board of School Directors

[SEAL]
Attest:

Board Secretary

PNC BANK, NATIONAL ASSOCIATION

By _____
Vice President

EXHIBIT A

FORM OF NOTE

PINE-RICHLAND SCHOOL DISTRICT
(Allegheny County, Pennsylvania)

GENERAL OBLIGATION NOTE, SERIES OF 2022

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>
\$5,885,000	2.92%	June 7, 2022	July 15, 2031

The above named Local Government Unit, intending to be legally bound, promises to pay to the Registered Owner at its address shown on the attached registration form (or at such other location as the Registered Owner may designate from time to time) in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of set-off, the just principal sum of FIVE MILLION EIGHT HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$5,885,000.00) in accordance with the Debt Service Schedule attached hereto and incorporated by reference, together with interest thereon at the above-stated rate. (Certain terms used and not defined herein are defined in the Loan Agreement (herein defined), which Loan Agreement contains additional provisions and details regarding the terms of payment of this Note.)

This Note shall bear interest from the Dated Date on the outstanding Principal Amount, payable semi-annually, on each January 15 and July 15 (the "Note Payment Dates") during the term of the Note, commencing July 15, 2022. Principal installments shall be due and payable on each July 15 (the "Principal Installment Dates") during the term of the Note. All outstanding principal and accrued interest shall be due and payable in full on July 15, 2031, the Maturity Date. The Principal Amount outstanding under this Note will bear interest computed on the basis of a 30/360 day/year convention. If the date for payment of the principal of, or interest on, this Note is not a Business Day, then the date of such payment shall be the next succeeding day which is a Business Day. Payment on such subsequent business day shall have the same force and effect as if made on the nominal date of payment but interest shall accrue until the date of such payment. A Business Day shall be any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Pittsburgh, Pennsylvania. All such payments of principal of and interest on this Note shall be paid in immediately available funds to such account as directed by the Registered Owner without the need for the Registered Owner to surrender such Note.

If the Local Government Unit fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within ten (10) calendar days of the date due and payable, the Local Government Unit also shall pay to such account as directed by the Registered Owner a late charge equal to the greater of five percent (5%) of the amount of such payment or \$100.00 (the "Late Charge"). Such ten-day period shall not be construed in any way to extend the due date of any such payment.

Upon the occurrence and during the continuance of an Event of Default or a Determination of Taxability, the Note may bear interest at the Default Rate or at the Taxable Gross-Up Rate, respectively as appropriate, according to the terms and conditions of the Loan Agreement.

The Local Government Unit has retained the right to prepay all or any portion of the outstanding principal of this Note in advance of particular Principal Installment Dates, as well as in advance of its maturity. Such right may be exercised upon five (5) Business Days' written notice to the Registered Owner. Prepayment of this Note before the July 15, 2027 Premium Prepayment Commencement Date #1 shall be at a prepayment price equal to the sum of (1) 100% of the principal amount prepaid, (2) the Break Funding Amount, if any, described in the Loan Agreement, and (3) interest accrued to the prepayment date. Prepayment of this Note on or after the July 15, 2027 Premium Prepayment Commencement Date #1 but before the July 15, 2029 Premium Prepayment Commencement Date #2 (each as defined in the Loan Agreement), shall be at a prepayment price equal to the lesser of (A) the sum of (1) 100% of the principal amount prepaid, (2) the Break Funding Amount, if any, described in the Loan Agreement, and (3) interest accrued to the prepayment date or (B) the sum of (1) 103.50% of the principal amount prepaid, and (2) interest accrued to the prepayment date. Prepayment of this Note on or after the July 15, 2029 Premium Prepayment Commencement Date #2 (as defined in the Loan Agreement), shall be at a prepayment price equal to the lesser of (A) the sum of (1) 100% of the principal amount prepaid, (2) the Break Funding Amount, if any, described in the Loan Agreement, and (3) interest accrued to the prepayment date or (B) the sum of (1) 101.75% of the principal amount prepaid, and (2) interest accrued to the prepayment date. In the event of a partial prepayment, such partial prepayments shall be applied in inverse order of maturity or Principal Installment Dates.

The Local Government Unit hereby covenants with the Registered Owner of this Note that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, will appropriate such amounts to the payment of such debt service, and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon in the place, on the dates and in the manner stated above, according to the true meaning and intent hereof; for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and all available taxing power. The Local Government Unit further covenants and agrees to undertake, perform and pursue all acts, applications, appeals, procedures and petitions, including the filing and pursuit of legal actions and remedies within appropriate administrative and judicial forums, necessary to permit and enable the Local Government Unit to budget and collect taxes and other revenues adequate to fulfill the foregoing covenant. The foregoing is subject to the further terms and provisions of, the Loan Agreement and the Debt Ordinance (herein defined), which authorized the same.

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 such liability of such officers, agents or employees for the payment of the principal of or the interest on this Note is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note; and the Note is acknowledged to be a corporate obligation of the Local Government Unit.

This Note evidences a borrowing for a Project under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, pursuant to a Resolution of the Local Government Unit duly and regularly adopted on May 2, 2022, in accordance with the provisions of the Debt Act (the "Debt Ordinance"), and is delivered under and pursuant to all the terms and conditions of a Loan Agreement dated June 7, 2022 between the Local Government Unit and the Original Registered Owner (the "Loan Agreement"), the terms of which are incorporated herein by reference. It is hereby certified and recited that all conditions, acts and things required by law to exist, to have been performed and to have happened precedent to and in connection with the issuance of this Note do exist, have been performed and have happened and that this Note is within every debt and other limitation prescribed by law.

No delay or omission of the Registered Owner to exercise any right or power arising hereunder shall impair any such right or power or be considered to be a waiver of any such right or power or any acquiescence therein nor shall the action or non-action of the Registered Owner impair any right or power resulting therefrom. If any provision of this Note is found to be invalid by a court, all the other provisions of this Note will remain in full force and effect.

This Note has been delivered to and accepted by the Registered Owner and will be deemed to be made in the Commonwealth of Pennsylvania. **THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTION ACT (OR EQUIVALENT) IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL NATIONAL COMMERCE ACT).** The Local Government Unit hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in Allegheny County or judicial district wherein the City of Pittsburgh is located; provided that nothing contained in this Note will prevent the Registered Owner from bringing any action, enforcing any award or judgment or exercising any rights against the Local Government Unit individually, against any security or against any property of the Local Government Unit within any other county, state or other foreign or domestic jurisdiction. The Local Government Unit acknowledges and agrees that the venue provided above is the most convenient forum for both the Registered Owner and the Local Government Unit. The Local Government Unit waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

This Note shall bind the Local Government Unit and its successors and assigns, and the benefits hereof shall inure to the benefit of the Registered Owner and its successors and assigns; provided, however, that the Local Government Unit may not assign this Note in whole or in part without the Registered Owner's written consent and the Registered Owner at any time may assign this Note in whole or in part.

The Local Government Unit hereby represents that it has been represented by competent counsel of its choice, or has knowingly waived its right to use and retain counsel, in the negotiation and execution of this Note and the other Loan Documents; that it has read and fully understood the terms hereof; that the Local Government Unit and any retained counsel have been afforded an opportunity to review, negotiate and modify the terms of this Note and the other Loan Documents; and that it intends to be bound hereby. In accordance with the foregoing, the general rule of construction to the effect that any ambiguities in a contract are to be resolved against the party drafting the contract shall not be employed in the construction and interpretation of this Note or any other Loan Document.

This Note and any other Loan Document may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Notwithstanding any other provision herein, the Local Government Unit agrees that this Note, the Loan Documents, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a “**Communication**”) may, at the Registered Owner’s option, be in the form of an electronic record. Any Communication may, at the Registered Owner’s option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Registered Owner of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

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 debt evidenced by this Note is not in excess of any constitutional or statutory limitation.

The Local Government Unit agrees to indemnify each of the Registered Owner, each legal entity, if any, who controls, is controlled by or is under common control with the Registered Owner, and each of their respective directors, officers and employees (the “**Indemnified Parties**”), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) (each, a “**Claim**”) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Local Government Unit), in connection with or arising out of or relating to the matters referred to in this Note or in the other Loan Documents or the use of any advance hereunder, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Local Government Unit, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any Claim that is determined by a court of competent jurisdiction in a final, non-appealable judgment to have been solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this paragraph shall survive the termination of this Note, payment of any advance hereunder and the assignment of any rights hereunder. The Local Government Unit may participate at its expense in the defense of any such action or claim and may select its own counsel in connection therewith.

Any provisions of this Note which are held to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

IMPORTANT INFORMATION ABOUT PROCEDURES REQUIRED BY THE USA PATRIOT ACT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each entity or person who opens an account or establishes a relationship with the Registered Owner. What this means: When an entity or person opens an account or establishes a relationship with the Registered Owner, the Registered Owner may ask for the name, address, date of birth, and other information that will allow the Registered Owner to identify the entity or person who opens an account or establishes a relationship with the Registered Owner. The Registered Owner may also ask to see identifying documents for the entity or person.

THE LOCAL GOVERNMENT UNIT WAIVES ITS RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE AND THE OTHER RELATED DOCUMENTS. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL WAS A MATERIAL INDUCEMENT FOR THE REGISTERED OWNER TO PURCHASE THIS NOTE AND THAT THE REGISTERED OWNER PURCHASED THIS NOTE IN RELIANCE UPON SUCH WAIVER. THE LOCAL GOVERNMENT UNIT WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

THE LOCAL GOVERNMENT UNIT HEREBY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY AT LAW AT ANY TIME OR TIMES TO APPEAR FOR THE LOCAL GOVERNMENT UNIT AND WITH OR WITHOUT ONE OR MORE COMPLAINTS FILED, CONFESS JUDGMENT OR JUDGMENTS AGAINST THE LOCAL GOVERNMENT UNIT, IN ANY STATE OR FEDERAL COURT OF RECORD IN THE UNITED STATES OF AMERICA AT ANY TIME AFTER ALL OR ANY PART OF THE OBLIGATIONS AND INDEBTEDNESS EVIDENCED BY THIS NOTE SHALL HAVE BECOME DUE, WHETHER BY LAPSE OF TIME, ACCELERATION, OR OTHERWISE, IN FAVOR OF THE REGISTERED OWNER AND ITS SUCCESSORS AND ASSIGNS, FOR THE FULL AMOUNT THEN APPEARING DUE, TOGETHER WITH INTEREST, COSTS OF SUIT, AND REASONABLE ATTORNEYS' FEES, BUT IN NO EVENT LESS THAN \$500.00, FOR COLLECTION OF SUCH SUMS, AND THEREUPON TO THE EXTENT PERMITTED BY LAW TO RELEASE ALL ERRORS AND WAIVE ALL RIGHTS TO APPEAL AND ANY STAY OF EXECUTION AND STAY, CONTINUANCE OR ADJOURNMENT OF SALE OF EXECUTION. THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST THE LOCAL GOVERNMENT UNIT SHALL SURVIVE ANY JUDGMENT, IT BEING UNDERSTOOD THAT SHOULD ANY JUDGMENT AGAINST THE LOCAL GOVERNMENT UNIT BE VACATED FOR ANY REASON, THE REGISTERED OWNER MAY NEVERTHELESS UTILIZE THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT IN RESPECT OF THIS NOTE, THEREAFTER OBTAINING ONE OR MORE ADDITIONAL JUDGMENTS AGAINST THE LOCAL GOVERNMENT UNIT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WITNESS the due execution hereof as of the Dated Date set forth above.

PINE-RICHLAND SCHOOL DISTRICT

President, Board of School Directors

[SEAL]

Attest:

Board Secretary

DEBT SERVICE SCHEDULE

Note Payment Date	Principal	Interest Rate	Interest	Semiannual Debt Service	Fiscal Year Debt Service
7/15/22	\$ 15,000	2.920%	\$ 18,138.88	\$ 33,138.88	
1/15/23			85,702.00	85,702.00	\$ 118,840.88
7/15/23	15,000	2.920%	85,702.00	100,702.00	
1/15/24			85,483.00	85,483.00	186,185.00
7/15/24	15,000	2.920%	85,483.00	100,483.00	
1/15/25			85,264.00	85,264.00	185,747.00
7/15/25	15,000	2.920%	85,264.00	100,264.00	
1/15/26			85,045.00	85,045.00	185,309.00
7/15/26	10,000	2.920%	85,045.00	95,045.00	
1/15/27			84,899.00	84,899.00	179,944.00
7/15/27	20,000	2.920%	84,899.00	104,899.00	
1/15/28			84,607.00	84,607.00	189,506.00
7/15/28	10,000	2.920%	84,607.00	94,607.00	
1/15/29			84,461.00	84,461.00	179,068.00
7/15/29	5,000	2.920%	84,461.00	89,461.00	
1/15/30			84,388.00	84,388.00	173,849.00
7/15/30	2,560,000	2.920%	84,388.00	2,644,388.00	
1/15/31			47,012.00	47,012.00	2,691,400.00
7/15/31	3,220,000	2.920%	47,012.00	3,267,012.00	
1/15/32			-	-	3,267,012.00
Totals:	\$ 5,885,000		\$ 1,471,860.88	\$ 7,356,860.88	\$ 7,356,860.88

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below. The Local Government Unit shall treat the Registered Owner of this Note, as noted on this Note and on its books, as the absolute owner hereof, and shall not be affected by any changed circumstances, or by any notice to the contrary.

Original Registered Owner

PNC Bank, National Association
300 Fifth Avenue, Pittsburgh, Pennsylvania 15222

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Lender</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

For value received, the last-named Transferor, by its due execution above, hereby, on the above-stated date, sells, transfers and negotiates this Note to the last-named Subsequent Lender, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note.

TERM SHEET

Request for Financing

Pine-Richland School District

May 2, 2022



Primary Contacts

Ben Ganter
PNC Bank, N.A.
Vice President & Relationship Manager
412-762-8838
benjamin.ganter@pnc.com



The Tower at PNC Plaza
300 Fifth Avenue
Pittsburgh, PA 15222

STANDARD DISCLOSURE

PNCCM, member FINRA and SIPC, is a wholly owned subsidiary of The PNC Financial Services Group, Inc. ("PNC") and affiliate of PNC Bank, National Association ("PNC Bank"). PNCCM is not a bank or thrift, but rather, it is a separate and distinct corporate entity from its bank affiliate.

This document is for informational purposes only. No part of this document may be reproduced in any manner without the prior written permission of PNCCM. Under no circumstances should it be used or considered as an offer to sell, or a solicitation of an offer to buy, any of the securities or other instruments mentioned in it. The information contained herein is based on information PNCCM believes to be reliable and accurate, however, no representation is being made that this document is accurate or complete and it should not be relied upon as such. Neither PNCCM nor its affiliates make any guaranty or warranty as to the accuracy or completeness of the data set forth herein. Opinions expressed herein are subject to change without notice. The securities or other instruments mentioned in this document may not be eligible for sale in some states or countries, or suitable for all types of investors; and their value and returns may fluctuate and/or be adversely affected by changes in exchange rates, interest rates, or other factors.

PNCCM and/or its affiliates may either make a market or deal as principal in the securities mentioned in this document, or in options or other derivative instruments based thereon. In addition, PNCCM and its affiliates, shareholders, directors, officers and/or other employees may, from time to time, have long or short positions in such securities or in options, futures or other derivative instruments based thereon. One or more directors, officers and/or employees of PNCCM or its affiliates may be a director of an issuer of securities mentioned in this document. PNCCM or its predecessors and/or affiliates may have managed or co-managed a public offering of, or acted as initial purchaser or placement agent for, a private placement of any of the securities for any issuer mentioned herein within the last three (3) years and may, from time to time, perform investment banking or other services for, or solicit investment banking or other business from, any company or issuer mentioned in this document.

PNC Capital Markets is the marketing name used for investment banking and capital markets activities conducted by PNC through its subsidiaries PNC Bank and PNCCM. Securities underwriting, sales and trading services are provided by PNCCM. Foreign exchange and derivative products are obligations of PNC Bank, National Association.

PNC BANK N.A. DISCLOSURE

PNC, PNC Bank, ACHIEVEMENT, PINACLE, Working Cash, ActivePay, Global Trade Excellence, Midland Loan Services, Enterprise!, CMBS Investor Insight, Portfolio Investor Insight, Borrower Insight, Shared Servicing, PNC Riverarch Capital, PNC Erievue Capital, Solebury Capital, Solebury Trout, TEMPUS TECHNOLOGIES, Forecast and Forsite are registered marks of The PNC Financial Services Group, Inc. ("PNC").

Bank deposit, treasury management and lending products and services, foreign exchange and derivative products (including commodity derivatives), bond accounting and safekeeping services, escrow services, and investment and wealth management and fiduciary services, are provided by PNC Bank, National Association ("PNC Bank"), a wholly owned subsidiary of PNC and **Member FDIC**. Equipment financing and leasing products are provided by PNC Equipment Finance, LLC, a wholly owned subsidiary of PNC Bank. Energy financing is provided by PNC Energy Capital LLC, a wholly owned subsidiary of PNC Equipment Finance, LLC, and by PNC Commercial, LLC (an indirect wholly owned subsidiary of PNC). Aircraft financing is provided by PNC Aviation Finance, a division of PNC Equipment Finance, LLC. Asset-based lending is provided by PNC Business Credit, a division of PNC Bank and PNC Financial Services UK Ltd (an indirect wholly owned subsidiary of PNC Bank) in the United Kingdom. Specialty finance products are provided by Steel City Capital Funding, a division of PNC Bank. Merchant services are provided by PNC Merchant Services Company. Payroll processing services to employees, officers, and directors of third party companies acquired by, or merged into, other third parties are provided by PNC PAID, LLC, a wholly owned subsidiary of PNC Bank. Secure payment gateway services and reporting and payment-processing solutions are provided by Tempus Technologies, Inc., a wholly owned subsidiary of PNC Bank. Wholesale international money transfer services are provided by PNC Global Transfers, Inc., a wholly owned subsidiary of PNC. Direct equity investing and mezzanine financing are conducted by PNC Capital Finance, LLC through its PNC Riverarch Capital, PNC Mezzanine Capital and PNC Erievue Capital divisions. Investment banking and capital markets activities are conducted by PNC through its subsidiaries PNC Bank, PNC Capital Markets LLC (including through its trade name, PNC FIG Advisory), Harris Williams LLC, Solebury Capital LLC, and Sixpoint Partners LLC and Sixpoint Partners Europe Ltd SP Capital Partners, LLC, an exempt reporting investment adviser not currently registered as an investment adviser under the Investment Advisers Act of 1940 and an indirect subsidiary of PNC, provides investment advisory and management services to SP Capital Fund, LP. Services such as public finance investment banking services, securities underwriting, and securities sales and trading are provided by PNC Capital Markets LLC and PNC FIG Advisory. Mergers & acquisitions advisory and related services are provided by PNC Capital Markets LLC, PNC FIG Advisory, Fortis Advisors LLC, Harris Williams LLC, Harris Williams & Co. Ltd., and Harris Williams & Co. Corporate Finance Advisors GmbH. Harris Williams & Co. Ltd is a private limited company incorporated under English law with its registered office at 8th Floor, 20 Farringdon Street, London EC4A 4AB, UK, registered with the Registrar of Companies for England and Wales (registration number 07078852). Harris Williams & Co. Ltd is authorized and regulated by the Financial Conduct Authority. Harris Williams & Co. Corporate Finance Advisors GmbH is registered in the commercial register of the local court of Frankfurt am Main, Germany, under HRB 107540. The registered address is Bockenheimer Landstrasse 33-35, 60325 Frankfurt am Main, Germany (email address: hwgermany@harriswilliams.com). Geschäftsführer/Directors: Jeffery H. Perkins, Paul Poggi. (VAT No.DE321666994). Harris Williams is a trade name under which Harris Williams LLC, Harris Williams & Co. Ltd, and Harris Williams & Co. Corporate Finance Advisors GmbH conduct business. Equity capital markets advisory and related services are provided by PNC Capital Markets LLC, Harris Williams LLC, Harris Williams & Co. Ltd, Harris Williams & Co. Corporate Finance Advisors GmbH, Solebury Capital LLC and Solebury Trout LLC. PNC Capital Markets LLC, Harris Williams LLC, Solebury Capital LLC, and Sixpoint Partners LLC are registered broker-dealers and members of FINRA and SIPC. Sixpoint Partners Europe Ltd is a private limited company incorporated under English law with its registered office at 25 Savile Row, 4th Floor, London, W1S 2ER, UK, registered with the Registrar of Companies for England and Wales (registration number 12327421). Sixpoint Partners Europe Ltd is an Appointed Representative of Mirabella Advisers LLP, which is authorized and regulated by the Financial Conduct Authority number 606792. Retail brokerage services and managed account advisory services are offered by PNC Investments LLC, a registered broker-dealer and an SEC-registered investment adviser and member of FINRA and SIPC. Annuities and other insurance products are offered through PNC Insurance Services, LLC. Neither PNC Bank nor PNC Capital Markets LLC are registered as a municipal advisor under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Act"). PNC Bank and certain of its affiliates including PNC TC, LLC, an SEC-registered investment adviser wholly owned by PNC Bank, do business as PNC Real Estate. PNC Real Estate provides commercial real estate financing and related services. Through its Tax Credit Solutions segment, PNC Real Estate provides lending services, equity investments and equity investment services relating to Low Income Housing Tax Credit ("LIHTC"), affordable housing preservation, New Markets Tax Credit ("NMTC") and Historic Tax Credit ("HTC") investments. PNC TC, LLC provides investment advisory services to funds sponsored by PNC Real Estate for LIHTC, HTC, NMTC and affordable housing preservation investments. Registration with the SEC does not imply a certain level of skill or training. This material does not constitute an offer to sell or a solicitation of an offer to buy any investment product. Risks of each fund, as well as information regarding the investments, risks, and expenses of each fund, are described in the fund's private placement memorandum (PPM) or other offering documents. Please read the PPM and other offering documents carefully before investing.

Important Investor Information – Securities, insurance, foreign exchange, and derivative products are:

**Not FDIC Insured • Not Bank Guaranteed • Not A Deposit
Not Insured By Any Federal Government Agency • May Lose Value**

In Canada, PNC Bank Canada Branch, the Canadian branch of PNC Bank, provides bank deposit, treasury management, lending (including asset-based lending) and leasing products and services. Deposits with PNC Bank Canada Branch are not insured by the Canada Deposit Insurance Corporation or by the United States Federal Deposit Insurance Corporation.

Lending, leasing and equity products and services, as well as certain other banking products and services, require credit approval.

PNC does not provide legal, tax or accounting advice unless, with respect to tax advice, PNC Bank has entered into a written tax services agreement. **[Include only if piece discusses these products:** PNC does not provide investment advice to PNC Retirement Solutions and Vested Interest plan sponsors or participants.]

©2022 The PNC Financial Services Group, Inc. All rights reserved.



TABLE OF CONTENTS

I. COVER LETTER..... 1

II. PRELIMINARY SUMMARY OF TERMS AND CONDITIONS: DIRECT PURCHASE FACILITY 2

I. COVER LETTER

May 2, 2022

Dana Kirk
Business Manager
Pine-Richland School District

Dear Ms. Kirk,

On behalf of PNC Bank, N.A. ("PNC Bank"), we are pleased to present the following terms and conditions for the consideration of Pine-Richland School District ("PRSD"). PNC Bank is proposing to provide the PRSD with up to \$5,885,000 in the form of a Direct Purchase Facility, described herein as the "Credit Facility." Proceeds of the Credit Facility will be used to refund the General Obligation Note, Series 2015A.

PNC Bank is pleased to present for preliminary discussion purposes only, a proposal to provide the Credit Facility for the purposes set forth above as more fully described in the attached Preliminary Summary of Terms and Conditions (the "Preliminary Term Sheet"). This letter and the Preliminary Term Sheet merely constitute a statement of suggested terms for the Credit Facility, do not contain all matters upon which agreement must be reached in order for the transactions contemplated hereby to be consummated and, therefore, do not constitute a binding commitment or offer to lend with respect to these transactions. A binding commitment with respect to the Credit Facility will result only from execution and delivery by all of the parties of a commitment letter or a definitive agreement relating to the Credit Facility and will be subject to the conditions contained therein. We may terminate discussions regarding the proposed Credit Facility at any time.

PNC is excited for the opportunity to continue partnering with PRSD. To accept the terms of the proposed Credit Facility, please provide email notification by May 16th, 2022 or this letter will terminate, and PNC Bank will have no liability or further obligation.

As always, you can be certain that all resources of our organization are available to PRSD. Thank you for the opportunity to respond to this request.

Sincerely,



Ben Ganter
VP & Relationship Manager
PNC Public Finance
(412) 762-8838
benjamin.ganter@pnc.com

II. PRELIMINARY SUMMARY OF TERMS AND CONDITIONS: DIRECT PURCHASE FACILITY

PNC BANK, NATIONAL ASSOCIATION
Preliminary Summary of Terms and Conditions
Pine-Richland School District
May 2, 2022
BANK FINANCING OPTIONS

This Term Sheet is not a commitment or an offer to lend and does not create any obligation on the part of the Bank or any affiliate thereof to extend any commitment to the Issuer unless and until a formal commitment letter is issued and has been executed, delivered and accepted.

This outline is only a brief description of the principal terms of the suggested loan facility and is intended for discussion purposes only. This Term Sheet is delivered to you on the understanding that any of the terms of substance hereunder shall not be disclosed, directly or indirectly, to any other person except your officers, agents and advisors who are directly involved in the consideration of this matter unless required to do so by applicable law or prior written consent has been given by the Bank.

I. PARTIES

ISSUER: Pine-Richland School District (the “*Issuer*”).

PURCHASER: PNC Bank, National Association (the “*Bank*” or the “*Purchaser*”).

II. ISSUE, SECURITY AND FINANCING DOCUMENTS

ISSUE: Bank Qualified, General Obligation Note, Series 2022 (the “*Bonds*”).

PURPOSE: The proceeds of the Bonds will be to refund the Series 2015A General Obligation Note.

PAR AMOUNT: Up to \$5,885,000 (the “*Par Amount*”), in the form of a Direct Purchase Facility (“*Direct Purchase*”), described herein as the “*Credit Facility*”:

MATURITY DATE July 15, 2031.

AMORTIZATION OF BONDS: The Bonds shall amortize according to the existing principal payment schedule, as detailed in Appendix A.

SECURITY: The Bonds and the payment obligations owed to the Bank will be secured by the School District’s irrevocable pledge of its full faith, credit and taxing power.

FINANCING DOCUMENTATION: The Bonds will be purchased pursuant to the provisions of a Loan Agreement (the “*Loan Agreement*”) among the Issuer and the Bank including standard conditions precedent to closing, representations and warranties, indemnities, covenants, events of default and remedies, including, without limitation, the covenants, and events of default. The Bonds, the Note Resolution and Loan Agreement are herein collectively referred to as the “*Financing Documents*.”

TAX STATUS OF INTEREST ON BONDS: Interest on the Bonds shall be excludable from gross income for federal income and state income tax purposes. The Issuer shall take all steps necessary to maintain such tax-exempt status. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Bonds is excludable from gross income for federal income tax purposes.

CLOSING DATE: The initial closing date will be June 7, 2022.

PINE-RICHLAND SCHOOL DISTRICT



III. INTEREST RATES AND OTHER KEY PROVISIONS

INTEREST RATE MODE: The Financing Documents shall include a Bank Fixed Rate Mode, the terms of which are described below.

FIXED RATE: The Bonds shall bear interest at a fixed rate based on the Bank's Cost of Funds, two (2) days prior to the Closing Date or such earlier date on which the Issuer and the Bank enter into a fixed rate lock agreement; such date being referred to herein as the "Fixed Rate Determination Date").

For illustrative purposes only, as of May 2, 2022, the Fixed Rate would be as outlined below. Please note that the Fixed Rate set forth in the immediately preceding sentence is an indicative rate only and will adjust based upon movements in the market. The actual Fixed Rate will be determined on the Fixed Rate Determination Date.

- Tax-Exempt Fixed Rate: 2.920%

The Bonds can be prepaid in whole or in part by the Issuer at any time; provided however, that any prepayment will be subject to standard bank make whole indemnification.

**INDICATIVE FIXED RATES
WITH PREPAYMENT OPTIONS:**

For illustrative purposes only, the fixed rate below is indicative ("Indicative Fixed Rates") as of May 2, 2022 and the Final Fixed Rate will be set, based on the Bank's Cost of Funds, two (2) days prior to the Closing Date.

At the request of the Issuer and/or the Financial Advisor, the Bank will update the Indicative Fixed Rate at any time. If the Issuer wishes to lock an Indicative Fixed Rate, the Bank is willing to engage the Issuer with a discussion to lock the rate via a Rate Lock Agreement.

For the first five (5) years the Bonds are outstanding, the Bonds are not subject to prepayment (without penalty). The School District has the choice of selecting the prepayment option as shown below:

- July 15, 2027 call option at 103.5% of par plus accrued interest with a Tax-Exempt Rate of: 2.920%
- July 15, 2029 call option at 101.75% of par plus accrued interest with a Tax-Exempt Rate of: 2.920%

If the Issuer selects the callable option, the Issuer may still prepay at any time with the standard Bank make whole indemnification, if prepaid prior to call dates outlined above.

If prepaid on or after either call date outlined above, the Issuer may pay the lesser of 1) the standard Bank make whole indemnification or 2) the applicable call option.

PREPAYMENT: Customary yield protection and prepayment cost recovery provisions will be included in the definitive Financing Documents.

INTEREST PAYMENTS: Interest shall be paid on a semi-annual basis. **FIXED RATE** - Computations of interest shall be calculated on a 30/360 day basis..

EVENT OF TAXABILITY: In the event a determination of taxability shall occur, in addition to the amounts required to be paid with respect to the Bonds, the Issuer shall be obligated to pay to the Bank an amount equal to the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if the Bonds had borne interest at a taxable rate and the interest actually received by the Bank with respect to the Bonds.

DEFAULT RATE: The Default Rate equals the greatest of (i) the PNC Prime Rate plus 3.0%; (ii) the Overnight Bank Funding Rate plus 3.5%; and (iii) 7.0%.

CLAW-BACK AMOUNTS: The Bonds will include customary interest rate recapture provisions allowing the Bank to recover interest in excess of any maximum interest rate imposed by law.

IV. OTHER FEES AND EXPENSES

COSTS AND EXPENSES:

All expenses incurred by the Bank, including audit and reasonable legal fees (inside and outside), and any other expenses in reference to structuring, documenting, closing, monitoring or enforcing the Financing Documents, if applicable, shall be for the account of the Issuer and payable at closing and otherwise on demand. The Bank will be utilizing Dentons Cohen & Grigsby P.C. as bank counsel. Legal fees are estimated at \$7,500. All expenses (including counsel fees) shall be paid by the Issuer regardless of whether the transaction is closed.

All fees and expenses, including those of Bank counsel, are subject to increase if the transaction is not closed within 90 days from the date the Bank receives the mandate from the Issuer. In addition, the fees and expenses payable to Bank counsel may be increased if the security and/or structure of the transaction changes materially once documentation has commenced.

V. INCREASED COSTS AND CAPITAL ADEQUACY; TAXES:

The Issuer shall pay the Bank under customary yield protection provisions such additional amounts as will compensate the Bank and its holding company in the event that either of them are or become subject to legal, capital or reserve requirements (including without limitation those arising under the Dodd-Frank Wall Street Reform and Consumer Protection Act or Basel III, or any rules, guidelines or directives issued at any time in connection therewith) or taxes (except for taxes on overall net income) which in any case increase the cost or reduce the yield to the Bank or its holding company.

VI. FINANCIAL/NEGATIVE COVENANTS AND FINANCIAL REPORTING:

Affirmative and negative covenants, including the financial covenants and reporting covenants listed below, will be specified by the Bank for inclusion in the Financing Documents. Covenants are expected to be generally consistent with the existing Financing Documentation between the Issuer and the Bank.

Financial Covenants:

- None.

Financial Reporting shall be generally consistent with the existing agreements in place:

- Annual audited financial statements within 270 days of fiscal year end

In addition, the Bank shall have the benefit of all current and future financial and rating based covenants, events of default and remedies (including with respect to acceleration and the right of repayment of other creditors with respect to Issuer's Debt) which are agreed to by the Issuer with any other lender, credit or liquidity provider or bond insurer with respect to any such Debt, while such debt remains outstanding.

VII. CONDITIONS PRECEDENT TO CLOSING:

The Financial Documents shall include conditions precedent customary for transactions of this nature including, without limitation, the following:

Documentation satisfactory to Bank Counsel; delivery of enforceability and approving opinions; authorizing resolutions (which may be an existing authorizing resolution); financial statements; bring-down of representations and warranties; and certification as to no default or event of default.

The Bank intends to treat the purchase of the Bonds as a loan for accounting treatment and, in connection therewith, the Bonds shall not be rated by any rating agency, shall not be initially registered to participate in DTC, shall be in physical form, shall not be issued a CUSIP, and shall not be marketed to the Bank pursuant to any official statement, offering memorandum or any other disclosure documentation.

VIII. EVENTS OF DEFAULT/REMEDIES:

The Loan Agreement shall include events of default customary for transactions of this nature, including, without limitation: payment default, covenant defaults, breach of representations, cross defaults to senior or Parity Debt, cross acceleration of senior or Parity Debt, invalidity or

repudiation of any Financing Document or any material provision thereof, judgment default, bankruptcy or insolvency, ERISA and pension plan defaults, and the long-term, unenhanced debt rating drops below A-/A3 by any Rating Agency or any such rating is withdrawn or suspended for credit related reasons.

Upon the occurrence of an Event of Default, in addition to all other customary remedies, all payment obligations shall bear interest at the Default Rate

**X. CHOICE OF LAW / JURY TRIAL /
OTHER PROVISIONS**

GOVERNING LAW: The Loan Agreement, and any other documents to which the Bank shall become a party will be governed by the laws of the Commonwealth of Pennsylvania.

USA PATRIOT ACT NOTICE: Pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. 107 56), the Bank is required to obtain, verify and record information that identifies the Issuer and, potentially, other loan parties, which information may include, without limitation, the name and address of the Issuer and any such loan parties and other information that will allow the Bank to identify the Issuer and other loan parties in accordance with the USA PATRIOT Act.

JURY TRIAL: To the extent permitted by law, the parties to the Loan Agreement agree to waive a jury trial in any proceeding including the Bank.

OTHER: Confession of Judgment.

TRANSFERS/ASSIGNMENTS: While the Bank is purchasing the Bonds for its own account without a present intent to transfer them, the Bank reserves the right in its sole discretion to assign, sell, pledge, or participate interests in the Bonds without the consent of the Issuer.

ADDITIONAL TERMS: The terms and conditions contained in this proposal are not intended to be comprehensive. The definitive Financing Documents may include additional terms and conditions required by the Bank, subject to mutual agreement of the parties, which are not included herein.

**No ADVISORY OR
FIDUCIARY ROLE:** The Issuer acknowledges and agrees that: (i) the Bank has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Issuer on other matters); (ii) the only obligations the Bank has to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this term sheet; and (iii) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

AGREEMENT BY THE ISSUER:

The Issuer hereby desires to engage the Bank in the origination of the Bonds pursuant to the terms and conditions stated herein.

Recognizing that this Term Sheet is non-binding on the Bank unless and until a commitment is issued, please evidence your interest in proceeding on the foregoing terms and conditions by signing and returning a copy of this document to the Bank on or prior to May 16, 2022 at which point the Bank will continue with due diligence and credit underwriting for the foregoing transaction.

ACCEPTED AND AGREED TO:

PINE-RICHLAND SCHOOL DISTRICT

By: _____

Print Name: _____

Title: _____

Date: _____

Appendix A

Principal Payment DATE	Principal Payment AMOUNT
7/15/2022	15,000.00
7/15/2023	15,000.00
7/15/2024	15,000.00
7/15/2025	15,000.00
7/15/2026	10,000.00
7/15/2027	20,000.00
7/15/2028	10,000.00
7/15/2029	5,000.00
7/15/2030	2,560,000.00
7/15/2031	3,220,000.00

May 2, 2022

Pine-Richland School District
702 Warrendale Rd.
Gibsonia, PA 15044

Re: **Forward Fixed Rate Lock Letter**

To Whom It May Concern:

The Pine-Richland School District (the “**School District**”) has requested that PNC Bank, National Association (the “**Bank**”) provide the School District with a forward rate commitment (the “**Forward Rate**”) for the General Obligation Note, Series of 2022 (The “**Credit Facility**”) described in the Preliminary Summary of Terms and Conditions dated May 2, 2022 (the “**Commitment**”). The Forward Rate is offered at a tax-exempt fixed rate of 2.920% percent (2.920%) per annum for a principal amount of \$5,885,000, beginning no later than June 7, 2022 (the “**Rate Lock Expiration Date**”). Principal and interest under the Facility shall be repaid as provided in the Commitment.

The Bank is willing to commit to the Forward Rate upon the terms and conditions specified herein, subject to execution and delivery of the definitive documentation for the Facility in form and content satisfactory to the Bank and satisfaction of the other terms and conditions as are set forth in the Commitment. The documentation must be executed and delivered, and funding of the Facility must occur by a date (the “**Closing Date**”) which is no later than the Rate Lock Expiration Date.

By accepting this letter, the School District agrees that in the event that for any reason the Closing Date does not occur on or before the Rate Lock Expiration Date, the Bank shall not be obligated to provide the Forward Rate and the School District shall pay to the Bank the amount of any loss or expense which the Bank may sustain or incur as a result of the School District’s failure to close the Facility by such date, including but not limited to any loss of margin, loss or expense incurred in liquidating or employing deposits from third parties and any loss or expense incurred in connection with funds acquired by the Bank to fund borrowings subject to the Forward Rate. Such payment shall be due two (2) business days after the Bank gives notice to the School District of the amount thereof, setting forth in reasonable detail the basis for the calculation thereof. A certificate by the Bank as to such amount shall be conclusive if made in good faith. The School District acknowledges and agrees that such amount represents reasonable compensation for loss of bargain and is not a penalty.

This letter is governed by the laws of the Commonwealth of Pennsylvania. No modification or waiver of any of the terms of this letter will be valid unless agreed to in writing by the Bank. When accepted, this letter will constitute the entire agreement between the Bank and the School District concerning the Forward Rate and shall supersede all prior and contemporaneous understandings and agreements (written or oral) relating thereto.

To accept this letter, please sign the enclosed copy where indicated below and return it to the Bank no later than the Bank's close of business on May 3, 2022. If this letter is not accepted by said date, this letter will automatically terminate without liability or further obligation of the Bank.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By: 

Name: Ben Ganter

Title: Vice President

ACCEPTANCE

The School District hereby agrees to the above provisions, intending to be legally bound hereby. The School District understands that the above provisions may obligate the School District to make a significant payment to the Bank in the event the Closing Date does not occur by the Rate Lock Expiration Date, and the amount of any such payment cannot be predicted in advance of such event. The School District is fully informed of and is capable of evaluating, and has evaluated, the potential financial risks and benefits and the appropriateness in light of its individual circumstances, of this letter. The School District is entering into this letter in reliance only upon its own judgment, and is not relying upon any representations, warranty, views or advice of the Bank.

PINE-RICHLAND SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

CERTIFICATE

I, the undersigned, the Board Secretary of the named Local Government Unit, hereby certify that the foregoing and attached is a true copy of a Resolution which was duly adopted by the affirmative vote of a majority of all the members of the Governing Body thereof at a meeting held on the date of the execution thereof; that due notice of such meeting was given and the meeting was at all times open to the public; that such Resolution was duly recorded; that this Resolution is still in full force and effect as of the date hereof; that the vote upon said Resolution was called and duly recorded upon the minutes of the Governing Body; and that the members of the Governing Body voted in the manner following:

	YES	NO	ABSTAIN	ABSENT
Christina Brussalis	_____	_____	_____	_____
Marc Casciani	_____	_____	_____	_____
Joseph Cassidy	_____	_____	_____	_____
Greg DiTullio	_____	_____	_____	_____
Lisa Hillman	_____	_____	_____	_____
Peter Lyons	_____	_____	_____	_____
Matthew Mehalik	_____	_____	_____	_____
Carla Meyer	_____	_____	_____	_____
Amy Terchick	_____	_____	_____	_____

WITNESS my hand and seal of the Local Government Unit this May 2, 2022.

PINE-RICHLAND SCHOOL DISTRICT

[SEAL]

Board Secretary