

July 1, 2015

RESOLUTION NO. SRC-1

**RESOLUTION OF THE SCHOOL REFORM COMMISSION
OF THE SCHOOL DISTRICT OF PHILADELPHIA,
AUTHORIZING THE ISSUANCE AND SALE OF TAX AND REVENUE
ANTICIPATION NOTES OF THE SCHOOL DISTRICT
IN FISCAL YEAR 2016; DETERMINING THE
SERIES AND AGGREGATE PRINCIPAL AMOUNT OF SUCH NOTES AND
THE FORM AND TERMS OF SUCH NOTES;
AUTHORIZING THE AWARD OF SUCH NOTES;
AND MAKING CERTAIN OTHER DETERMINATIONS
IN CONNECTION THEREWITH**

WHEREAS, The School District of Philadelphia, a school district of the first class of the Commonwealth of Pennsylvania (“School District”), has the power and authority, pursuant to the Local Government Unit Debt Act, 53 Pa. C.S.A. §§ 8001 et seq. (“Act”), to borrow money from time to time in any fiscal year in anticipation of the receipt by the School District in that fiscal year of current taxes and revenues, and to evidence such borrowing by the issuance and sale of tax and revenue anticipation notes; and

WHEREAS, on December 21, 2001, the Secretary of Education of the Commonwealth of Pennsylvania declared the School District distressed pursuant to Section 691(c) of the Public School Code of 1949, as amended (“School Code”), effective December 22, 2001; and

WHEREAS, pursuant to the School Code, upon a declaration of distress of a school district of the first class under Section 691(c) of the School Code, within thirty (30) days of such declaration, a School Reform Commission (“School Reform Commission” or “Commission”) shall be established; and

WHEREAS, effective January 14, 2002, the School Reform Commission was established; and

WHEREAS, pursuant to the School Code, all powers and duties granted to the Board of Education of the School District, including the power to issue tax and revenue anticipation notes, are vested in the School Reform Commission; and

WHEREAS, the cash flow forecast with respect to budget requirements of the School District for the fiscal year ending June 30, 2016 (“2016 Fiscal Year”), indicates that the School District will experience cash flow deficits during the 2016 Fiscal Year pending receipt of taxes and other revenues of the School District; and

WHEREAS, the Commission has found and determined that, in light of the anticipated cash needs of the School District during the 2016 Fiscal Year, it is desirable for the Commission to authorize a tax and revenue anticipation borrowing in one or more series in an aggregate principal amount not to exceed \$575,000,000 the proceeds of which shall be applied to the funding of the School District’s cumulative cash flow deficits for the 2016 Fiscal Year; and

WHEREAS, the Commission has determined to authorize, in accordance with the Act, the issuance and sale, in the 2016 Fiscal Year, of tax and revenue anticipation notes evidencing such tax and revenue anticipation borrowing.

NOW THEREFORE, BE IT RESOLVED BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF THE SCHOOL REFORM COMMISSION OF THE SCHOOL DISTRICT OF PHILADELPHIA, AS FOLLOWS:

Section 1. Authorization. Authorization is hereby given for the issuance of (i) tax and revenue anticipation notes of the School District in the 2016 Fiscal Year, designated “Tax and Revenue Anticipation Notes, Series A of 2015-2016,” to be comprised of one series of tax

and revenue anticipation notes of the School District issued on or about July 2, 2015 in the principal amount of \$275,000,000 (“Series A Notes”); and (ii) tax and revenue anticipation notes of the School District in the 2016 Fiscal Year, designated “Tax and Revenue Anticipation Notes, Series B of 2015-2016,” of the School District, to be comprised of one series of tax and revenue anticipation notes, issued on or about July 2, 2015 in the principal amount not to exceed \$300,000,000 (“Series B Notes” and, together with the Series A Notes, the “Notes”).

The 2015 Notes are being authorized hereby and issued in the 2016 Fiscal Year for the purpose of funding the cumulative cash flow deficits of the School District forecasted to occur in the 2016 Fiscal Year.

Without the consent of the holders of the Notes, additional series of tax and revenue anticipation notes maturing on June 30, 2016, may be authorized under a separate resolution adopted by the Commission to be issued from time to time in an aggregate principal amount not-to-exceed \$25,000,000 (“Additional Notes”) in accordance with the Act; provided however, that no payment or sinking fund deposits on such Additional Notes shall be made prior to the payment on or payment of all sinking fund deposits on the Notes.

Any Additional Notes will be equally and ratably secured with the Notes, until paid or until deposits for such payment have been made into a trust or sinking fund established for such Additional Notes, by a pledge of, security interest in and a lien and charge on the taxes and revenues of the School District to be received from the date of issuance such Additional Notes until the stated maturity date thereof. Owners of Additional Notes will have no claim on or security interest in the Sinking Fund established in Section 11 hereof this Resolution. The

resolution authorizing Additional Notes will provide for sinking fund deposits on the same date as the Notes, after payment of the sinking fund deposit on the Notes, or later.

Section 2. Term of Notes. Each Series of the Notes shall be dated the date of issuance thereof, and shall be stated to mature on June 30, 2016, which date is within the fiscal year of the School District in which the Notes are authorized and issued.

Section 3. Aggregate Amount of Notes Within Statutory Limit. It is hereby determined that the aggregate principal amount of the Notes does not exceed the lesser of:

(i) Eighty-five percent (85%) of the sum of taxes levied for the 2016 Fiscal Year and current revenues for such fiscal year to be received by the School District during the period when the Notes shall be outstanding and which are pledged for payment of the Notes, as estimated and certified by any member of the Commission, the Superintendent of the School District or the Chief Financial Officer of the School District (collectively, the “Authorized Officials” and individually, an “Authorized Official”) in accordance with the Act (said certified estimate being annexed hereto as Exhibit “A” and made a part hereof); or

(ii) The maximum anticipated cumulative cash flow deficit of the School District during the 2016 Fiscal Year, as computed by the Chief Financial Officer of the School District in accordance with the Internal Revenue Code of 1986, as amended (“Code”), and the regulations promulgated thereunder (said computation being annexed hereto as Exhibit “B” and made a part hereof).

Section 4. Purchase of the Notes.

(i) It is hereby determined that it is in the best financial interest of the School District to affect a private, negotiated sale of the Series A Notes. The proposal of the Bank of America, N.A. (“Bank”) to purchase the Series A Notes from the School District for its own account at not less than par on the terms and conditions set forth in the written proposal presented to this meeting, a copy of which shall be filed with the records of this meeting (“Purchase Agreement”), is hereby accepted.

The Purchaser has represented to the School District that it is purchasing the Series A Notes for its own account and not with the present intent for further distribution or resale.

Any Authorized Official is hereby authorized to evidence the acceptance authorized hereunder by executing and delivering the Purchase Agreement to the Purchaser.

(ii) It is hereby determined that it is in the best financial interest of the School District to affect a private, negotiated sale of the Series B Notes. The proposal of the Bank to purchase the Series B Notes from the School District for its own account at not less than par on the terms and conditions set forth in the written proposal presented to this meeting, a copy of which shall be filed with the records of this meeting (“Note Purchase and Credit Agreement”), is hereby accepted.

The Purchaser has represented to the School District that it is purchasing the Series B Notes for its own account and not with the present intent for further distribution or resale.

Any Authorized Official is hereby authorized to evidence the acceptance authorized hereunder by executing and delivering the Note Purchase and Credit Agreement to the Purchaser.

Section 5. Rates of Interest. The Series A Notes shall bear interest, payable at maturity, calculated on the basis of actual days elapsed in a 365/366-day year, at the rate of 0.77% per annum. The Series B Notes shall bear interest at either (i) a variable rate equal to 70% of LIBOR (as defined in the Note Purchase and Credit Agreement), plus 33 basis points; (ii) a fixed interest rate equal to the Base Index (as defined in the Note Purchase and Credit Agreement) plus 26 basis points; or (iii) if Series B Notes are converted to a fixed interest rate after November 3, 2015, a fixed interest rate that is mutually agreed to by the School District and the Bank, all as set forth in the Note Purchase and Credit Agreement and the Series B Notes.

Section 6. Pledge and Security Interest. As required by Section 8125 of the Act, the Notes shall be equally and ratably secured by a pledge of, security interest in, and lien and charge on, the taxes and revenues of the School District to be received from the date of issuance of the Notes until the stated maturity date thereof, a certified estimate of the aggregate amount of such taxes and revenues being set forth in Exhibit "A" hereto. Notwithstanding the foregoing, the amounts irrevocably directed by the School District to be deposited on a daily basis directly into the School District's fixed rate general obligation bond sinking funds ("Daily Sinking Fund Deposits") are not subject to such pledge, security interest, lien and charge. The certified estimate of the aggregate amount of taxes and revenues to be received in the 2016 Fiscal Year set forth in Exhibit "A" does not include the Daily Sinking Fund Deposits.

Any Authorized Official is hereby authorized and directed to prepare or cause to be prepared, on behalf of the School District, in favor of the Fiscal Agent, as secured party on behalf of the holders of the Notes, appropriate financing statements and cause the filing of such

financing statements in accordance with the Pennsylvania Uniform Commercial Code in order to perfect such pledge, security interest, lien and charge.

The holders of the Notes shall have the right to enforce such pledge of, security interest in, and lien and charge on, the pledged taxes and revenues of the School District against all state and local public officials in possession of any such taxes and revenues at any time, which revenues and taxes may be collected directly from such officials upon notice by such holders for application to the payment of the Notes, as and when due or for deposit in the Sinking Fund, at the times and in the amounts specified herein and in the Notes, all in accordance with Section 8125 of the Act. The Fiscal Agent shall enforce such pledge, security interest and lien and charge on behalf of the holders of the Notes, at the expense of the School District, in accordance with the provisions of this Resolution and the Act, including, without limitation, Section 8125 of the Act. The holders of the Notes shall deliver their Notes to the Fiscal Agent upon request of the Fiscal Agent in order to enable the Fiscal Agent to implement such enforcement.

Section 7. Form and Provisions.

(a) The forms and provisions of the Notes shall be substantially as set forth in the forms of Notes annexed hereto as Exhibit “C” and made a part hereof, which forms and provisions are hereby affirmed, approved and adopted.

(b) The Series A Notes, upon original issuance, are to be issued in the form of one fully registered note in the principal amount of \$275,000,000 registered to Bank of America, N.A.

(c) The Series A Notes are not subject to redemption prior to maturity.

(d) Each of the Series B Notes shall be issued in fully registered form, registered to Bank of America, N.A. in minimum denominations of \$25,000,000 and any integral multiple of \$5,000,000 in excess thereof.

(e) Each of the Series B Notes bearing interest at a variable rate shall be subject to prepayment prior to maturity in whole or in part as provided in such Series B Note and the Note Purchase and Credit Agreement. The interest rate on each of the Series B Bonds is subject to conversion to a fixed interest rate, as set forth in the Note Purchase and Credit Agreement. The Series B Notes bearing interest at a fixed interest rate are not subject to redemption or prepayment prior to maturity.

Section 8. Registration and Transfer.

(a) The School District shall keep, at the designated corporate trust office of the Fiscal Agent, books for the registration, exchange and transfer of Notes and hereby appoints the Fiscal Agent its registrar and transfer agent to keep such books and to make such registrations, exchanges and transfers under such regulations as the School District or the Fiscal Agent may prescribe and as set forth in the forms of the Notes.

(b) The Notes may be transferred upon the registration books upon delivery to the Fiscal Agent of the Notes accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Fiscal Agent, duly executed by the registered owner of the Notes to be transferred or his duly authorized attorney-in-fact or other legal representative, containing written instructions as to the details of the transfer of such Notes. No transfer of any Note shall be effective until entered on the registration books maintained by the Fiscal Agent or its successor. In like manner Notes may be exchanged by the registered

owners thereof or by their duly authorized attorneys-in-fact or other legal representative for Notes of authorized denomination or denominations in the same aggregate principal amount.

Section 9. Execution and Authentication of Notes. The Notes shall not be valid or obligatory in the hands of the holders thereof unless: (i) executed in the name and on behalf of the School District by the facsimile or manual signature of any member of the School Reform Commission, with the seal of the School District impressed, imprinted or otherwise reproduced thereon, attested by the facsimile or manual signature of the Secretary or Assistant Secretary or any member of the School Reform Commission; and (ii) authenticated by the manual signature of an authorized officer of the Fiscal Agent.

Section 10. Sinking Fund Depository and Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., having a corporate trust office in Philadelphia, Pennsylvania, is hereby appointed Sinking Fund Depository and Fiscal Agent (“Fiscal Agent”) to act as registrar and transfer agent, sinking fund depository, fiscal and paying agent for the Notes. Any successor sinking fund depository and fiscal agent shall be a bank or national banking association with trust powers or a trust company. The Chief Financial Officer of the School District is hereby authorized and directed to contract with the Fiscal Agent for its services. The Fiscal Agent’s Agreement between the Fiscal Agent and the School District (“Fiscal Agent’s Agreement”) substantially in the form presented to this meeting, a copy of which shall be filed with the minutes of this meeting, is hereby approved. Any of the Authorized Officials is hereby authorized and directed to execute and deliver the Fiscal Agent’s Agreement in substantially such form, with such changes therein as counsel may advise and the Authorized Official

executing the same shall approve, such execution being conclusive evidence of such Authorized Official's approval.

Section 11. Sinking Fund. There is hereby established a sinking fund for the Notes to be designated "The School District of Philadelphia, Pennsylvania, Tax and Revenue Anticipation Notes, Series of 2015-2016 Sinking Fund" ("Sinking Fund"), to be held by the Fiscal Agent irrevocably in trust solely for the benefit of the holders of the Notes. The Sinking Fund shall be held by the Fiscal Agent separate and apart from all other funds of the School District and the Fiscal Agent.

The School District hereby covenants, and the Chief Financial Officer of the School District is hereby authorized and directed, to pay to the Fiscal Agent for irrevocable deposit into the Sinking Fund on June 1, 2016 (the "Deposit Date"), \$275,000,000 of principal of the Series A Notes, plus the lesser of \$300,000,000 or the principal amount of the Series B Notes then outstanding, plus all interest due on the Notes on June 30, 2015.

The Fiscal Agent shall, no later than Noon, Philadelphia time, on June 2, 2016, determine whether the amount on deposit in the Sinking Fund is equal to the entire principal amount of and interest due on the Notes on June 30, 2016 ("Debt Service Requirement"). In the event that the Fiscal Agent determines that there is a deficiency in the Sinking Fund, it shall immediately, and in no event later than 3:00 p.m. on June 2, 2016, notify the School District of the amount of such deficiency. The School District hereby covenants, and the Chief Financial Officer of the School District is hereby authorized and directed, to deposit an amount equal to such deficiency in the Sinking Fund no later than Noon, Philadelphia time, on June 3, 2016.

Failure of the School District to make payment in full when due on any of the final date specified for deposit in the preceding paragraph shall be cause for the immediate enforcement of the pledge, security interest, lien and charge granted in Section 8125 of the Act and in Section 6 hereof. The Fiscal Agent shall enforce such pledge, security interest, lien and charge as provided in Section 8125 of the Act, Section 6 hereof and in the Fiscal Agent's Agreement.

The School District shall have the right, as soon as the amount on deposit in the Sinking Fund is equal to the Debt Service Requirement, to withdraw from the Sinking Fund at such intervals as the School District shall direct in writing to the Fiscal Agent any amounts in excess of the Debt Service Requirement.

Section 12. Investment of Sinking Fund Moneys. At the written direction of the School District, the Fiscal Agent shall, to the extent not required for immediate payment of the Notes, invest the moneys held in the Sinking Fund in: (i) direct obligations of the United States of America or obligations, the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America, and senior debt obligations rated, at the time of investment, "Aaa" by Moody's Investors Service and "AAA" by Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, issued by Fannie Mae or the Federal Home Loan Mortgage Corporation, senior debt obligations of the Federal Home Loan Bank System, and obligations of the Resolution Funding Corporation, which obligations are not guaranteed by the United States of America (collectively, "Government Obligations"); (ii) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including, without limitation, any such investment company for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as

investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from such funds for services rendered, (b) the Fiscal Agent charges and collects fees for services rendered pursuant to this Resolution, which fees are separate from the fees received from such investment companies; and (c) services performed for such investment companies and pursuant to this Resolution may at times duplicate those provided to such funds by the Fiscal Agent or its affiliates; provided, that the following are met: (1) investments of that company are only in the authorized investments listed in clause (i) in this Section 12 and Repurchase Agreements (hereinafter defined); (2) the investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds); and (3) the investment company is rated at the time of investment in the highest category by a nationally recognized rating agency, or (iii) interest bearing deposits in any bank or bank and trust company or national banking association having a combined net capital and surplus in excess of \$100,000,000 (including the Fiscal Agent or any of its affiliates); provided that all such deposits shall, to the extent not insured by a federal agency or instrumentality, be secured as to principal by a pledge of Government Obligations. The Fiscal Agent, in purchasing Government Obligations, may make any purchase subject to agreement with the seller for repurchase of such Government Obligations at a later date, and in such connection may accept the seller's agreement for the payment of interest in lieu of the right to receive the interest payable by the issue of the Government Obligations purchased; provided that: (A) the seller is a bank or bank and trust company or national banking association having a combined net capital and surplus in excess of \$100,000,000 or a government securities dealer

approved by the School District; and (B) such Government Obligations shall be pledged as hereinafter provided (such agreements are hereinafter referred to as “Repurchase Agreements”).

Proper officers of the School District may direct the Fiscal Agent in writing to enter into agreements with providers approved by the School District for the forward purchase and delivery of Government Obligations.

All Government Obligations and interest bearing deposits shall mature or be subject to redemption at the option of the holder at not less than par or the purchase price therefor on or prior to the date fixed for payment of principal of or interest on the Notes. All Repurchase Agreements shall have a term no greater than thirty (30) days.

Any Government Obligations pledged as security for Repurchase Agreements shall be subject to a perfected first security interest in favor of the Fiscal Agent, free and clear of all claims of third parties and shall be: (i) in the case of direct obligations of the United States which can be pledged by a book-entry notation under regulations of the United States Department of the Treasury, appropriately entered on the records of a Federal Reserve Bank; or (ii) in the case of other Government Obligations, either (A) deposited with the Fiscal Agent or with a Federal Reserve Bank for the account of the Fiscal Agent, or (B) if the Government Obligation is shown on the account of the pledgor on the books of a clearing corporation, as defined in Division 8, Section 102(a) of the Pennsylvania Uniform Commercial Code (13 Pa. C.S.A. §8102(a)), by making appropriate entries evidencing the acquisition of a securities entitlement on the books of the clearing corporation as provided in Division 8, Section 501(b) of the Pennsylvania Uniform Commercial Code (13 Pa. C.S.A. §8501(b)). All Repurchase Agreements entered into by the Fiscal Agent, at the written direction of the School District, shall

provide that the required ratio of the market value of the Government Obligations so purchased to the repurchase price thereof shall be 102% and shall further require the market value of all Government Obligations so purchased to be determined daily during the term of each Repurchase Agreement.

Section 13. Application of Sinking Fund Moneys. The Fiscal Agent shall apply the moneys, deposits and investments held in the Sinking Fund only to the payment of principal and interest due to the holders of the Notes when the same become due and payable on June 30, 2016, in accordance with the Act and the provisions hereof. Payments from the Sinking Fund shall be applied first to interest and then to principal. When payment in full of the principal and interest due to the holders of the Notes has been made from the Sinking Fund, any balance in the Sinking Fund shall be paid by the Fiscal Agent to the School District, at the written direction of the School District.

Section 14. Acts of the Fiscal Agent. The Fiscal Agent may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of counsel concerning all questions hereunder. The Fiscal Agent may rely and shall be protected in acting on any notice, telegram, request, consent, waiver, certificate, statement, affidavit or other document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Resolution; the Fiscal Agent shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. The Fiscal Agent shall not be

answerable for the exercise of any discretion or power hereunder, except only its own willful misconduct or negligence.

Section 15. Covenants in Respect of Federal Tax Laws. The School District hereby covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the holders of the Notes of the interest on the Notes under Section 103 of the Code and the regulations promulgated thereunder. The School District hereby further covenants that it will not directly or indirectly use or permit the use of any proceeds of the Notes or any other funds of the School District, or take or omit to take any action that would cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and that it will comply with all requirements of Section 148 of the Code to the extent applicable to the Notes. In the event that at any time the School District is of the opinion that for purposes of this Section 15 it is necessary to restrict or limit the yield on the investment of any moneys held by the Fiscal Agent, the School District shall so instruct the Fiscal Agent in writing, and the Fiscal Agent shall take such action as may be necessary to comply with such instructions.

Without limiting the generality of the foregoing, the School District shall pay or cause to be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Notes from time to time. This rebate obligation shall survive payment in full or defeasance of the Notes.

Section 16. Notes to be General Obligations of the School District. The Notes shall be general obligations of the School District and, if the same shall not be paid within the fiscal

year in which they are issued, shall be deemed to be non-electoral debt of the School District enforceable in the manner of a general obligation which, unless funded pursuant to the Act, shall be included in the budget of the School District for the ensuing fiscal year and shall be payable from the taxes and revenues of such ensuing fiscal year, as required by the Act.

Section 17. Continuing Disclosure Agreements. The School District hereby covenants that it shall continue to comply with its continuing disclosure agreements in effect relating to the debt of the School District incurred under the Act so long as the Notes remain outstanding under the Act.

Section 18. Ratification of Prior Action. All actions heretofore taken and all documents heretofore prepared by all officers of the School District in connection with the Notes and other matters contemplated hereby are hereby ratified, confirmed and adopted.

Section 19. Resolution and Act a Contract; Amendment. This Resolution and the Act as in force on the date hereof shall constitute a contract between the School District and the registered owners from time to time of the Notes. Said contract may be modified without the consent of said registered owners insofar as any such modification does not adversely affect their rights as such, and in other respects it may be modified with the consent of the registered owners of not less than fifty-one percent (51%) in principal amount of the Notes then outstanding; provided, however, that no such modification may be made which would reduce such percentage required for consent, or affect the rights of the owners of less than all of the outstanding Notes, or affect the terms of payment of the principal of, or interest on, the Notes without the consent of the registered owners of all of the affected Notes. If and for so long as a securities depository is the sole registered owner of the Notes, any amendment that would otherwise require the consent

of registered owners shall require the consent of the beneficial owners of not less than fifty-one percent (51%) or one hundred percent (100%), as applicable, in principal amount of the Notes then outstanding.

Section 20. Appointment of Bond Counsel and Financial Advisor.

(a) The law firm of Eckert Seamans Cherin & Mellott, LLC of Philadelphia, Pennsylvania is hereby appointed Bond Counsel in connection with the Notes.

(b) The financial advisory firm of Phoenix Capital Partners LLP of Philadelphia, Pennsylvania, is hereby appointed Financial Advisor with respect to the Notes.

Section 21. Further Action. The members of the Commission and the Authorized Officials are hereby jointly and severally authorized and directed to take or cause to be taken such further action and to prepare, execute and file such documents and instruments as they may consider necessary or appropriate to implement the purposes of this Resolution, the Purchase Contract, the Note Purchase and Credit Agreement and the Fiscal Agent's Agreement.

Section 22. Filing with the Pennsylvania Department of Community and Economic Development. Any of the Authorized Officials are hereby authorized and directed to cause the filing of a certified copy of this Resolution, the certificate as to the taxes and revenues remaining to be collected and true copies of the Purchase Contract and the Note Purchase and Credit Agreement with the Pennsylvania Department of Community and Economic Development, as required by Section 8128 of the Act.

Section 23. Headings. Headings used in this Resolution are for the ease of reference only and do not form a part hereof.

Section 24. Repeals. All resolutions and parts of resolutions, to the extent the same are inconsistent herewith, are hereby rescinded and repealed.

Section 25. Effective Date. This Resolution shall be effective immediately, this 2nd day of July, 2015.

THE SCHOOL DISTRICT OF PHILADELPHIA

[SEAL]

By: _____
Member, School Reform Commission

ATTEST:

(Assistant) Secretary

EXHIBIT “A”

The School District of Philadelphia

**Certificate as to Amount of School District
Taxes and Revenues to be Collected or Received
During the Period When the Tax and Revenue
Anticipation Notes, Series A of 2015-2016 and Series B of 2015-2016
Will Be Outstanding**

The undersigned, Authorized Official of The School District of Philadelphia (“School District”), hereby certifies, pursuant to Section 8126 of the Local Government Unit Debt Act, 53 Pa. C.S.A. § 8001 et seq. (“Act”), as follows:

1. This Certificate is given as of a date not more than thirty (30) days prior to the authorization, by resolution of the School Reform Commission of the School District duly adopted July 1, 2015, of the issuance and sale of \$275,000,000 aggregate principal amount of the School District’s Tax and Revenue Anticipation Notes, Series A of 2015-2016 (“Series A Notes”) and not-to-exceed \$300,000,000 aggregate principal amount of the School District’s Tax and Revenue Anticipation Notes, Series B of 2015-2016 (“Series B Notes” and, together with the Series A Notes, the “Notes”);
2. The Notes will be outstanding for a period ending no later than June 30, 2016;
3. The amount of moneys estimated to be received by the School District during the period when the Notes will be outstanding from taxes then levied and assessed and from other revenues, including, without limitation, subsidies and reimbursements, is \$2,470,029,923¹; and
4. The foregoing estimate takes due account of the past and anticipated collection experience of the School District and of current economic conditions.

WITNESS the due execution of this Certificate this 2nd day of July, 2015.

THE SCHOOL DISTRICT OF
PHILADELPHIA

By: _____
Chief Financial Officer

[SEAL]

Attest:

(Assistant) Secretary

¹ This total represents Operating Budget revenues and subsidies receivable for the period beginning July 2, 2015 and ending June 30, 2016, less amounts deposited daily in fixed rate general obligation bond sinking funds.

EXHIBIT “B”

**MAXIMUM ANTICIPATED CUMULATIVE
CASH FLOW DEFICIT**

EXHIBIT “C”

R-SDP2015-2016A-1

**United States of America
Commonwealth of Pennsylvania
THE SCHOOL DISTRICT OF PHILADELPHIA**

TAX AND REVENUE ANTICIPATION NOTE – SERIES A OF 2015-2016

<u>DUE</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>STATED DATE OF ISSUE</u>
June 30, 2016	\$275,000,000	0.77%	JULY 2, 2015

REGISTERED OWNER: BANK OF AMERICA, N.A.

The School District of Philadelphia, Pennsylvania (“School District”), for value received hereby promises to pay to the registered owner of this note (“Note”), upon surrender hereof, the sum of Two Hundred Seventy-Five Million Dollars (\$275,000,000) on the 30th day of June, 2016, together with interest on said sum (determined as provided in the Note Purchase and Credit Agreement) from the Date of Advance, to but not including June 30, 2016, or prepayment hereof at the rate of interest per annum set forth in the Resolution (as hereinafter defined) and as set forth above, calculated on the basis of actual days elapsed in a 365/366 -day year. Both the principal of and interest on this Note shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts in the United States or by instrument payable in immediately available legal tender as aforesaid, at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., in Philadelphia, Pennsylvania, as Sinking Fund Depository and Fiscal Agent (“Fiscal Agent”).

This Note is one of a series of Tax and Revenue Anticipation Notes, Series A of 2015-2016 (“Notes”), authorized and issued in the aggregate principal amount of \$275,000,000, in accordance with the provisions of the Local Government Unit Debt Act 53 Pa. C.S.A. §§ 8001, et seq. (“Act”), and pursuant to an authorizing resolution of the School Reform Commission of the School District (“School Reform Commission”), duly adopted on July 1, 2015 (“Resolution”), providing for the issuance and sale of the Notes. Concurrently with the issuance of the Notes, the School District is issuing its not-to-exceed \$300,000,000, aggregate principal amount, Tax and Revenue Anticipation Notes, Series B of 2015-2016 (“Series B Notes”). Reference is hereby made to the Act, the Resolution and the Note Purchase Agreement (as defined in the Resolution) for a complete statement of the provisions thereof, including, without limitation, the conditions under which the Resolution may be modified, to all of which

provisions each registered owner and, beneficial owner, or direct or indirect participant in any securities depository, as defined in the Resolution, from time to time, by acceptance hereof (including receipt of a book-entry credit evidencing an interest herein), assents as an explicit and material portion of the consideration running to the School District to induce it to adopt the Resolution, execute and deliver the Note Purchase and Credit Agreement and issue this Note. Copies of the Resolution are on file with the Fiscal Agent.

This Note is not subject to redemption prior to maturity.

This Note is issued under and in accordance with the Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of taxes and other revenues by the School District from the date of original delivery of the Notes to the stated maturity date thereof.

As required by the Act, this Note is equally and ratably secured with all other Notes and the Series B Notes issued under the Resolution by the pledge of, security interest in and a lien and charge on the taxes and other revenues of the School District specified in the Resolution to be received during the period from July 2, 2015 until the stated maturity thereof, except for amounts deposited daily in general obligation bond sinking funds of the School District, all as set forth in the Resolution. Such pledge, security interest, lien and charge have been perfected and are enforceable in the manner provided by the Act. The Notes are general obligations of the School District.

This Note is fully registered in the name of the owner on the Note register kept for the purpose at the designated corporate trust office of the Fiscal Agent, such registration to be noted hereon by the Fiscal Agent on behalf of the School District. No transfer or exchange shall be valid as against the School District or the Fiscal Agent unless made by the registered owner in person or by his/her duly authorized attorney or legal representative at the designated corporate trust office of the Fiscal Agent, upon surrender hereof, and similarly noted upon the Note register and hereon. Notes of a particular denomination may be exchanged for Notes of different authorized denominations of the same series. Upon any such transfer or exchange the School District shall issue and, after due authentication by the Fiscal Agent, shall deliver to or upon the order of the registered owner, a new registered Note or Notes, in authorized denominations aggregating the principal amount hereof, bearing the same series designation as this Note and registered in such names as shall be requested.

The School District and the Fiscal Agent may treat the person in whose name this Note is registered as the absolute owner of this Note for all purposes whether or not this Note shall be overdue, and neither the School District nor the Fiscal Agent shall be affected by any notice to the contrary. All payments of the principal of and interest on this Note made to the registered owner hereof in the manner set forth herein and in the Resolution shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid, whether or not notation of the same be made hereon, and any consent, waiver or action taken by such registered owner pursuant to the provisions of the Resolution shall be conclusive and binding upon such registered owner, his or her heirs, successors and assigns, and upon all

transferees hereof, whether or not notation thereof be made hereon or on any Note issued in exchange herefor.

The School District covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the holders of the Notes of the interest on the Notes under Section 103 of the Internal Revenue Code of 1986, as amended (“Code”), and the applicable United States Treasury Regulations thereunder, and the School District further covenants that it will not directly or indirectly use or permit the use of any proceeds of the Notes or of any other funds of the School District, or take or omit to take any action that would cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and that it will comply with all the requirements of Section 148 of the Code to the extent applicable to the Notes.

All acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have been done and performed as required by law.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose unless the Fiscal Agent’s Authentication Certificate printed hereon is duly executed.

IN WITNESS WHEREOF, The School District of Philadelphia has caused this Note to be executed in its name on its behalf by the manual or facsimile signature of the Commissioner of the School Reform Commission and its corporate seal or a facsimile thereof to be affixed or imprinted hereon, duly attested by the manual or facsimile signature of the Secretary or Assistant Secretary, this 2nd day of July, 2015.

THE SCHOOL DISTRICT OF PHILADELPHIA

[SEAL]

By: _____
Member, School Reform Commission

ATTEST:

(Assistant) Secretary

FISCAL AGENT'S AUTHENTICATION CERTIFICATE

This Note is one of the Notes of the series designated herein, described in the within-mentioned Resolution. Printed on the reverse side hereof or annexed hereto is the complete text of the opinion of Eckert Seamans Cherin & Mellott, LLC of Philadelphia, Pennsylvania, Bond Counsel, an executed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of, and payment for, the Notes of said series.

The Bank of New York Mellon Trust
Company, N.A., Fiscal Agent

By: _____
Authorized Officer

Authentication Date:

[Form of Assignment and Transfer]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ his/her attorney to transfer said Note on the books of the within described transfer agent with full power of substitution in the premises.

Dated:

NOTICE: The signature on this Assignment must correspond with the name as it appears on the face of the within Note in every particular, without alteration or enlargement or any change whatever.

In the presence of:

Signature Guaranteed:

_____ (Type or Print Name)

NOTICE: Signature must be guaranteed by an approved eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program.

(Signature)

RSDP2015-2016B-__

**United States of America
Commonwealth of Pennsylvania
THE SCHOOL DISTRICT OF PHILADELPHIA**

TAX AND REVENUE ANTICIPATION NOTE – SERIES B OF 2015-2016

<u>DUE</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>STATED DATE OF ISSUE</u>
June 30, 2016	\$_____	Determined as provided herein	July 2, 2015

REGISTERED OWNER: BANK OF AMERICA, N.A.

The School District of Philadelphia, Pennsylvania (“School District”), for value received hereby promises to pay to the registered owner of this note (“Note”), upon surrender hereof, the sum of _____ Million Dollars (\$_____) on the 30th day of June, 2016, together with interest on said sum from the ____ day of _____, 201_, to but not including June 30, 2016, at the rate of interest per annum as provided herein. Both the principal of and interest on this Note shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts in the United States or by instrument payable in immediately available legal tender as aforesaid, at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., in Philadelphia, Pennsylvania, as Sinking Fund Depository and Fiscal Agent (“Fiscal Agent”).

This Note is one of a series of Tax and Revenue Anticipation Notes, Series B of 2015-2016 (“Notes”), authorized and issued in the aggregate principal amount of up to \$300,000,000, in accordance with the provisions of the Local Government Unit Debt Act 53 Pa. C.S.A. §§ 8001, et seq. (“Act”), and pursuant to an authorizing resolution of the School Reform Commission of the School District (“School Reform Commission”), duly adopted on July 1, 2015 (“Resolution”), providing for the issuance and sale of the Notes. Concurrently with the issuance of the Notes, the School District is issuing its \$275,000,000, aggregate principal amount, Tax and Revenue Anticipation Notes, Series A of 2015-2015 (“Series A Notes”) Reference is hereby made to the Act, the Resolution and the Note Purchase and Credit Agreement (as defined in the Resolution) for a complete statement of the provisions thereof, including, without limitation, the conditions under which the Resolution may be modified, to all of which provisions each registered owner and, beneficial owner, or direct or indirect participant in any securities depository, as defined in the Resolution, from time to time, by acceptance hereof (including receipt of a book-entry credit evidencing an interest herein), assents as an

explicit and material portion of the consideration running to the School District to induce it to adopt the Resolution, execute and deliver the Note Purchase and Credit Agreement and issue this Note. Copies of the Resolution are on file with the Fiscal Agent. Capitalized terms used herein and not otherwise defined in this Note are as defined in the Note Purchase and Credit Agreement.

[This Note shall bear interest at the LIBOR Rate, subject to conversion to a Fixed Rate as described in the Note Purchase and Credit Agreement.

Base Index means (i) for a Series B Note issued at a Fixed Rate on the Closing Date, the One Year LIBOR Swap Rate; (ii) for a Series B Note issued thereafter at a Fixed Rate, the linear interpolation (utilizing straight line interpolation and rounding, up or down as applicable, to the nearest month) between the Six Month LIBOR Rate and the One Year LIBOR Swap Rate; and (iii) for a Series B Note being converted to a Fixed Rate, the linear interpolation (utilizing straight line interpolation and rounding, up or down as applicable, to the nearest month) between the Six Month LIBOR Rate and the One Year LIBOR Swap Rate.

Fixed Rate means a fixed rate to the Maturity Date equal to the Base Index plus 26 basis points.

LIBOR means, for the Original Date of Issuance, each Date of Advance and the first Business Day of each month following each Date of Advance as to all Series B Notes then outstanding based on a LIBOR Rate, the rate per annum equal to the London Interbank Offered Rate (or a comparable or successor rate which rate is approved by the Bank) as published by Bloomberg (or other commercially available source providing such quotations as selected by the Bank from time to time) at approximately 11:00 a.m., London time, two London Banking Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day; provided that to the extent a comparable or successor rate is approved by the Bank in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Bank, such approved rate shall be applied in a manner as otherwise reasonably determined by the Bank.

LIBOR Rate means the rate equal to seventy percent of one month LIBOR plus 33 basis points.

[This Note shall bear interest at a fixed rate equal to the Base Index plus 26 basis points.

Base Index” means (i) for a Series B Note issued at a Fixed Rate on the Closing Date, the One Year LIBOR Swap Rate; (ii) for a Series B Note issued thereafter at a Fixed Rate, the linear interpolation (utilizing straight line interpolation and rounding, up or down as applicable, to the nearest month) between the Six Month LIBOR Rate and the One Year LIBOR Swap Rate; and (iii) for a Series B Note being converted to a Fixed Rate, the linear interpolation (utilizing straight line interpolation and rounding, up or down as applicable, to the nearest month) between the Six Month LIBOR Rate and the One Year LIBOR Swap Rate.

While this Note bears interest at a variable rate, the School District may prepay the principal of this Note in whole or in part, on an Interest Payment Date; provided, that interest on the principal amount of this Note prepaid is paid to the date of prepayment.

While this Note bears interest at a variable rate, interest shall be paid monthly on each Interest Payment Date.

Following conversion of this Note to a Fixed Rate or a fixed interest rate, interest on this Note shall be due and payable on June 30, 2016 and this note shall not be subject to prepayment.

This Note is issued under and in accordance with the Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of taxes and other revenues by the School District from the date of original delivery of the Notes to the stated maturity date thereof.

As required by the Act, this Note is equally and ratably secured with all other Notes and Series A Notes issued under the Resolution by the pledge of, security interest in and a lien and charge on the taxes and other revenues of the School District specified in the Resolution to be received during the period from July 2, 2015 until the stated maturity thereof, except for amounts deposited daily in general obligation bond sinking funds of the School District, all as set forth in the Resolution. Such pledge, security interest, lien and charge have been perfected and are enforceable in the manner provided by the Act. The Notes are general obligations of the School District.

This Note is fully registered in the name of the owner on the Note register kept for the purpose at the designated corporate trust office of the Fiscal Agent, such registration to be noted hereon by the Fiscal Agent on behalf of the School District. No transfer or exchange shall be valid as against the School District or the Fiscal Agent unless made by the registered owner in person or by his/her duly authorized attorney or legal representative at the designated corporate trust office of the Fiscal Agent, upon surrender hereof, and similarly noted upon the Note register and hereon. Notes of a particular denomination may be exchanged for Notes of different authorized denominations of the same series. Upon any such transfer or exchange the School District shall issue and, after due authentication by the Fiscal Agent, shall deliver to or upon the order of the registered owner, a new registered Note or Notes, in authorized denominations aggregating the principal amount hereof, bearing the same series designation as this Note and registered in such names as shall be requested.

The School District and the Fiscal Agent may treat the person in whose name this Note is registered as the absolute owner of this Note for all purposes whether or not this Note shall be overdue, and neither the School District nor the Fiscal Agent shall be affected by any notice to the contrary. All payments of the principal of and interest on this Note made to the registered owner hereof in the manner set forth herein and in the Resolution shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid, whether or not notation of the same be made hereon, and any consent, waiver or action taken by such registered owner pursuant to the provisions of the Resolution shall be conclusive and binding upon such registered owner, his or her heirs, successors and assigns, and upon all

transferees hereof, whether or not notation thereof be made hereon or on any Note issued in exchange herefor.

The School District covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the holders of the Notes of the interest on the Notes under Section 103 of the Internal Revenue Code of 1986, as amended (“Code”), and the applicable United States Treasury Regulations thereunder, and the School District further covenants that it will not directly or indirectly use or permit the use of any proceeds of the Notes or of any other funds of the School District, or take or omit to take any action that would cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and that it will comply with all the requirements of Section 148 of the Code to the extent applicable to the Notes.

All acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have been done and performed as required by law.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose unless the Fiscal Agent’s Authentication Certificate printed hereon is duly executed.

IN WITNESS WHEREOF, The School District of Philadelphia has caused this Note to be executed in its name on its behalf by the manual or facsimile signature of the Commissioner of the School Reform Commission and its corporate seal or a facsimile thereof to be affixed or imprinted hereon, duly attested by the manual or facsimile signature of the Secretary or Assistant Secretary, this _____ day of _____, 2015.

THE SCHOOL DISTRICT OF PHILADELPHIA

[SEAL]

By: _____
Member, School Reform Commission

ATTEST:

(Assistant) Secretary

FISCAL AGENT'S AUTHENTICATION CERTIFICATE

This Note is one of the Notes of the series designated herein, described in the within-mentioned Resolution. Printed on the reverse side hereof or annexed hereto is the complete text of the opinion of Eckert Seamans Cherin & Mellott, LLC of Philadelphia, Pennsylvania, Bond Counsel, an executed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of, and payment for, the Notes of said series.

The Bank of New York Mellon Trust
Company, N.A., Fiscal Agent

By: _____
Authorized Officer

Authentication Date:

[Form of Assignment and Transfer]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ his/her attorney to transfer said Note on the books of the within described transfer agent with full power of substitution in the premises.

Dated:

NOTICE: The signature on this Assignment must correspond with the name as it appears on the face of the within Note in every particular, without alteration or enlargement or any change whatever.

In the presence of:

Signature Guaranteed:

_____ (Type or Print Name)

NOTICE: Signature must be guaranteed by an approved eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program.

(Signature)