

**THE SCHOOL DISTRICT OF PHILADELPHIA
MEETING OF THE SCHOOL REFORM COMMISSION**

MARCH 22, 2018

A public meeting of the School Reform Commission was held on March 22, 2018, in the Auditorium of the School District of Philadelphia Education Center, 440 North Broad Street.

The meeting was convened at 4:30 p.m., by Chair Wilkerson.

Lee Whack, Deputy Chief of Communications, stated that at every School Reform Commission meeting, a representative from the Deaf-Hearing Communication Center is here to provide sign language interpretation of the proceedings. He also stated that representatives from the Office of Family and Community Engagement are stationed in the lobby to help with interpretation services. Mr. Whack stated that the proceedings of this SRC meeting are being streamed live on the Internet at www.philasd.org/live and can be seen on PSTV's Comcast Channel 52 and Verizon Fios Channel 20. He stated that the proceedings are also being recorded by The School District of Philadelphia and that the School District's recordings are protected by the Copyright Laws of the United States and may not be used in any manner without the express written consent of The School District. Mr. Whack stated that by participating in tonight's meeting, members of the public acknowledge that the School District may use its recordings for any purpose without obtaining permission or paying any compensation.

Lynn Rauch, General Counsel, stated that notice of today's meeting was published in the *Philadelphia Inquirer* and *Daily News* on March 19, 2018, and posted on the School District's website.

Ms. Rauch called the roll:

Members present: Dr. McGinley, Ms. Richman, Chair Wilkerson – 3

Members absent: Mr. Green – 1

Chair Wilkerson stated that today's meeting focuses on the School District's finances. She stated that the main agenda items this evening are the authorization of bond issuances and the adoption of the Lump Sum Statement for the 2019 Fiscal Year, which marks the beginning of the budget process.

Chair Wilkerson also stated that resolutions SRC-1 and SRC-2 will be considered walk-on resolutions, having been added to the agenda in the last 48 hours due to changing projections of anticipated revenues to be received by the District. She stated that copies of all resolutions are available in the lobby of the auditorium. Chair Wilkerson requested that individuals interested in registering to speak on the topics of SRC-1 or SRC-2 should register now with staff.

Chair Wilkerson stated that also on tonight's agenda is SRC-3, the proposed Adoption of Policy 406. She stated that Policy 406: Charter Amendments has been through an extensive review process over the past six months through the SRC's Policy Committee, and that the School District appreciates the public engagement during this review period, as it has helped inform and strengthen Policy 406. Chair Wilkerson stated that as it was announced at the SRC's last meeting, the SRC is considering the adoption of Policy 406 on tonight's agenda so that we can begin to accept, review, and process midterm amendment requests. She stated that once the policy is adopted, charter schools will have 30 days to submit midterm amendment requests for the 2018-19 school year.

William R. Hite, Superintendent, introduced Uri Monson, Chief Financial Officer, who provided a presentation on resolution SRC-1.

Staff Presentations

Uri Monson, Chief Financial Officer provided a presentation on resolution SRC-1. Mr. Monson stated that the School District did extremely well in the market today. He stated that the School District sold \$254,000,000 in

bonds, which will yield \$275,000,000 to be used for the Capital Program. Mr. Monson noted that for a bond issuance in October 2016, the premium was 125 basis points and today the premium was 72 basis points.

Dr. Hite and Uri Monson, Chief Financial Officer, provided a presentation on the Preliminary Five-Year Plan (FY19-23) and the Lump Sum Statement (FY18-19). Dr. Hite's presentation included an update on Action Plan 3.0 Anchor Goals, Current Investments, and New Investments. Mr. Monson's presentation included an update on infrastructure investments, a review of significant fiscal achievements to date and a review of the Preliminary Five-Year Plan, which focuses on fiscal stability. Mr. Monson also provided a review of FY 2019-2023 key assumptions, Preliminary Five-Year Plan Projections, Five-Year Plan risks, cost drivers, Lump Sum Statement, and the timeline.

Following the presentation, the School Reform Commission engaged Mr. Monson in a discussion. Mr. Monson stated that the City has set a new property tax rate for the five-year plan. Chair Wilkerson also stated that the plan does not include school closures. It was also noted that labor contracts expiring in 2020-2021 are included in the five-year plan. Mr. Monson also reported that Parking Authority revenue is approximately \$105 million.

**A complete copy of Dr. Hite, and Mr. Monson's powerpoint presentation is on file with the minutes of the School Reform Commission.*

The meeting was opened to the public for presentation of statements.

Ms. Rauch announced the applicable provisions of the SRC's public participation policy.

Ilene Poses, citing a contract with Carnegie Learning, expressed opposition to the "blended learning" model.

Diane Payne stated that the School District inflicts trauma on students through school closures, and withholding of sufficient adult-to-student ratios, school libraries staffed with certified librarians, clean buildings free of rodent and insect infestation, and curriculums that encourage children to think outside the box.

Lisa Haver expressed opposition to a legal opinion regarding Commissioner Green's reported run for public office. She stated that the legal opinion was bad and dishonest.

The following resolutions were presented for formal action by the School Reform Commission:

I. SCHOOL REFORM COMMISSION

SRC-1 (Updated 3.22.18)

Authorization of the Issuance of General Obligation Bonds, Series A of 2018

WHEREAS, The School District of Philadelphia, a school district of the first class of the Commonwealth of Pennsylvania (the "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 incur non-electoral debt for the purposes of financing the costs of capital improvements in and for the School District and to evidence such non-electoral debt by the issuance and sale of its general obligation bonds; and

WHEREAS, on December 21, 2001, the Secretary of Education of the Commonwealth of Pennsylvania ("Commonwealth") 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 30 days of such declaration, a School Reform Commission ("School Reform Commission" or the "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 theretofore granted to the Board of Education of the School District, including the power to incur debt, are vested in the School Reform Commission; and

WHEREAS, the Commission has determined that it is necessary and desirable to provide for the funding of a portion of the capital projects contained in the School District's Capital Improvement Program as more fully described in Exhibit A (the "Series A Project") and Exhibit A-1 (the "Series B Project") annexed hereto and made a part hereof. The Series A Project and the Series B Project are collectively referred to herein as the "Capital Project"; and

WHEREAS, the Commission has determined to effect the financing of the Capital Project through the issuance and sale of an issue of its general obligation bonds in the aggregate principal amount of \$254,950,000 ("Bonds"), consisting of its General Obligation Bonds, Series A of 2018 ("Series A Bonds") in the aggregate principal amount of \$176,820,000 and its General Obligation Bonds, Series B of 2018 ("Series B Bonds") in the aggregate principal amount of \$78,130,000.

NOW THEREFORE, BE IT RESOLVED BY THE SCHOOL REFORM COMMISSION OF THE SCHOOL DISTRICT OF PHILADELPHIA, AS FOLLOWS:

Section 1. Authorization of Bonds.

(a) The Commission does hereby authorize and direct the incurring of non-electoral debt of the School District in the amount of \$254,950,000 through the issuance of an issue of the School District's general obligation bonds in the aggregate principal amount of \$254,950,000. Such bonds shall be general obligation bonds and shall be designated: "The School District of Philadelphia, General Obligation Bonds, Series A of 2018" in the aggregate principal amount of \$176,820,000; and The School District of Philadelphia, General Obligation Bonds, Series B of 2018, in the aggregate principal amount of \$78,130,000. The Series A Bonds and the Series B Bonds are collectively referred to herein as the "Bonds". The Bonds shall be issued for the purposes of: (i) financing a portion of the costs of the Capital Project; and (ii) paying the costs of issuance of the Bonds. The Series A Bonds and the Series B Bonds, respectively, shall mature and bear interest as set forth in Section 15(a) hereof. The Series A Bonds shall finance the Series A Project. The Series B Bonds shall finance the Series B Project.

(b) In accordance with Section 8142(e) of the Act, the School District is issuing the Bonds in two series. The first mandatory sinking fund payment on the Series B Bonds is not later than fifteen (15) months after the last stated maturity of the Series A Bonds.

(c) The School District determines to combine the various components of the Capital Project for financing purposes in accordance with the terms and provisions of the Act.

Section 2. Estimated Useful Lives.

The realistic estimated weighted average useful life of the portion of the Capital Project that is being financed by the Bonds is hereby determined to be not less than 30 years. Realistic cost estimates have been obtained by the School District for the Capital Project from qualified persons as required by Section 8006 of the Act. The School Districts practices capital budgeting.

Section 3. Debt Statement and Borrowing Base Certificate.

The Chief Financial Officer or Deputy Chief Financial Officer of the School District is hereby authorized and directed to prepare and verify the debt statement required by Section 8110 of the Act and to append thereto a Borrowing Base Certificate, as required by the Act.

Section 4. General Obligation Covenant.

It is hereby covenanted with the owners from time to time of the Bonds that the School District shall: (i) include the amount of the debt service for the Bonds for each fiscal year in which such sums are payable in its budget for that year; (ii) appropriate such amounts from its general revenues for the payment of such debt service; and (iii) duly and punctually pay, or cause to be paid, from its sinking funds or any other of its revenues or funds the principal or

redemption price of, and the interest on, the Bonds, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the School District hereby pledges its full faith, credit and taxing power, within the limits established by law. This covenant shall be specifically enforceable.

Nothing in this Section shall be construed to give the School District any taxing power not granted by another provision of law.

Section 5. Daily Deposit Covenant for Bonds.

(a) The School District hereby covenants irrevocably with the owners from time to time of the Bonds, so long as the Bonds are outstanding, to irrevocably deposit on each business day of the City of Philadelphia (“City”) with the Sinking Fund Depository, Transfer Agent, Registrar and Paying Agent hereinafter appointed for payment into each Sinking Fund established under Section 17 hereof, from the revenues collected by the Department of Collections of the City (“Department of Revenue”) on behalf of the School District: (i) a sum of money which, together with other available moneys in each such Sinking Fund herein defined, including without limitation earnings on investments in such Sinking Fund, is necessary to accumulate in approximately equal daily installments the amount required to pay the next payment of principal or redemption price for the applicable series of Bonds by the date which is 15 days prior to the specified maturity or redemption date; and (ii) a sum of money which, together with other available moneys in each such Sinking Fund, including without limitation earnings on investments in such Sinking Fund, is necessary to accumulate in approximately equal daily installments the amount required to pay the interest due on the applicable series of Bonds on the next interest payment date by the date which is 15 days prior to the interest payment date; provided, however, that if the School District is unable to comply with the covenant set forth in this Section 5 due solely to the fact that revenues being collected by the Department of Revenue on behalf of the School District on a City business day are insufficient to make a particular daily deposit, this covenant shall not be deemed breached. The School District covenants to make up all deficiencies in each Sinking Fund and in all other sinking funds heretofore established by the School District for its general obligation bonds from the first revenues collected by the Department of Revenue on behalf of the School District until there are no longer any such deficiencies. The School District covenants to deposit from any other available revenues on the 15th day prior to any maturity, redemption or interest payment date (each a “Sinking Fund Deposit Date” for purposes of Section 633 of the School Code) an amount equal to any deficiency between the amount then on deposit in the applicable Sinking Fund and the amount due on such maturity, redemption or interest payment date.

(b) The Commission hereby directs the School District’s agent, the Department of Revenue, and the Treasurer, severally, to cause the aforesaid moneys to be deposited on each City business day with the Fiscal Agent (hereinafter defined) and the other paying or fiscal agents for the outstanding series of general obligation bonds of the School District as designated depositories, all in compliance with the covenant of the School District set forth in this Section 5, the School Code, and the applicable provisions of the Act relating to sinking funds and sinking fund depositories.

(c) The foregoing covenant shall be in addition to, and not in the place of, the covenant of the School District set forth in Section 4 hereof. Nothing in this Section 5 shall be construed to give the School District any taxing power not granted by another provision of law.

Section 6. Covenant Regarding Section 1703-E.4 of the Fiscal Code.

In accordance Section 1703-E.4 of the Act of April 9, 1929 (P.L. 343, No. 176), as amended, including by Act No. 85 of 2016 (P.L. 664, No. 85) (the “Fiscal Code”), the School District covenants to file with the Secretary of the Pennsylvania Department of Education (“PDE”), in such format as PDE may direct, within thirty (30) days of receipt of the proceeds of the Bonds, a copy of the final Official Statement for the Bonds, together with schedules of principal and interest, sinking fund deposit dates and debt service payment dates for each series of outstanding obligations of the School District which are subject to an intercept statute or intercept agreement.

Section 7. Provisions of the Bonds.

(a) The Bonds shall be issued in fully registered form in denominations of \$5,000 or whole multiples thereof. If at any time the School District shall have received an opinion of nationally recognized bond counsel to the

effect that the issuance of Bonds in coupon form will not cause the interest on the Bonds that is excluded from gross income for federal income tax purposes to be includible in gross income of the holders thereof for federal income tax purposes, the School District, at its option, may have all or any portion of the Bonds of the same series and maturity issued in coupon form payable to such owners of such Bonds requesting Bonds in such form and in denominations of \$5,000 and whole multiples thereof, as may be specified by the School District in a supplemental resolution. The Bonds shall be dated the date of its issue, and shall bear interest calculated on the basis of twelve months of 30 days in a 360-day year, from the interest payment date next preceding such date of issue (except Bonds initially issued shall bear interest from the date of delivery thereof). Interest on the Bonds shall be payable on the first day of March and September of each and every year, commencing September 1, 2018, until the maturity thereof.

(b) The Bonds, upon original issuance, are to be issued in the form of a single, fully registered bond for each maturity of each series thereof, in denominations equal to the principal amount of Bonds of each series maturing on each such date, and shall be delivered to The Depository Trust Company, New York, New York ("Securities Depository" or "DTC"), or its nominee, Cede & Co. Each such Bond shall be registered on the registration books kept by the Fiscal Agent (hereinafter defined), as registrar and transfer agent, in the name of the Securities Depository or, at the Securities Depository's option, in the name of Cede & Co., as the Securities Depository's nominee, and no beneficial owners thereof will receive certificates representing their respective interests in such Bonds, except in the event the Fiscal Agent issues replacement bonds ("Replacement Bonds") as provided in Section 11 of this Resolution.

Section 8. Payment of Bonds.

(a) The Bonds shall be payable as to principal or redemption price in then lawful money of the United States of America at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. located in Philadelphia, Pennsylvania, which is hereby appointed Sinking Fund Depository, Transfer Agent, Registrar and Paying Agent in respect of the Bonds ("Fiscal Agent"). Interest on the Bonds shall be paid by check or draft in then lawful money of the United States of America drawn upon the Fiscal Agent and mailed on the applicable interest payment date to the registered owner of the Bond at his or her address as it appears on the registration books of the School District kept by the Fiscal Agent or by wire transfer to a bank account in the continental United States to registered owners of more than \$1,000,000 in aggregate principal amount of a particular series of Bonds at the written request of such registered owners.

(b) So long as the Bonds are registered in the name of the Securities Depository or its nominee, to the extent available, the Fiscal Agent shall transfer (i) on each interest payment date, the amount of interest due on each Bond on such date to the Securities Depository, and (ii) on each mandatory sinking fund installment date, principal payment date or redemption date, upon surrender of the Bonds maturing on such date, the amount of principal or redemption price due on each such date to the Securities Depository, at the addresses set forth in DTC's Operational Arrangements, which amounts so transferred, shall be, on the interest and principal payment date or redemption date, at the principal office of the Securities Depository, immediately available funds. All payments made by the Fiscal Agent to the Securities Depository or its nominee shall fully satisfy the School District's obligations to pay principal or redemption price of and interest on the Bonds to the extent of such payments, and no Securities Depository participant (direct or indirect) or beneficial owner of any interest in any Bond registered in the name of the Securities Depository or its nominee shall have any recourse against the School District or the Fiscal Agent hereunder for any failure by the Securities Depository to remit payment to any direct or indirect participant therein or failure by any such participants to remit such payments to the beneficial owners of such Bonds.

Section 9. 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 Bonds of the applicable Series 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 form of Bonds.

(b) The Bonds may be transferred upon the registration books maintained by the Fiscal Agent upon delivery to the Fiscal Agent of the Bonds 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 Bonds to be

transferred or his or her duly authorized attorney-in-fact or other legal representative, containing written instructions as to the details of the transfer of such Bonds. No transfer of any Bond shall be effective until entered on the registration books maintained by the Fiscal Agent or its successor. In like manner Bonds may be exchanged by the registered owners thereof or by their duly authorized attorneys-in-fact or other legal representative for Bonds of the same series and maturity and of authorized denomination or denominations in the same aggregate principal amount.

Section 10. Execution of Bonds.

The Bonds shall be executed by the manual or facsimile signature of any member of the School Reform Commission on behalf of the School District and shall have an impression or a facsimile of the corporate seal of the School District affixed thereto, duly attested by the manual or facsimile signature of the Secretary or Assistant Secretary or any member of the School Reform Commission and the said officers are hereby authorized to execute the Bonds in such manner. Any member of the School Reform Commission is authorized and directed to deliver, or cause to be delivered, the Bonds to the purchasers thereof against the full balance of the purchase price therefor. The Bonds shall not be valid or obligatory in the hands of the owners thereof unless authenticated by the manual signature of a duly authorized officer of the Fiscal Agent.

Section 11. Replacement Bonds.

(a) The School District, in its sole discretion and without the consent of any other person, may terminate the services of the Securities Depository with respect to the Bonds, if the School District determines that:

- (i) the Securities Depository is unable to discharge its responsibilities with respect to the Bonds;
- (ii) a continuation of the requirement that all of the then outstanding Bonds be registered in the registration books kept by the Fiscal Agent in the name of the nominee of the Securities Depository is not in the best interests of the beneficial owners of the Bonds; or
- (iii) it is in the best interests of the School District to do so and the interests of the beneficial owners of the Bonds would not be adversely affected thereby.

(b) Upon the termination of the services of the Securities Depository with respect to the Bonds under Section 11(a) hereof, or upon the discontinuance of such services pursuant to Section 11(c) hereof after which no substitute securities depository willing to undertake the functions of the Securities Depository can be found which, in the opinion of the School District, is willing and able to undertake such functions upon reasonable and customary terms, then the Fiscal Agent in reliance on information provided to it by the Securities Depository shall authenticate and cause delivery of Replacement Bonds with respect to the interests of the beneficial owners of the Bonds. The School District will pay all costs incurred in connection with the printing, authentication and delivery of Replacement Bonds. Upon issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Fiscal Agent or alternate or successor transfer agent or paying agent to the extent applicable with respect to such Replacement Bonds.

(c) The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the School District and the Fiscal Agent as provided in DTC's Operational Arrangements and discharging its responsibilities with respect thereto under applicable law.

Section 12. Provisions for Redemption.

(a) **Optional Redemption.**

(i) The Series A Bonds maturing on or after September 1, 2029, are subject to redemption prior to maturity, at the option of the School District, from moneys available therefor, on or after September 1, 2028, in whole at any time, or in part from time to time, and if in part by lot within a maturity, and within particular

maturities or portions thereof as determined by the School District, at a redemption price of 100% of the principal amount of the Series A Bonds to be redeemed, plus interest accrued on the date fixed for redemption.

(ii) The Series B Bonds are subject to redemption prior to maturity, at the option of the School District, from moneys available therefor, on or after September 1, 2028, in whole at any time, or in part from time to time, and if in part by lot within a maturity, and within particular maturities or portions thereof as determined by the School District, at a redemption price of 100% of the principal amount of the Series B Bonds to be redeemed, plus interest accrued on the date fixed for redemption.

(b) **Mandatory Sinking Fund Redemption.** The Series B Bonds maturing September 1, 2043 (“Term Bonds”) are subject to mandatory redemption prior to maturity by the School District, in part, on September 1 of the years (each a “Mandatory Sinking Fund Redemption Date”) and in the principal amounts set forth below, within the maturity by lot, at a redemption price equal to the principal amount of Series B Bonds to be redeemed plus interest accrued to the date fixed for redemption, from funds which the School District hereby covenants to deposit in the Mandatory Redemption Account created in the Series B Sinking Fund established pursuant to Section 16(b) of this Resolution, annually, on or before September 1 of the years set forth below:

Series B Bonds Maturing 2043 and Bearing Interest at a Rate of 4.000%	
Mandatory Sinking Fund	
Redemption Date (September 1)	Principal Amount to <u>be Redeemed</u>
2039	\$9,215,000
2040	9,595,000
2041	9,985,000
2042	10,390,000
2043	10,815,000*

* Maturity

Series B Bonds Maturing 2043 and Bearing Interest at a Rate of 5.000%	
Mandatory Sinking Fund	
Redemption Date (September 1)	Principal Amount to <u>be Redeemed</u>
2039	\$5,080,000
2040	5,335,000
2041	5,610,000
2042	5,900,000
2043	6,205,000*

* Maturity

In lieu of redeeming the principal amount of the Series B Bonds set forth in this Subsection 12(b)(i) or any portion thereof, the School District or the Fiscal Agent with the written approval of the School District may apply the moneys required to be deposited in the Mandatory Sinking fund Account of the Series B Sinking Fund to the purchase of a like principal amount of Series B Bonds at prices no higher than the principal amount thereof, provided the following conditions are met:

(a) firm commitments for the purchase must be made prior to the time notice of redemption would otherwise be required to be given; and

(b) if Bonds aggregating the principal amount of Series B Bonds required to be redeemed cannot be purchased, a principal amount of the Series B Bonds equal to the difference between the principal amount

required to be redeemed and the principal amount purchased and delivered to the Fiscal Agent shall be redeemed as aforesaid.

In the event of purchases of Series B Bonds at less than the principal amount thereof, the balance remaining in the Mandatory Sinking Fund Account of the Series B Sinking Fund representing the difference between the purchase price and the principal amount of Series B Bonds purchased shall be applied as a credit to the next payments becoming due on the Series B Bonds to be made to the Series B Sinking Fund.

(c) Selection of Bonds; Notice of Redemption.

(i) The Fiscal Agent is hereby directed, without further authorization with respect to a mandatory redemption pursuant to this Section 12, and upon written notification by the School District at its option to redeem as set forth in Section 12(a), to mail a notice of redemption by first class mail not more than 45 days and not less than 30 days before the date of redemption to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Failure to give such notice by mailing to any owner of any Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds of such series. Deposit of any such notice in the United States mail shall constitute constructive receipt by such owner of such Bonds. The Fiscal Agent shall redeem on each respective redemption date the principal amount of such Bonds or portions thereof aggregating the amount to be then redeemed. When a notice of redemption is mailed as provided above, the Fiscal Agent shall mail a similar notice to *The Bond Buyer*, but failure to mail any such notice or defect in the mailed notice or in the mailing thereof shall not affect the validity of the proceedings for the redemption of such Bonds. So long as the Securities Depository remains the sole registered owner of such Bonds, the Fiscal Agent shall send the notice of redemption to the Securities Depository at the time and in the manner specified in DTC's Operational Arrangements. Any failure of the Securities Depository to advise any of its participants ("Participants") or any failure of any Participant to notify any beneficial owner of any such notice and its content or effect shall not affect the validity of the proceedings for redemption of the Bonds called for redemption or of any other action premised on such notice.

If such notice is given with respect to an optional redemption prior to moneys for such redemption being deposited with the Fiscal Agent, then such notice shall be conditioned upon the deposit of the redemption moneys with the Fiscal Agent on or before the date fixed for redemption and such notice shall be of no effect (and shall so state) unless moneys are so deposited.

The notices required to be given by this Section 12(c) shall state that no representation is made as to correctness or accuracy of the CUSIP numbers (hereinafter mentioned) listed in such notice or stated on any Bond.

(i) If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions thereof to be redeemed from such maturity shall be selected by the Fiscal Agent by lot in such manner as the Fiscal Agent in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount equal to \$5,000 or any whole multiple thereof, and that, in selecting Bonds for redemption, the Fiscal Agent shall treat each such Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bonds by \$5,000. While the Securities Depository is the sole registered owner of the Bonds, such selection by lot shall be made by the Securities Depository in accordance with the Securities Depository's practices and procedures as in effect at the time of such partial redemption.

(ii) In case part, but not all, of a Bond shall be selected for redemption, the registered owner thereof or his or her attorney or legal representative shall present and surrender such Bond to the Fiscal Agent for payment of the principal amount or redemption price thereof so called for redemption, and the Fiscal Agent shall authenticate and deliver to or upon the order of such registered owner or his or her legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, bearing interest at the same rate or in the same manner, as applicable, and of any denomination or denominations authorized by this Resolution.

(d) The Bonds shall cease to bear interest after maturity or the date selected for redemption if funds for payment thereof are on deposit with the Fiscal Agent.

Section 13. Form of Bonds.

(a) The form of the Bonds shall be substantially in the form as set forth in Exhibit B annexed hereto and made a part hereof, and the Bonds shall be executed in substantially the form as set forth in Exhibit B with such appropriate changes, additions or deletions as may be approved by the officers executing the Bonds in the manner provided in Section 10 hereof; such execution shall constitute approval by such officers on behalf of the School District. The opinion of Bond Counsel (hereinafter defined) is authorized and directed to be delivered with the Bonds.

(b) The School District, solely for the convenience of the registered owners of Bonds, shall cause CUSIP (Committee on Uniform Security Identification Procedures) numbers to be printed on the Bonds. No representation shall be made as to the accuracy of said numbers as printed on the Bonds or as contained in any notice of redemption, and the School District shall have no liability of any sort with respect thereto. Reliance with respect to any notice with respect to the Bonds may be placed only on the identification numbers prefixed “R2018A” and “R2018B”, respectively, printed thereon.

Section 14. Temporary Bonds.

Until the Bonds in definitive form are ready for delivery, the proper officers of the Commission may execute, and upon their request in writing, the Fiscal Agent shall authenticate and deliver in lieu of such Bonds in definitive form, one or more printed or typewritten fully registered bonds in temporary form, substantially of the tenor of the series of Bonds hereinbefore described, with appropriate omissions, variations and insertions. Such bond or bonds in temporary form may be for the principal amount of \$5,000 or whole multiples thereof, as such officers may determine. The aforesaid officers, without unnecessary delay, shall prepare, execute and deliver the Bonds in definitive form to the Fiscal Agent, and thereupon, upon presentation and surrender of said bond or bonds in temporary form, the Fiscal Agent shall authenticate and deliver, in exchange therefor, the Bonds in definitive form in an authorized denomination of the same series and maturity for the same aggregate principal amount or maturity value as the bond or bonds in temporary form surrendered. Such exchange shall be made by the School District at its own expense and without any charge therefor. When and as interest is paid upon the Bonds in temporary form without coupons, the fact of such payment shall be endorsed thereon. Until so exchanged, the Bonds shall be in full force and effect according to their terms.

Section 15. Maturities and Interest Rates of the Bonds.

(a) (i) The Series A Bonds shall bear interest until maturity or prior redemption, at the rates per annum, and mature in the amounts and on the dates, all as follows:

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	\$5,000	3.000%
2019	5,275,000	5.000
2020	5,545,000	5.000
2021	5,830,000	5.000
2022	6,130,000	5.000
2023	6,445,000	5.000
2024	6,775,000	5.000
2025	7,120,000	5.000
2026	7,485,000	5.000
2027	7,870,000	5.000
2028	8,275,000	5.000
2029	8,700,000	5.000
2030	9,145,000	5.000
2031	9,615,000	5.000
2032	10,105,000	5.000
2033	10,625,000	5.000
2034	11,170,000	5.000

2035	11,740,000	5.000
2036	12,345,000	5.000
2037	12,975,000	5.000
2038	13,645,000	5.000

(ii) The Series B Bonds shall bear interest until maturity or prior redemption, at the rates per annum, and mature in the amounts and on the dates, all as follows:

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2043	\$50,000,000	4.000%
2043	28,130,000	5.000

(b) The Commission hereby determines that the approval of the foregoing principal maturity amounts of the Bonds set forth in subsection (a) of this Section 15 will amortize the Bonds on at least an approximately level debt service plan, in accordance with Section 8142(b)(2) of the Act.

Section 16. Private Sale.

(a) The Commission, after due deliberation and investigation, has found that a private sale by negotiation of the Bonds is in the best financial interest of the School District and upon such finding, the Commission hereby awards the Bonds, at private sale, by negotiation, to the Underwriters named in and upon the terms set forth in the purchase contract, a copy of which is annexed hereto as Exhibit C and made a part hereof and hereby approved (“Purchase Contract”). As set forth in the Purchase Contract, the Bonds are purchased at a bid price of \$276,725,568.29 (reflecting an underwriters’ discount of \$994,223.61 and net original issue premium of \$22,769,791.90), and bear interest as set forth in Section 15 hereof. Any member of the Commission or the Chief Financial Officer or Deputy Chief Financial Officer of the School District is hereby authorized and directed to execute and deliver the Purchase Contract and any supplement or amendment thereto, on behalf of the School District. A good faith deposit of not less than two percent (2%) of the aggregate original principal amounts of the Bonds as reflected in the preliminary official statement for the Bonds received by the School District from the Underwriters shall be held by the Chief Financial Officer or Deputy Chief Financial Officer and applied in accordance with the Purchase Contract.

Section 17. Sinking Funds.

(a) Series A Sinking Fund.

(i) There is hereby irrevocably established with the Fiscal Agent, hereafter appointed, a separate sinking fund for the School District to be known as “Sinking Fund - Series A of 2018” (“Series A Sinking Fund”), and into the Series A Sinking Fund there shall be paid all moneys necessary to pay the debt service on the Series A Bonds. The Series A Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the Series A Bonds and to the principal thereof at maturity and to no other purpose whatsoever, except as may be specifically permitted by this Section, until the same shall have been fully paid or provision for payment in full therefor has been made.

(ii) The income from the investments in the Series A Sinking Fund shall, from time to time, as received (A) be deposited in the Series A Sinking Fund and applied to the payment of principal or redemption price, if any, of and interest on the Series A Bonds within twelve (12) months of such income, or (B) if the Series A Sinking Fund is otherwise funded at its required level, be transferred to the School District at its written request.

(iii) In each of the following fiscal years ending June 30, the following amounts are hereby pledged to pay the debt service on the Series A Bonds and such amounts are annually hereby appropriated to the Series A Sinking Fund for the payment thereof:

Fiscal Year Ending June 30,	Amount Pledged for Debt Service
2019	\$7,691,596.39
2020	13,983,875.00
2021	13,983,375.00
2022	13,984,000.00
2023	13,985,000.00
2024	13,985,625.00
2025	13,985,125.00
2026	13,982,750.00
2027	13,982,625.00
2028	13,983,750.00
2029	13,985,125.00
2030	13,985,750.00
2031	13,984,625.00
2032	13,985,625.00
2033	13,982,625.00
2034	13,984,375.00
2035	13,984,500.00
2036	13,981,750.00
2037	13,984,625.00
2038	13,981,625.00
2039	13,986,125.00

(b) Series B Sinking Fund.

(i) There is hereby irrevocably established with the Fiscal Agent, hereafter appointed, a separate sinking fund for the School District to be known as “Sinking Fund - Series B of 2018” (“Series B Sinking Fund”), and into the Series B Sinking Fund there shall be paid all moneys necessary to pay the debt service on the Series B Bonds. The Series B Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the Series B Bonds and to the principal thereof at maturity and to no other purpose whatsoever, except as may be specifically permitted by this Section, until the same shall have been fully paid or provision for payment in full therefor has been made.

(ii) Within the Series B Sinking Fund there is hereby established a Mandatory Sinking Fund Account and the Fiscal Agent shall transfer into the Mandatory Sinking Fund Account the amounts required on the dates specified in Section 15(a) hereof so that the Fiscal Agent may redeem the Term Bonds in accordance with Section 15(a) hereof.

(iii) The income from the investments in the Series B Sinking Fund shall, from time to time, as received (A) be deposited in the Series B Sinking Fund and applied to the payment of principal or redemption price, if any, of and interest on the Series B Bonds within twelve (12) months of such income, or (B) if the Series B Sinking Fund is otherwise funded at its required level, be transferred to the School District at its written request.

(iv) In each of the following fiscal years ending June 30, the following amounts are hereby pledged to pay the debt service on the Series B Bonds and such amounts are annually hereby appropriated to the Series B Sinking Fund for the payment thereof:

Fiscal Year Ending June 30,	Amount Pledged for Debt Service
2019	\$2,961,762.50
2020	3,406,500.00
2021	3,406,500.00
2022	3,406,500.00
2023	3,406,500.00
2024	3,406,500.00
2025	3,406,500.00
2026	3,406,500.00
2027	3,406,500.00
2028	3,406,500.00
2029	3,406,500.00
2030	3,406,500.00
2031	3,406,500.00
2032	3,406,500.00
2033	3,406,500.00
2034	3,406,500.00
2035	3,406,500.00
2036	3,406,500.00
2037	3,406,500.00
2038	3,406,500.00
2039	3,406,500.00
2040	17,390,200.00
2041	17,388,625.00
2042	17,388,400.00
2043	17,388,150.00
2044	17,391,425.00

Section 18. Municipal Bond Insurance.

The purchase of a policy of municipal bond insurance (the “Policy”) unconditionally guaranteeing payment of principal of and interest on the Series B Bonds maturing September 1, 2043 and bearing interest at a rate of 4.000% (the “Insured Bonds”) from Assured Guaranty Municipal Corp. (the “Bond Insurer”), is hereby authorized and approved and the commitment letter of the Bond Insurer to issue such Policy, dated March 21, 2018, is hereby approved.

Section 19. Investment of Series A Sinking Fund and Series B Sinking Fund.

(a) Series A Sinking Fund. The Fiscal Agent shall, at the written direction of the School District, to the extent not required for immediate payment of the Series A Bonds, invest the moneys held in the Series A Sinking Fund in: (i) any investment permitted pursuant to Section 8224 of Act, (ii) the 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 Financial, 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 (“Government Obligations”), (iii) 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 (x) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from such funds for services rendered, (y) 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 (z) 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: (A) the only investments of that company are in the authorized investments listed in clause (i) in this Section 19 and Repurchase Agreements (hereinafter defined); (B) 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 (C) the investment company is rated at the time of investment in the highest category by a nationally recognized rating agency, or (iv) 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; and (B) such Government Obligations shall be pledged as hereinafter provided (such agreements are hereinafter referred to as "Repurchase Agreements").

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 dates fixed for payment of principal of or interest on the Series A Bonds. All Repurchase Agreements shall have a term no greater than 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)).

(b) Series B Sinking Fund. The Fiscal Agent shall, at the written direction of the School District, to the extent not required for immediate payment of the Series B Bonds, invest the moneys held in the Series A Sinking Fund in: (i) any investment permitted pursuant to Section 8224 of Act, (ii) the 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 Financial, 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 ("Government Obligations"), (iii) 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 (x) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from such funds for services rendered, (y) 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 (z) 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: (A) the only investments of that company are in the authorized investments listed in clause (i) in this Section 19 and Repurchase Agreements (hereinafter defined); (B) 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 (C) the investment company is rated at the time of investment in the highest category by a nationally recognized rating agency, or (iv) 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; and (B) such Government Obligations shall be pledged as hereinafter provided (such agreements are hereinafter referred to as "Repurchase Agreements").

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 dates fixed for payment of principal of or interest on the Series B Bonds. All Repurchase Agreements shall have a term no greater than 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)).

Section 20. Fiscal Agent.

The Chief Financial Officer or Deputy Chief Financial Officer of the School District is hereby authorized and directed to contract with The Bank of New York Mellon Trust Company, N.A. having a corporate trust office in Philadelphia, Pennsylvania, for its services as sinking fund depository, registrar, transfer and paying agent with respect to the Bonds. Any additional or successor sinking fund depository, registrar, transfer or paying agent appointed pursuant to this Resolution shall be a bank, national banking association or a trust company duly authorized to exercise trust powers in the Commonwealth of Pennsylvania and a "securities intermediary" within the meaning of Division 8 Section 102(a) of the Pennsylvania Uniform Commercial Code (13 Pa. C.S.A. §8102(a)). Such successor shall be subject to examination by federal or state authority, have a combined net capital and surplus in excess of \$100,000,000, and be otherwise qualified under the Act.

Section 21. Application to Department of Community and Economic Development.

The Chief Financial Officer or Deputy Chief Financial Officer of the School District is hereby authorized to certify to and file with the Department of Community and Economic Development, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the incurrence of debt authorized hereunder, including the debt statement hereinabove referred to, and to pay the filing fees necessary in connection therewith.

Section 22. 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 Bonds of the interest on the Bonds under Section 103 of the Code to the extent that interest on the Bonds is excluded from gross income for federal income tax purposes. Pursuant to this covenant, the School District obligates itself to comply throughout the term of the Bonds with the requirements of Section 103 of the Code and the Regulations proposed or 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 Bonds or any other funds of the School District, or take or omit to take any action that would cause the Bonds 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 Bonds. In the event that at any time the School District is of the opinion that for purposes of this Section 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 any of the Bonds from time to time. This rebate obligation shall survive payment in full or defeasance of the Bonds.

The Chief Financial Officer or Deputy Chief Financial Officer is hereby authorized and directed to make any elections on behalf of the School District permitted by the Code or any Treasury Regulations as he or she deems necessary or appropriate to enable the School District to comply with the requirements of this Section.

Section 23. Preliminary Official Statement and Official Statement.

The Official Statement of the School District with respect to the Bonds in the form submitted to the Commission is hereby approved, subject to such changes as any member of the Commission, in consultation with counsel, shall approve, the execution thereof by such Commissioner to be conclusive evidence of such approval, and any member of the Commission is hereby authorized to execute said Official Statement and said Official Statement is hereby authorized to be distributed to prospective purchasers of the Bonds. The distribution of the Preliminary Official Statement in respect of the Bonds and the determination that such Preliminary Official Statement was “deemed final” as of its date within the meaning of Rule 15c2-12, as amended, of the Securities and Exchange Commission (“Rule 15c2-12”) are hereby ratified and confirmed.

Section 24. Fiduciaries.

(a) The Fiscal Agent and any co-paying agent (each a “Fiduciary”) 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; and a Fiduciary shall not be answerable for the default or misconduct of any attorney, agent or employee selected by it with reasonable care, except that the Fiduciaries shall at all times be answerable and responsible for any liability to the School District resulting from any theft or loss of, or unauthorized or wrongful issuance of Bonds by a Fiduciary. A Fiduciary shall not be answerable for the exercise of any discretion or power under this Resolution nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or the theft or loss, for any reason whatsoever, or unauthorized or wrongful issuance of Bonds by a Fiduciary.

(b) The School District shall pay each Fiduciary reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall indemnify each Fiduciary against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder except with respect to such Fiduciary’s own negligence or willful misconduct or any theft or loss of, or unauthorized or wrongful issuance of Bonds by a Fiduciary.

(c) A Fiduciary may act on any requisition, resolution, notice, telegram request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or 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 hereof; and the Fiduciary 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.

(d) A Fiduciary may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any owners of Bonds may be entitled to take with like effect as if the Fiduciary were not appointed and acting hereunder. Fiduciaries may also engage in or be interested in any financial or other transaction with the School District; provided that if the Fiduciary determines that any such relation is in conflict with its duties under this Resolution, it shall eliminate the conflict or resign.

(e) The Fiscal Agent may construe any ambiguous or inconsistent provisions of this Resolution, and any construction by the Fiscal Agent shall be binding upon the registered owners of Bonds. The Fiscal Agent shall give prompt notice to the School District of any intention to make such construction.

(f) A Fiduciary may resign and be discharged of the trusts created hereby on written resignation filed with the School District not less than 60 days before the date when such resignation is to take effect; provided notice of such resignation is mailed to each registered owner of the Bonds not less than 30 days prior to the effective date of such resignation. A copy of such notice of such resignation shall be sent to The Bond Buyer or its successor, if any, not less than 30 days prior to such effective date. Such resignation shall take effect on the day specified therein unless a successor Fiduciary is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor.

(g) Any Fiduciary hereunder may be removed at any time by resolution of the School District, appointing a successor to the Fiduciary so removed in accordance with the Act and filed with the Fiscal Agent.

(h) If a Fiduciary or any successor fiduciary resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of such Fiduciary, and the School District shall appoint a successor and shall publish notice of such appointment in The Bond Buyer or its successor, if any, and shall cause notice of such appointment to be mailed to the registered owners of Bonds. No appointment or removal of a Fiduciary will be effective until a successor fiduciary has been appointed and has accepted the duties of the Fiduciary. If the School District fails to make such appointment within 30 days of the occurrence of such vacancy, the holders of a majority in principal amount of the Bonds then outstanding may do so or the acting Fiduciary, at the School District's expense, may petition a court of competent jurisdiction for the appointment of a successor.

(i) A successor fiduciary shall be a national bank, bank, bank and trust company or a trust company, duly authorized to exercise trust powers, subject to examination by federal or state authority, having a combined net capital and surplus in excess of \$100,000,000 and otherwise qualified under the Act. Any successor fiduciary shall also be a "securities intermediary" within the meaning of Division 8, Section 102(a) of the Pennsylvania Uniform Commercial Code (13 Pa. C.S.A. §8102(a)). Any successor fiduciary shall execute, acknowledge and deliver to the School District an instrument accepting such appointment hereunder; and thereupon such successor fiduciary, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Fiduciary herein. The Fiduciary ceasing to act hereunder shall pay over to the successor fiduciary all moneys held by it hereunder; and, upon request of the successor fiduciary, the Fiduciary ceasing to act and the School District shall execute and deliver an instrument transferring to the successor fiduciary all the estates, properties, rights, powers and trusts hereunder of the Fiduciary ceasing to act.

(j) Any corporation or national banking association into which any Fiduciary hereunder may be merged or with which it may be consolidated, or any corporation or national banking association resulting from any merger or consolidation to which any Fiduciary hereunder shall be a party, shall be the successor fiduciary hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation or national banking association continuing to act as Fiduciary hereunder shall meet the requirements of this Section, and if such corporation or national banking association does not meet the aforesaid requirements, a successor Fiduciary shall be appointed pursuant to this Section.

(k) The duties and trusts created hereby shall not be sold, assigned or otherwise transferred without the prior written consent of the authorized officer of the School District, except as provided in paragraph (j) of this Section. Any such sale, assignment or other transfer without such consent shall be deemed a resignation by the Fiduciary and the School District shall thereupon appoint a successor pursuant to this Section.

Section 25. Further Action.

The proper officers of the School District are hereby severally authorized and empowered on behalf of the School District to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or appropriate for the implementation of this Resolution and to effectuate the issuance, sale and delivery of the Bonds, the investment of moneys in the Sinking Funds, the timely payment in full of the Bonds and the completion of the Capital Project. Whenever an officer of the School District is authorized to act hereunder, and there is a vacancy in any such office, any person duly appointed to perform the duties of such officer shall be entitled to act hereunder as if specifically authorized.

Section 26 **Other Capital Projects.**

Nothing in this Resolution shall prevent the School District from using the proceeds of the Bonds for capital projects other than those included in the Capital Project authorized in Section 1 hereof, should any of the components of the Capital Project become, in the sole discretion of the School District, unfeasible or impracticable.

Section 27. **Notice to Rating Agencies.**

The Fiscal Agent is hereby authorized and directed to give notice to Moody's Investors Service and Fitch Ratings, Inc. of any amendment of or supplement to this Resolution of which it has received written notice from the School District.

Section 28. **Continuing Disclosure Agreement.**

It is hereby determined that it is necessary and appropriate for the School District to execute and deliver a Continuing Disclosure Agreement for the benefit of the holders from time to time of the Bonds, substantially in the form presented to this meeting (a copy of which shall be filed with the records of this meeting), in order to assist the Underwriters in complying with the requirements of Rule 15c2-12 (together, the "Continuing Disclosure Agreement"). The Continuing Disclosure Agreement is hereby approved and the Chief Financial Officer or the Deputy Chief Financial Officer is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially such form with such changes therein as counsel may advise and the Chief Financial Officer or the Deputy Chief Financial Officer shall approve, such approval to be conclusively evidenced by his or her execution thereof.

Section 29. **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 Bonds. 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 51% in principal amount of the Bonds 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 Bonds, or affect the terms of payment of the principal, or redemption price of, or interest on, the Bonds without the consent of the registered owners of all of the affected Bonds. So long as the Securities Depository is the sole registered owner of the Bonds, any amendment that would otherwise require the consent of registered owners shall require the consent of the beneficial owners of not less than 51% in principal amount of the Bonds then outstanding.

Section 30. **Appointment of Professionals.**

(l) The law firm of Eckert Seamans Cherin & Mellott, LLC, of Philadelphia, Pennsylvania, is hereby appointed to serve as Bond Counsel with respect to the Bonds.

(m) The firm of Phoenix Capital Partners LLP is hereby appointed financial advisor with respect to the Bonds.

(n) The Chief Financial Officer of the School District is hereby authorized to engage such other counsel, consultants and other professional advisors as he or she deems necessary to implement the issuance of the Bonds.

Section 31. **Notice to Securities Depository with Respect to Consents.**

In connection with any notice or other communication to be provided to owners of Bonds pursuant to this Resolution by the School District or the Fiscal Agent with respect to any consent or other action to be taken by such owners, the School District or the Fiscal Agent, as the case may be, shall establish a record date for such consent or other action and the date by which such consent or other action shall be received or taken ("Return Date") and give

the Securities Depository notice of such record date and Return Date not less than 15 calendar days in advance of such record date to the extent possible.

Section 32. Headings and Preambles.

The preambles and headings of this Resolution are inserted for ease of reference only and shall not constitute a part of this Resolution.

Section 33. Severability.

In case any one or more provisions of this Resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Resolution, and this Resolution shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein.

Section 34. No Personal Recourse.

No personal recourse shall be had for any claim based on this Resolution, the Bonds or other documents previously executed or executed in connection with the Bonds against any member, officer or employee, past, present or future, of the School Reform Commission or the School District or any successor body as such, either directly or through the Commission or the School District or any successor body as such, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 35. Inconsistent Resolutions Repealed.

All resolutions or parts of resolutions to the extent inconsistent herewith shall be and the same hereby are rescinded, canceled and annulled.

Section 36. Effective Date.

This Resolution shall be effective this 22nd day of March, 2018. This Resolution shall be valid and effective for all purposes on the fifth day following advertisement of final adoption hereof as provided in Section 8003 of the Act.

**A complete copy of resolution SRC-1 with exhibits is on file with the minutes of the School Reform Commission.*

The vote was as follows:

Yeas: Dr. McGinley, Ms. Richman, Chair Wilkerson – 3

Nays: 0

**SRC-2 (Updated 3.22.18 – Attached)
Adoption of Lump Sum Statement 2018-2019**

**A complete copy of resolution SRC-2 is on file with the minutes of the School Reform Commission.*

The vote was as follows:

Yeas: Dr. McGinley, Ms. Richman, Chair Wilkerson – 3

Nays: 0

**SRC-3 (Policy Attached)
Adoption of Proposed Policy: Policy 406 Charter Amendments**

RESOLVED, that the School Reform Commission hereby adopts amendments to the following SRC Policies, in the forms attached, effective March 22, 2018:

Policy 406 Charter Amendments

Description: The School Reform Commission establishes general parameters in which the daily operations of the School District are to be governed. As such, the policies (listed above and attached) have been revised and updated to align with current local, state and federal law.

These amendments to policies were developed with the support of the Pennsylvania School Boards Association (PSBA), pursuant to a contract entered into with PSBA pursuant to Resolution SRC-5, approved by the SRC on May 19, 2016. PSBA offers a comprehensive Policy Development Service that updates the SRC's Policy Manual.

Additionally, policies have been reviewed and recommended by the SRC Policy Committee, pursuant to Resolution SRC-4, approved by the SRC on March 16, 2017. The SRC Policy Committee reviews and makes recommendations to the SRC concerning all matters related to developing, updating, and recommending policies for the School District.

The policy development process consists of an in-depth analysis of the existing adopted policies maintained by the School District in relation to the requirements of federal and state laws and regulations; the impact of court and arbitration decisions; and recommendations based on governance, liability and educational issues.

The vote was as follows:

Yeas: Dr. McGinley, Ms. Richman, Chair Wilkerson – 3

Nays: 0

II. EDUCATION SUPPORT SERVICES

None Submitted

III. EDUCATION SERVICES

None Submitted

Chair Wilkerson stated that the next meeting of the School Reform Commission is the Budget Hearing scheduled on April 19, 2018.

On motion, the meeting was adjourned at 5:20 p.m.

Joyce S. Wilkerson, Chair
School Reform Commission

William R. Hite, Jr., Ed.D
Superintendent