

**JERSEY SHORE AREA SCHOOL DISTRICT,
Lycoming and Clinton Counties, Pennsylvania**

RESOLUTION

OF THE BOARD OF SCHOOL DIRECTORS OF JERSEY SHORE AREA SCHOOL DISTRICT INCURRING NONELECTORAL DEBT TO BE EVIDENCED BY ITS GENERAL OBLIGATION BOND, SERIES OF 2021, IN THE PRINCIPAL AMOUNT OF \$8,069,000, TO REFUND THIS SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 2012, SERIES OF 2015, AND SERIES A OF 2015 AND ITS GENERAL OBLIGATION NOTE, SERIES AAAA OF 2015; ACCEPTING A LOAN PROPOSAL; SETTING FORTH THE TERMS AND SUBSTANTIAL FORM OF THE BOND; PLEDGING THE SCHOOL DISTRICT'S FULL FAITH, CREDIT AND TAXING POWER TO SECURE THE BOND; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY; AUTHORIZING THE REDEMPTION OF THE REFUNDED OBLIGATIONS; AND AUTHORIZING RELATED ACTIONS AND DOCUMENTS.

WHEREAS, Jersey Shore Area School District (the "School District"), in Lycoming and Clinton Counties, Pennsylvania, is a public school district of the Commonwealth of Pennsylvania (the "Commonwealth") and is governed by its Board of School Directors (the "Board"); and

WHEREAS, The Board, by its resolution adopted on February 13, 2012, authorized and secured this School District's \$9,995,000 principal amount General Obligation Bonds, Series of 2012 (the "2012 Bonds"), dated March 15, 2012; and

WHEREAS, The Department of Community and Economic Development (the "Department") approved the debt proceedings of this School District related to the 2012 Bonds, as evidenced by Certificate of Approval No. GOB-18115, dated March 9, 2012; and

WHEREAS, The 2012 Bonds financed school building construction projects, and became subject to optional redemption beginning on March 1, 2017; and

WHEREAS, The Board, by its resolution adopted on February 9, 2015, authorized and secured this School District's \$7,340,000 principal amount General Obligation Bonds, Series of 2015 (the "2015 Bonds"), dated March 16, 2015; and

WHEREAS, The Department approved the debt proceedings of this School District related to the 2015 Bonds, as evidenced by Certificate of Approval No. GOB-150310-04, dated March 10, 2015; and

WHEREAS, The 2015 Bonds currently refunded this School District's 2010 Bonds, that refunded 2004 and 2005 Bonds that financed school building construction projects, and the 2015 Bonds became subject to optional redemption beginning on September 1, 2021; and

WHEREAS, The Board, by its resolution adopted on February 9, 2015, authorized and secured this School District's \$7,340,000 principal amount General Obligation Bonds, Series A of 2015 (the "2015A Bonds"), dated March 16, 2015; and

WHEREAS, The Department approved the debt proceedings of this School District related to the 2015A Bonds, as evidenced by Certificate of Approval No. GOB-150310-04, dated March 10, 2015; and

WHEREAS, The 2015A Bonds currently refunded this School District's 2010A Bonds, that refunded 2003 Notes and 2004A Notes that financed school building construction projects, and the 2015 Bonds became subject to optional redemption beginning on September 1, 2021; and

WHEREAS, The Board, by its resolution adopted on November 23, 2015, authorized and secured this School District's \$3,147,000 principal amount General Obligation Note, Series AAAA of 2015 (the "2015AAAA Note"), dated December 23, 2015, and held by Jersey Shore State Bank; and

WHEREAS, The Department approved the debt proceedings of this School District related to the 2015AAAA Note, as evidenced by Certificate of Approval No. GON-151218-01, dated December 18, 2015; and

WHEREAS, The 2015AAAA Note currently refunded this School District's 2011 Bonds, that refunded the 2006A Note that financed school building construction projects, and the 2015AAAA Note is subject to optional redemption on any date without penalty; and

WHEREAS, The School Board has determined to refund all of the outstanding 2012 Bonds, 2015 Bonds and 2015A Bonds, and the 2015AAAA Note (collectively, the "Refunded Obligations"), as described in a refunding report (the "Refunding Report"), prepared for this School District by its financial advisor PFM Financial Advisors LLC (the "Financial Advisor"), showing the debt service savings resulting from refunding the Refunded Obligations (the "Refunding Projects"); and

WHEREAS, The Board contemplates authorizing, issuing and securing its General Obligation Bond, Series of 2021, in the principal amount of Eight Million Sixty-nine Thousand

Dollars (\$8,069,000) (the “Bond”), to undertake the Refunding Projects, in accordance with the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the “Debt Act”), of the Commonwealth; and

WHEREAS, A written proposal (the “Proposal”) to purchase the Bond has been received from the Key Government Finance, Inc. (the “Lender”); and

WHEREAS, The Board desires to accept the Proposal, to award the Bond to the Lender, to incur nonelectoral debt represented by the Bond, and to take other appropriate action in connection with the Refunding Projects, and in accordance with the Debt Act.

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

SECTION 1. The Board hereby authorizes and secures the issuance of the Bond, which shall constitute nonelectoral debt of the School District, to undertake the Refunding Projects. The firm of PFM Financial Advisors LLC is engaged to serve as the School District’s independent municipal advisor, and the law firm of Eckert Seamans Cherin & Mellott, LLC is engaged to serve as the School District’s bond counsel, in connection with the Bond.

SECTION 2. The Board finds that it is in the best financial interests of the School District to sell the Bond in a private sale by negotiation.

SECTION 3. The Refunding Projects are authorized by Section 8241(b)(1) of the Debt Act (debt service savings). The capital projects or facilities originally financed or refinanced by all of the Refunded Obligations have reasonably expected remaining useful lives of at least five (5) years. The first maturity of principal of the Bond will not be deferred beyond two years from the issue date of the Bond.

SECTION 4. The Board hereby accepts the Proposal of the Lender to purchase the Bond at a purchase price of \$8,069,000 (100% of the principal amount advanced).

SECTION 5. The Bond, when issued, will be a general obligation bond of the School District.

SECTION 6. The Bond shall be in registered form, shall be in the denomination, and principal shall be due on the dates and in the amounts, together with interest, substantially as set forth in **Exhibit “A”** attached hereto.

SECTION 7. The Bond may be prepaid at the option of the School District, as set forth in the form of the Bond, to be substantial as set forth in the attached as **Exhibit “B”**.

SECTION 8. The School District hereby authorizes the Lender to serve as the disbursement agent with respect to the proceeds of the Bond and directs that the principal of and

interest on the Bond shall be payable at a designated office of the Lender in lawful money of the United States of America.

SECTION 9. The Bond, together with appropriate insertions, omissions, variations and provisions to be negotiated with the Lender, shall be substantially in the form attached hereto as **Exhibit “B”**.

SECTION 10. The Bond shall be executed in the name of and on behalf of the School District by the President or Vice President of the Board and the official seal of the School District shall be affixed thereto and attested by the Secretary or Assistant Secretary of the Board.

SECTION 11. The School District covenants to and with the Lender and with any subsequent registered owners, from time to time, of the Bond, outstanding, from time to time, pursuant to this Resolution, that the School District: (i) shall include the amount of the debt service on the Bond, for each fiscal year of the School District in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund created hereunder, or any other of its revenues or funds the principal of the Bond and the interest thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the School District does hereby pledge, irrevocably, its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant of the School District shall be enforceable specifically.

SECTION 12. There is created, pursuant to Section 8221 of the Debt Act, a sinking fund for the Bond to be known as the “Sinking Fund - General Obligation Bond, Series of 2021” (the “Sinking Fund”) which shall be administered in accordance with the Debt Act. The School District hereby appoints The Muncy Bank & Trust Company (“Depository”), having a corporate trust office in Muncy, Pennsylvania, as the sinking fund depository with respect to the Sinking Fund. The President or Vice President and the Secretary or Assistant Secretary, respectively, of the Board are authorized and directed to contract with the Depository for its services as sinking fund depository in connection with the Sinking Fund.

SECTION 13. The School District covenants to make payments out of the Sinking Fund or out of any other of its revenues or funds at such times and in such annual amounts as shall be sufficient for prompt and full payment of all obligations of the Bond when due.

SECTION 14. The President or Vice President and the Secretary or Assistant Secretary, respectively, of the Board, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to certify and to file the debt statement required by Section 8110 of the Debt Act; (b) to prepare and to file the application with the Department of the Commonwealth, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Bond, upon issue, will be evidence, as required by Section 8111 of the Debt Act; (c) to prepare and to file, if applicable, any statements required by Article II of the Debt Act that are necessary to qualify all or any portion of nonelectoral

and/or lease rental debt of the School District, that is subject to exclusion as self-liquidating or subsidized debt, for exclusion from the appropriate debt limit as self-liquidating or subsidized debt; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Debt Act in connection with the foregoing; and (e) to take other required, necessary or appropriate action.

The Board authorizes and directs that a borrowing base certificate of the School District be prepared for filing with the Department as required by Section 8110 of the Debt Act.

SECTION 15. It is declared that the debt to be incurred hereby, together with any other indebtedness of the School District, is not in excess of any applicable limitation imposed by the Debt Act upon the incurring of debt by the School District, which debt is evidenced by the Bond.

SECTION 16. The Secretary or Assistant Secretary of the Board is authorized and directed to deliver the Bond, after the execution and attestation thereof as provided for herein, to the Lender, as provided in the Proposal, but only after the Department has certified its approval pursuant to Section 8204 of the Debt Act.

SECTION 17. The School District covenants to and with the Lender and any subsequent registered owners of the Bond that it will make no use of the proceeds of such issue that will cause the Bond to be or become an “arbitrage bond” within the meaning of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations implementing said Sections. The School District further covenants to comply with all other requirements of the Code if and to the extent necessary to maintain continuously the Federal income tax exemption of interest on the Bond.

The School District determines that it does not reasonably expect to issue, tax-exempt obligations, together with all tax-exempt obligations issued and reasonably expected to be issued by “all subordinate entities” (within the meaning of Section 265(b)(3)(E) of the Code) of the School District, which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the 2021 calendar year and, accordingly, the School District hereby designates, or if eligible deems designated, the Bond as a “qualified tax-exempt obligation”, as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

SECTION 18. The Business Manager of the School District is authorized and directed to authorize the engagement and payment, upon issuance and delivery of the Bond to the Lender, of all costs and expenses associated with the issuance of the Bond, including the fees and expenses of the School District’s solicitor and Bond counsel and any origination fee or counsel fees of the Lender, in accordance with the terms of the accepted Proposal.

SECTION 19. The School District’s Business Manager is hereby authorized and directed to execute and to submit to the Pennsylvania Department of Education, promptly following settlement for the Bond, the appropriate application and other documents and information necessary

to obtain state reimbursement with respect to the debt service on the Bond (including the filing of PLANCON Part H, J and/or K, as applicable).

SECTION 20. This School District does hereby authorize the optional redemption (prepayment) of the Refunded Obligations on or within 90 days of the issue date of the Bond (the “Redemption Date”), in accordance with the rights and privileges reserved to this School District in the respective Refunded Obligations, and as described in the Refunding Report. Officers and agents of the School Board are authorized and directed to give instructions to the holders of the Refunded Obligations to redeem the Refunded Obligations in accordance with this election of the School Board, following the final issuance and delivery of the Bond, and to take all other actions and provide all such documentation as may be necessary and appropriate to accomplish the redemption and retirement of the Refunded Obligations.

SECTION 21. Any reference in this Resolution to an officer or member of the Board of School Directors or other officer of the School District shall be deemed to refer also to his or her duly qualified successor in office, as applicable.

SECTION 22. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the School District that such remainder shall be and shall remain in full force and effect.

SECTION 23. All resolutions or parts of resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

SECTION 24. This Resolution shall be effective in accordance with Section 8003 of the Debt Act.

DULY ADOPTED, by the Board, in lawful session duly assembled, this 12th day of April, 2021.

JERSEY SHORE AREA SCHOOL DISTRICT,
Lycoming and Clinton Counties, Pennsylvania

By: _____
President of the Board

ATTEST:

Secretary of the Board

(SEAL)

EXHIBIT "A"

PAYMENT SCHEDULE*

<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>
9/1/2021	451,000	0.800	18,648.36	469,648.36	
3/1/2022		0.800	30,472.00	30,472.00	500,120.36
9/1/2022	2,237,000	0.800	30,472.00	2,267,472.00	
3/1/2023		0.800	21,524.00	21,524.00	2,288,996.00
9/1/2023	2,254,000	0.800	21,524.00	2,275,524.00	
3/1/2024		0.800	12,508.00	12,508.00	2,288,032.00
9/1/2024	2,271,000	0.800	12,508.00	2,283,508.00	
3/1/2025		0.800	3,424.00	3,424.00	2,286,932.00
9/1/2025	856,000	0.800	3,424.00	859,424.00	
3/1/2026					859,424.00
TOTALS	8,069,000		154,504.36	8,223,504.36	8,223,504.36

*Assumes the General Obligation Bond is issued on May 17, 2021, and the entire \$8,069,000 principal amount of the Bond is advanced on that date.

EXHIBIT “B”

(FORM OF BOND)

**JERSEY SHORE AREA SCHOOL DISTRICT,
Lycoming and Clinton Counties, Pennsylvania**

GENERAL OBLIGATION BOND, SERIES OF 2021

JERSEY SHORE AREA SCHOOL DISTRICT, in Lycoming and Clinton Counties, Pennsylvania (the “School District”), a public school district of the Commonwealth of Pennsylvania (the “Commonwealth”), promises to pay to the order of the KEY GOVERNMENT FINANCE, INC. (the “Lender”), or registered assigns, on September 1, 2025 (the “Maturity Date”), the principal sum of Eight Million Sixty-nine Thousand Dollars (\$8,069,000), or such lesser particular sum as shall represent the outstanding and unpaid balance of such principal sum due under this General Obligation Bond, Series of 2021 (the “Bond”). Interest shall accrue on the outstanding principal balance of the Bond at the fixed rate of 0.80%, per annum (computed on a 30 day month/360 day year basis). Interest shall be payable semiannually on the principal amount outstanding, from time to time, on March 1 and September 1 of each year, commencing on September 1, 2021. The principal hereof shall be repaid in annual installments, on September 1 of each year commencing on September 1, 2021, in the respective amounts set forth in the attached schedule through the Maturity Date, when the outstanding principal balance of this Bond and accrued interest shall be payable in full.

The School District, at its option, on any date, may prepay the principal amount of this Note at any time, in whole, but not in part, subject to the following based upon the date of such prepayment: (i) prepayment on May 18, 2021 to May 17, 2022, this Note shall be subject to prepayment penalty of 1.00% of the principal amount then outstanding, and (ii) prepayment on May 18, 2022 and thereafter, no prepayment penalty. The outstanding principal amount shall be paid together with accrued interest to the prepayment date. Any prepayment, as hereinbefore authorized shall be upon written notice addressed to the Lender or other registered owner hereof at the time of such redemption, as such registered owner and address shall appear upon books kept by the Lender, for such purpose, ten (10) days following written notice to the Lender.

This Bond is issued in accordance with the Act of the General Assembly of the Commonwealth, known as the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the “Debt Act”), and by virtue of a Resolution duly adopted (the “Resolution”) by the Board of School Directors of the School District on April 12, 2021. The Debt Act, as such shall have been in effect when this Bond was authorized, and the Resolution shall constitute a contract between the School District and the registered owner or registered owners, from time to time, of this Bond.

It hereby is certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Bond, together with any other indebtedness of the School District, is not in excess of any applicable limitation imposed by the Debt Act upon the incurring of the debt of the School District, which debt is evidenced by this Bond.

The School District has covenanted, in the Resolution, to and with the Lender and any other registered owners, from time to time, of this Bond, outstanding, from time to time, pursuant to the Resolution, that the School District: (i) shall include the amount of the debt service for this Bond, for each fiscal year of the School District in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of this Bond and the interest thereon at the dates and places and in the manner stated herein, according to the true intent and meaning hereof; and, for such budgeting, appropriation and payment, the School District has pledged and does pledge, irrevocably, its full faith, credit and taxing power. The Debt Act provides that the foregoing covenant of the School District shall be enforceable specifically.

Commencing 90 days after a scheduled payment of principal or interest due on this Note has not been made, the interest on this Note shall be 3.80% on the entire principal balance of this Notes from such due date and until the delinquent amount is paid in full.

The Issuer shall provide the Lender the following: (i) annual audited financial statements of the Issuer by April 1 of each year for the Issuer's preceding fiscal year, (ii) annual operating budgets by September 1 of each year for the Issuer's then current fiscal year, and (iii) such other financial reports as the Lender may reasonably request. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under the Resolution or this Note shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.

The School District, in the Resolution, has established a sinking fund with The Muncy Bank & Trust Company, as the sinking fund depository, into which funds for the payment of the principal of and the interest on this Bond shall be deposited not later than the date fixed for the disbursement thereof. The School District has covenanted, in the Resolution, to make payments out of such sinking fund or out of any other of its revenues or funds at such times and in such annual amounts as shall be sufficient for prompt and full payment of all obligations of this Bond. For so long as the Lender is the registered owner of this Bond, payments of principal, interest and redemption price on the Bond will be made by wire transfer or ACH transfer of immediately available funds to the account of the Lender. Except upon the final maturity of the Bond or earlier prepayment, such payments shall be made without requirement of presentation of the Bond to the School District or its paying agent, if applicable

This Bond has been designated or deemed designated by the School District as a “qualified tax-exempt obligation”, as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the “Code”), for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

IN WITNESS WHEREOF, JERSEY SHORE AREA SCHOOL DISTRICT, in Lycoming and Clinton Counties, Pennsylvania, as provided by the Debt Act and in the Resolution, has caused this Bond to be executed in its name and on its behalf by the President or Vice President of the Board of School Directors of the School District and the official seal of the School District to be affixed hereto and attested by the Secretary or Assistant Secretary of the Board of School Directors of the School District to be affixed hereto in attestation thereof, all as of this 17th day of May, 2021.

JERSEY SHORE AREA SCHOOL DISTRICT,
Lycoming and Clinton Counties, Pennsylvania

By: _____
President of the Board of
School Directors

ATTEST:

Secretary of the Board
of School Directors

(SEAL)

PRINCIPAL PAYMENT DATES AND AMOUNTS

<u>Date</u>	<u>Principal</u>
9/1/2021	451,000
3/1/2022	
9/1/2022	2,237,000
3/1/2023	
9/1/2023	2,254,000
3/1/2024	
9/1/2024	2,271,000
3/1/2025	
9/1/2025	856,000
3/1/2026	
 TOTALS	 8,069,000

CERTIFICATE

I, the undersigned, (Assistant) Secretary of the Board of JERSEY SHORE AREA SCHOOL DISTRICT, in Lycoming and Clinton Counties, Pennsylvania (the "School District"), certify that: the foregoing is a true and correct copy of a Resolution that was duly adopted by affirmative vote of a majority of all members of the Board of the School District at a meeting duly held on April 12, 2021; said Resolution has been recorded in the minute book of the Board of the School District; a notice of the intent to adopt said Resolution was published as required by law; said Resolution was available for public inspection in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania and such notice; and said Resolution has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that the Board of the School District met the advance notice and public comment requirements of the Sunshine Act, as amended, 65 Pa. C.S. Ch. 7, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the principal office of the School District or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting, all as required by such Act.

I further certify that: the total number of members of the Board of the School District is nine (9); the vote of members of the Board of the School District upon said Resolution was called and duly was recorded upon the minutes of said meeting; and members of the Board of the School District voted upon said Resolution in the following manner:

Craig Allen	-
David Becker	-
Harry Brungard	-
Patrice Doebler	-
Angela Grant	-
Wayne Kinley	-
Nancy Petrosky	-
Michelle Stemler	-
Mary Thomas	-

IN WITNESS WHEREOF, I set my hand and affix the official seal of the School District, this 12th day of April, 2021.

Secretary of the Board

(SEAL)