

## **LEGAL NOTICE**

### **SHALER AREA SCHOOL DISTRICT ALLEGHENY COUNTY COMMONWEALTH OF PENNSYLVANIA**

#### **SUMMARY OF PROPOSED RESOLUTION AUTHORIZING THE INCURRING OF NON-ELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 2019 IN AN ESTIMATED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$18,000,000.**

Public notice is hereby given that on May 8, 2019 at 7:15 p.m. a public meeting of the Board of Directors (the “Board”) of the Shaler Area School District (the “District”), will be held at the Board Room, Administration Building, 1800 Mt. Royal Blvd., Glenshaw, PA 15116, or in the alternative at a meeting of the Board not less than three (3) nor more than thirty (30) days from the date of advertisement of this notice, at which meeting the Board will consider the adoption of a proposed Resolution for the incurrence of non-electoral debt pursuant to the Local Governmental Unit Debt Act (the “Act”). The following is a summary of the proposed Resolution.

Section 1 authorizes and states that it is necessary for the District to borrow funds through the issuance of its General Obligation Bonds, Series of 2019 (the “Bonds”), in order to (i) provide funds for various capital projects of the District; (ii) for improvements to various District facilities to implement a guaranteed energy savings program pursuant to Act 57 of 1998; and (iii) pay the costs and expenses of preparing, issuing and marketing the Bonds (the “Projects”).

Section 2 finds that a private sale by negotiation is in the best financial interest of the District.

Section 3 describes the proposal for the purchase of the Bonds and authorizes the approval thereof.

Section 4 authorizes the incurring of non-electoral debt by the issuance of the Bonds designated as Shaler Area School District, Allegheny County, Pennsylvania, General Obligation Bonds, Series of 2019, and states the maximum aggregate principal amount thereof.

Section 5 directs the filing of the necessary documentation with the Department of Community and Economic Development.

Section 6 appoints a Paying Agent, Registrar, and Sinking Fund Depository.

Section 7 describes the provisions of the Bonds, including dates and denominations.

Section 8 describes the Bonds, including the method of payment.

Section 9 provides for the registration of the Bonds and describes the manner of exchange and transfer of the Bonds.

Section 10 prescribes the manner of execution and authentication of the Bonds.

Section 11 states that the Bonds are general obligations of the Shaler Area School District, Allegheny County, Pennsylvania, pledges the full faith, credit and taxing power of the District for payment of the debt service, makes other covenants as required under the Act, and provides for the debt service schedule of the Bonds.

Section 12 states the dates under which the Bonds are subject to redemption, the redemption prices and the redemption procedure.

Section 13 establishes a Sinking Fund for the Bonds.

Section 14 appropriates the money received from the sale of the Bonds and sets forth the estimated useful lives of the Projects.

Section 15 describes the maturities of the Bonds.

Section 16 covenants that the Bonds will not become arbitrage bonds and designates a responsible officer to execute a tax certificate.

Section 17 ratifies the advertising of this notice and authorizes publication of a notice of enactment.

Section 18 appoints Bond Counsel.

Section 19 authorizes the officers of the Board to take all necessary action in connection with the issuance of the Bonds.

Section 20 authorizes the payment of all expenses incurred in connection with the issuance of the Bonds.

Section 21 specifies allowable investments.

Section 22 establishes a Rebate Fund for the Bonds.

Section 23 provides for substitution of officers.

Section 24 establishes the forms of the Bonds.

Section 25 establishes a Clearing Account.

Section 26 sets forth book-entry form of the Bonds.

Section 27 approves the Preliminary Official Statement and authorizes the approval of the final Official Statement.

Section 28 authorizes the execution and delivery of a Continuing Disclosure Certificate.

Section 29 approves the purchase of a policy of municipal bond insurance.

Section 30 sets forth severability provisions.

Section 31 repeals all inconsistent resolutions or portions thereof.

Section 32 sets forth an effective date.

The full proposed text of the foregoing Resolution may be examined by any citizen between the hours of 9:00 a.m. and 3:00 p.m. prevailing time, on regular business days at the office of the Shaler Area School District, Administrative Offices, 1800 Mt. Royal Boulevard, Glenshaw, PA 15116. This Notice is given pursuant to Section 8003 of the Act. Pursuant to Act 20 of 1993, a reasonable period for public comment will be made available during the Board meeting. The Board may also take action on other matters which may properly come before the meeting.

Board Secretary  
Shaler Area School District

8647290.1

## **DRAFT**

**RESOLUTION NO. \_\_\_\_\_  
SHALER AREA SCHOOL DISTRICT  
COUNTY OF ALLEGHENY  
COMMONWEALTH OF PENNSYLVANIA**

**RESOLUTION AUTHORIZING THE INCURRING OF NON-ELECTORAL DEBT BY THE SHALER AREA SCHOOL DISTRICT, COUNTY OF ALLEGHENY, COMMONWEALTH OF PENNSYLVANIA, FOR THE PURPOSES OF FINANCING VARIOUS CAPITAL PROJECTS OF THE DISTRICT AND PAYING THE COSTS OF ISSUING THE BONDS; FINDING A SALE BY NEGOTIATION TO BE IN THE BEST INTEREST OF THE DISTRICT; DESCRIBING THE FORM OF THE PROPOSAL OF THE UNDERWRITER; AUTHORIZING THE INCURRING OF NON-ELECTORAL DEBT BY THE ISSUANCE OF SHALER AREA SCHOOL DISTRICT, GENERAL OBLIGATION BONDS, SERIES OF 2019; DIRECTING THE FILING OF THE NECESSARY DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; APPOINTING A PAYING AGENT, REGISTRAR, AND SINKING FUND DEPOSITARY; DESCRIBING THE BONDS, INCLUDING METHOD OF PAYMENT, MANNER OF EXCHANGE AND TRANSFER, AND MANNER OF EXECUTION AND AUTHENTICATION; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE SHALER AREA SCHOOL DISTRICT FOR PAYMENT OF THE BONDS; PROVIDING THE DATES OF OPTIONAL AND MANDATORY REDEMPTION AND THE REDEMPTION PRICES OF THE BONDS; ESTABLISHING A SINKING FUND; APPROPRIATING THE MONEY RECEIVED FROM THE SALE OF THE BONDS AND SETTING FORTH THE ESTIMATED USEFUL LIVES OF THE PROJECTS; SETTING FORTH THE MATURITIES OF THE BONDS; COVENANTING THAT THE BONDS WILL NOT BECOME ARBITRAGE BONDS AND COVENANTING CONTINUOUS COMPLIANCE WITH THE TERMS OF THE INTERNAL REVENUE CODE OF 1986; RATIFYING THE ADVERTISING OF A LEGAL NOTICE AND AUTHORIZING PUBLICATION OF A NOTICE OF ENACTMENT; APPOINTING BOND COUNSEL; AUTHORIZING APPROPRIATE OFFICERS TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AUTHORIZING THE PAYMENT OF ALL EXPENSES INCURRED; SPECIFYING ALLOWABLE INVESTMENTS; ESTABLISHING A REBATE FUND; SETTING FORTH AUTHORIZATION OF OFFICERS; ESTABLISHING THE FORM OF THE BONDS; CREATING A CLEARING ACCOUNT; AUTHORIZING BOOK-ENTRY FORM OF THE BONDS; APPROVING THE PRELIMINARY AND FINAL OFFICIAL STATEMENTS; CONFIRMING A CONTINUING DISCLOSURE UNDERTAKING; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY; SETTING FORTH SEVERABILITY PROVISIONS; REPEALING ALL INCONSISTENT RESOLUTIONS; AND SETTING FORTH AN EFFECTIVE DATE.**

WHEREAS, Shaler Area School District (the “District”) desires to incur non-electoral debt to (i) finance the costs of certain capital projects of the District; (ii) for improvements to various District facilities to implement a guaranteed energy savings program pursuant to Act 57 of 1998; all more fully described in Schedule A attached hereto and made a part hereof, and (iii) pay the costs of issuance of the Bonds, through the issuance of its General Obligation Bonds, Series of 2019 (the “Bonds”) in an aggregate principal amount not to exceed \$18,000,000; and

WHEREAS, the District has determined to issue its Bonds in accordance with the terms of this Resolution and the Local Government Unit Debt Act, Act of July 12, 1972, P.L. 781, No. 185, as amended and re-enacted by Act No. 78-52, of April 28, 1978, P.L. 124, and as amended and reenacted by Act No. 81-19 of May 22, 1981, P.L. 54 and by Act No. 34 of April 30, 1986 P.L. 104 and as codified by the Act of December 19, 1996 (P.L. 1158, No. 177) 53 Pa. C.S.A. §8001 et seq. (the “Act”), the Bonds to pay the costs of the Projects and to pay the costs of issuing the Bonds; and

WHEREAS, the District has received preliminary cost estimates for the Projects as set forth in Schedule A; and

WHEREAS, in accordance with the terms of the Act the District has requested Piper Jaffray & Co. (the “Underwriter”) to submit a proposal (the “Proposal”) to purchase, at a private sale, the Bonds;

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED by the Board of School Directors (the “Board”) of the Shaler Area School District that:

SECTION 1. THE PROJECTS. The Board hereby undertakes the Projects, more fully described in Schedule A.

SECTION 2. APPROVAL OF NEGOTIATED SALE. The Board hereby finds, after considering the advantages and disadvantages of a public sale, that a private sale by negotiation is in the best financial interest of the District.

SECTION 3. PURCHASE PROPOSAL. The Board hereby authorizes the District to award the sale of the Bonds to the Underwriter upon receipt, acceptance, execution and delivery of an acceptable Purchase Proposal, such Purchase Proposal to be reviewed as to form by Bond Counsel and Solicitor to the District, and containing such interest rate or rates, at such a purchase price, not less than 95% of the par amount of the Bonds (the discount from par being inclusive of any Underwriter's discount and/or net original issue discount), together with accrued interest, if any, to the date of delivery of the Bonds, setting forth costs of issuance, and upon such other conventional terms and conditions not detrimental to the interest of the District. The Board hereby designates the District Superintendent as the officer of the District authorized to receive and accept a Purchase Proposal from the Underwriter, and to award the sale of the Bonds to the Underwriter, which Purchase Proposal shall in all respects meet the terms and provisions of the within Resolution.

SECTION 4. INCURRENCE OF INDEBTEDNESS. For the purpose of providing funds for and toward the costs of the Projects and the payment of costs of issuing the Bonds, the incurring of non-electoral debt by the District is hereby authorized. Such debt (subject to appropriate exclusions) shall be evidenced by an issue of general obligation bonds of the District consisting of the Bonds in the aggregate principal amount not to exceed \$18,000,000 designated "Shaler Area School District, General Obligation Bonds, Series of 2019". The Bonds shall bear interest at the maximum rates, contain the maximum annual debt service amounts, the maximum principal amounts and dates of maturity all as set forth in Schedule "B" attached hereto and made a part hereof.

SECTION 5. FILING WITH DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT. The President of the Board and the Secretary of the Board, or any duly appointed successors or acting officers as the case may be, are hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Act, a transcript of the proceedings relating to the issuance of the Bonds including the Debt Statement and Borrowing Base Certificate required by Section 8110 of said Act, and to take other necessary action and to file all necessary documentation, including, if necessary or desirable, the preparation and filing of any statements required to exclude any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 6. APPOINTMENT OF PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITARY. The Bank of New York Mellon Trust Company, N.A. of Pittsburgh, Pennsylvania is hereby appointed Paying Agent and Registrar for the Bonds and further appointed Sinking Fund Depositary for the Series of 2019 Bonds Sinking Fund created hereby. The Secretary is hereby authorized and directed to contract with The Bank of New York Mellon Trust Company, N.A., for its services as Sinking Fund Depositary (“Sinking Fund Depositary”), Paying Agent (“Paying Agent”), and Registrar (“Registrar”) at such initial and annual charges as shall be appropriate and reasonable for such services. The District may, by resolution, from time to time appoint a successor Paying Agent, Sinking Fund Depositary or Registrar to fill a vacancy or for any other reason.

SECTION 7. FORM OF BONDS, INTEREST PAYMENT DATES AND RECORD DATES. The Bonds shall be issued in the denominations of \$5,000, or any integral multiple thereof, and the Bonds shall be issued in fully registered form without coupons and shall be in such manner as may be satisfactory to the District and Paying Agent.

Each Bond shall be dated as of the date of delivery and shall bear interest from March 1 or September 1, as the case may be, next preceding the date of such Bond to which interest has been paid, unless the date of such Bond is a date to which interest has been so paid, in which case from the date of such Bond, unless the date of such Bond is prior to the first interest payment date, in which case from date of delivery; provided, however, that if the District fails to pay the interest due on any interest payment date, then any such Bond shall bear interest from March 1 or September 1 as the case may be, next preceding the date of such Bond, to which interest has been paid, or if no interest has been paid, from the date of delivery.

The person in whose name any Bond is registered at the close of business on any Regular Record Date (as hereinafter defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such interest payment date, except if and to the extent that the District fails to pay the interest due on such interest payment date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds are registered at the close of business on a date established by the Paying Agent ("Special Record Date"), notice of which shall have been mailed to all registered owners of Bonds not less than ten (10) days prior to such date. The term "Regular Record Date" as used in this Section 7 with respect to any interest payment date on the Bonds shall mean the close of business on the fifteenth (15<sup>th</sup>) day of the calendar month (whether or not a business day) next preceding the month of each interest payment date.

SECTION 8. PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST. The principal of and interest on the Bonds are payable in such coin or currency of the United States of America as at the time and place of payment is legal tender for payment of public and private debts, at the designated corporate trust office of the Paying Agent; provided that, interest on the



Bonds will be paid by check drawn on the Paying Agent mailed to the owner of record on the appropriate record date at his address as it appears on the Bond Register described in Section 9 hereof, unless written demand is made by such person for payment in legal tender at such office.

If the payment with respect to any Bond or Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized by law or executive order to close, then the date for payment of the principal, premium, if any, and interest upon such Bond or Bonds shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized by law or executive order to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment for such Bond or Bonds.

SECTION 9. BOND REGISTER, REGISTRATIONS AND TRANSFER. The District shall cause to be kept at the principal corporate trust office of the Registrar a register (the “Bond Register”) in which, subject to such reasonable regulations as it may prescribe, the District shall provide for the registration of Bonds and the registration of transfers and exchanges of Bonds. No transfer or exchange of any Bond shall be valid unless made at such office and registered in the Bond Register. The Paying Agent is hereby appointed Registrar for the purpose of registering Bonds and transfers and exchanges of Bonds as herein provided.

Upon surrender for registration of transfer at such office of any Bond, the District shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same interest rate and maturity, and the same aggregate principal amount as the Bond or Bonds so surrendered.

Any Bond or Bonds shall be exchangeable for other Bond or Bonds at the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the Bond or Bonds presented for exchange. Upon surrender of any Bond or

Bonds for exchange at the designated corporate trust office of the Paying Agent, the District shall execute and the Paying Agent shall authenticate and deliver in exchange therefore the Bond or Bonds which the Bondholder making the exchange shall be entitled to receive.

All Bonds issued upon any registration of transfer or exchange shall be valid obligations of the District evidencing the same debt and entitled to the same benefits under this Resolution as the Bonds surrendered for such registration of transfer or exchange.

Every Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the District and the Paying Agent, duly executed by the registered owner thereof or his duly authorized agent or legal representative.

No service charge shall be made for any transfer or exchange of any Bond, but the District may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Subject to the provisions of the Bond and of the Resolution relating to payment of interest, the District and the Paying Agent may treat the person in whose name any Bond is registered as the absolute owner thereof, for all purposes, whether or not any Bond shall be overdue, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent shall be required to issue or transfer or exchange (a) any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, (b) any Bond or Bonds selected for redemption until after the redemption date or (c) any Bond or Bonds during a period beginning at the close of business on the fifteen

(15th) day next preceding the date of maturity of the Bond or Bonds. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations, of the same series, maturity and form.

SECTION 10. EXECUTION AND AUTHENTICATION. The Bonds shall be substantially in the form contained in Section 24 hereof, the Bonds shall be executed on behalf of the District by the President of the Board, and shall have a facsimile of the corporate seal of the District imprinted thereon, duly attested by the Secretary and said officers are hereby authorized and directed to execute the Bonds. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized signatory of the Paying Agent. No Bond shall be valid until such Certificate of Authentication shall have been duly executed by the Paying Agent and such authentication shall be conclusive and the only proof that any Bond has been issued pursuant to this Resolution and is entitled to any benefits conferred thereon under the provisions of this Resolution. To the extent that any one signature on a Bond (including the signature of the signatory of the Paying Agent) is manual, all other signatures may be by facsimile. The President of the Board or Treasurer or Secretary or any of such officers is hereby authorized and directed to deliver the Bonds to the Underwriter and receive payment therefor on behalf of the District after sale of the same in the manner required by law and this Resolution. The officers and officials of the District are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to issue and sell the Bonds, all in accordance with this Resolution.

SECTION 11. GENERAL OBLIGATION COVENANT. The Bonds are hereby declared to be general obligations of the District. The District hereby covenants with the registered owners from time to time of the Bonds outstanding pursuant to this Resolution that it will include the amount of the debt service, as specified in this Section, subject to appropriate

adjustment in the event of the optional redemption of any Bonds prior to maturity, on the Bonds for each fiscal year in which such sums are payable, in its budget for that year and shall appropriate such amounts from its general revenues to the payment of such debt service and will duly and punctually pay or cause to be paid, the principal of the Bonds and the interest thereon on the dates at the places and in the manner stated therein according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the District does hereby pledge its full faith, credit and taxing power. The maximum amount of the debt service which the District hereby covenants to pay on the Bonds in each year is set forth in the Debt Service Schedule which is attached hereto as Schedule B and incorporated herein by reference as if set out here at length.

As provided in the Act, the foregoing covenants shall be specifically enforceable.

#### SECTION 12. REDEMPTION.

(a) Optional. The Bonds shall be subject to redemption prior to maturity in whole or in part (and if in part, in such order of maturity as the District shall select and within a maturity by lot) at the option of the District, at a price and at such time or times to be set forth in the Purchase Proposal.

(b) Mandatory. The Bonds are subject to mandatory sinking fund redemption prior to maturity at a price and at such time or times to be set forth in the Purchase Proposal.

(c) Notice of any redemption shall be given by mailing a notice of redemption by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the registered owners of Bonds to be redeemed at the addresses which appear in the Bond Register, provided, however, that neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Bond shall affect the validity of the proceedings for the redemption of any other Bond and when the District shall have

deposited with the Paying Agent funds for the payment of the redemption price of the Bonds so called for redemption, with accrued interest thereon to the date fixed for redemption, interest on such Bonds shall cease to accrue after such redemption date.

Such notices shall state the redemption date and the redemption price and shall identify the Bonds by reference to their series designation and bond number and may contain the CUSIP numbers of the Bonds called for redemption (if then generally in use), but shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in the notice and that reliance may be placed only on the identification numbers printed on the Bonds. Such notice shall further state that on the redemption date, if the required deposit shall have been made, there shall become due and payable upon each Bond or portion thereof to be redeemed at the designated corporate trust office of the Paying Agent, the redemption price of such Bond or portion thereof together with accrued interest thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue.

(d) CUSIP Numbers. Notices of redemption shall contain the applicable CUSIP numbers pertaining to the Bonds called for redemption (if then generally in use), but shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in the notice and that reliance may be placed only on the identification numbers printed on the Bonds.

(e) Portions of Bonds. Any portion of any Bond of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Prior to selecting Bonds for redemption, the Paying Agent shall assign numbers to each \$5,000 portion of any Bond of a denomination larger than \$5,000 and shall treat each portion as a separate Bond in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of any Bond for redemption of a portion thereof, the Paying Agent shall authenticate

and deliver to the owner thereof a new Bond or Bonds of the same maturity and in any authorized denominations requested by the owner in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

SECTION 13. SINKING FUNDS. There is hereby established a fund to be known as Shaler Area School District, General Obligation Bonds, Series of 2019 Sinking Fund ("Series of 2019 Bonds Sinking Fund") into which the District covenants to have deposited, and into which the proper officers are hereby authorized and directed to have deposited (i) amounts sufficient to pay the interest due on such dates on the Bonds then as shall be set forth in the Purchase Proposal, and (ii) amounts sufficient to pay an amount equal to the outstanding principal of the Bonds maturing on each such date as shall be set forth in the Purchase Proposal. Should the amounts covenanted to be paid into the Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of interest and principal, whether by reason of funds already on deposit in said Sinking Fund or by reason of the purchase or redemption of Bonds, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess in such Sinking Fund. The District may satisfy any part of its obligations with respect to clause (ii) above by delivering to the Sinking Fund Depositary, for cancellation, Bonds owned by it maturing on the date on which such deposit is required. Upon delivery of such Bonds, the District shall receive credit against such deposit of the face amount of the Bonds so delivered. All sums in the Sinking Fund shall be applied exclusively to the payment of said principal and interest covenanted to be paid by Section 11 hereof as the same shall from time to time become due and payable and the balance of said moneys over and above the sum or sums so required shall remain in the Sinking Fund, such balance or balances to be applied in reduction of future required deposits; subject, however, to investment or deposit at interest as authorized by law and as permitted by Section 21 hereof, to the extent that such investment or deposit can be

made without causing the Bonds to become arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code") which investments or deposits and the interest thereon shall be held exclusively for the purposes of the Sinking Fund. The Sinking Fund shall be kept as a separate account at the principal corporate trust office of the Sinking Fund Depository. The Paying Agent, without further authorization other than as herein contained, shall pay from the moneys in the Sinking Fund the interest as and when due on the Bonds on the appropriate record date, premium, if any, and the principal when due of the Bonds to the registered owners thereof.

SECTION 14. DISPOSITION. All moneys derived from the sale of the Bonds shall be and hereby are appropriated substantially to payment of (i) the costs of the Projects and (ii) payment of the costs and expenses of preparing, issuing and marketing the Bonds. The maturities of the Bonds allocable to the Projects do not exceed the useful lives of the Projects, which are estimated to be at least twenty-one (21) years, in excess of the maturities of the Bonds.

SECTION 15. MATURITIES OF THE BONDS. The maturities of the Bonds are in accordance with Section 8142 of the Act, particularly Section 8142(b), in that the debt service on outstanding debt of the District, including the Bonds, will be amortized on at least an approximately level annual debt service plan.

SECTION 16. TAX COVENANT. The District hereby covenants with the registered owners, from time to time, of the Bonds that no part of the proceeds of the Bonds will be used, at any time, directly or indirectly, in any manner which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, and the regulations promulgated thereunder applicable to obligations issued on the date of issuance of the Bonds. The President of the Board and/or the Secretary, or any duly appointed successors or acting officers as the case may be, are hereby

authorized and directed to execute the tax certificate required by Section 148 of the Code and the regulations promulgated thereunder. The District covenants that it will comply with the requirements of Section 148 of the Code, and regulations promulgated thereunder, continuously during the term of the Bonds.

SECTION 17. ADVERTISING. The action of the officers of the Board in advertising a summary of this Resolution, as required by law, is ratified and confirmed.

The officers of the District, or any of them, are authorized and directed to advertise a notice of enactment of this Resolution in a newspaper of general circulation in the District within fifteen (15) days after the final enactment. The President is hereby directed to make a copy of this Resolution available for inspection by any citizen during normal office hours.

SECTION 18. APPOINTMENT OF PROFESSIONALS. The District hereby appoints Dickie, McCamey & Chilcote, P.C. as Bond Counsel, in connection with the preparation, issuance and sale of the Bonds.

SECTION 19. GENERAL AUTHORIZATION. The officers and officials of the District are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the execution, issuance, sale and delivery of the Bonds, all in accordance with this Resolution.

SECTION 20. PAYMENT OF EXPENSES. All expenses incurred in connection with issuance of the Bonds shall be paid upon submission of appropriate invoices.

SECTION 21. INVESTMENT. Any moneys in the Sinking Fund created hereby not required for prompt expenditure may be invested in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or



building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits, except that moneys held by the Sinking Fund Depositary may be secured as trust funds. Any such investments or deposits shall mature or be subject to redemption at the option of the owner, or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the registered owners of the Bonds.

SECTION 22. REBATE FUND. There is hereby established a Rebate Fund for the Bonds within which the District or its agent may establish an account or accounts designated “Shaler Area School District, General Obligation Bonds, Series of 2019 Rebate Account.” Within the Rebate Fund (or, if Accounts are established, within each Account) there is hereby created and established a Rebate Principal Account (or subaccount) and a Rebate Income Account (or subaccount). Within 15 days after each anniversary date of the issuance of the Bonds, the District shall prepare and file in the District's Office a report setting forth for the Rebate Fund, the total amount invested in the Fund and any Accounts during the preceding Bond year, the investments made with the moneys in the Fund and any Accounts and the investment earnings and losses resulting from such investments, together with such additional information concerning such investments as shall be reasonably necessary. The District shall make deposits to and disbursements from the Rebate Fund in accordance with the provisions hereof and the investment instructions to be delivered on the date the Bonds are issued (the “Closing”). The District shall invest the Rebate Fund pursuant to instructions given to it by the District in investments complying with the Code requirements and shall deposit income from such investments immediately upon receipt thereof in the Rebate Income Account (or subaccount). The immediately preceding sentence of this Section and the following paragraphs hereof may be

superseded or amended by new investment instructions delivered to the District and accompanied by an opinion of Bond Counsel addressed to the District to the effect that the use of such new investment instructions will not cause the interest on the Bonds to become taxable to the recipient thereof under Section 103 or Section 148 of the Code.

If a withdrawal from the Rebate Principal Account (or subaccount) is permitted, the amount withdrawn shall be deposited in the Sinking Fund for the benefit of the District. Records of the determinations required by this Section shall be retained by the District until six years after the Bonds are no longer outstanding.

Not later than 30 days after the end of the fifth Bond year (the fifth anniversary date of the issuance of the Bonds) and every five years thereafter the District shall pay to the United States at least ninety percent (90%) of the amount required to be on deposit in the Rebate Principal Account (or subaccount) as of such payment date and one hundred percent (100%) of the amount on deposit in the Rebate Income Account (or subaccount) at such payment date. Not later than 30 days after the final retirement of the Bonds (whether at maturity, upon redemption or by acceleration), the District shall pay to the United States one hundred percent (100%) of the balance remaining in the Rebate Principal Account (or subaccount) and the Rebate Income Account (or subaccount). Each payment required to be made to the United States pursuant to this Section shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. Each payment shall be accompanied by a copy of the Form 8038 originally filed with respect to the Bonds and a statement summarizing the determination of the amount to be paid to the United States.

If there is any deficiency in amounts required to be paid to the United States, the District shall immediately pay such amount to the Rebate Fund. Notwithstanding the foregoing provisions concerning the Rebate Fund and payment of amounts therein to the United States, in

the event that the District receives an opinion of Bond Counsel addressed to the District to the effect that all or a portion of such payment is not required to be made, such payment or portion thereof need not be made.

Rebate to the United States as described above shall not be required of the District, with respect to the Bonds, if the following cumulative percentage of the available construction proceeds of the Bonds are expended for the Projects by no later than the day which is the indicated period of time following the date of issuance of the Bonds; (i) 15% -- six months; 60% -- one year; 100% -- eighteen months (except that not more than 5%, representing only reasonable retainage on the costs of the Projects, may remain unexpended after eighteen months, but not in excess of thirty months); or (ii) the following cumulative percentages of available construction proceeds of the Bonds are expended for the Projects by no later than the day which is the indicated respective period of time following the date of issuance of the Bonds: 10% - six months; 45% – one year; 75% -- eighteen months; 100% -- two years (except that not more than 5%, representing only retainage on the costs of the Projects, may remain unexpended after two years, but not in excess of three years). For these purposes, “gross proceeds” means all amounts received at settlement, except accrued interest on the Bonds deposited to the Sinking Fund. If the aggregate face amount of all tax exempt bonds (other than private activity bonds) that the District and any subordinate entities of the District reasonably anticipate issuing during the 2019 calendar year does not exceed \$5 million plus the lesser of \$10 million in additional bonds or the amount of such additional bonds which are attributable to financing the construction (as defined in the Code) of public school facilities, by virtue of the small issuer exemption of Code Section 148(f)(4)(D), the District would not then expect to be required to rebate arbitrage to the United States.

For these purposes, “gross proceeds” means all amounts received at settlement, except accrued interest on the Bonds deposited to the Sinking Fund, and “nonpurpose investment” means any investment property acquired with the gross proceeds of the Bonds and not required to carry out the governmental purpose of the Bonds.

SECTION 23. AUTHORIZATION OF OFFICERS. Any authorization granted to, power conferred on, or direction given to the President, Secretary and Treasurer of the Board, shall be deemed to run to the Vice President and Assistant or Acting Secretary, and Assistant or Acting Treasurer, respectively, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

SECTION 24. BOND FORM. The form of the Bonds shall be substantially as follows:

(FACE OF BOND)

UNITED STATES OF AMERICA

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF ALLEGHENY

SHALER AREA SCHOOL DISTRICT

GENERAL OBLIGATION BOND, SERIES OF 2019

No. R- Interest Rate:

CUSIP: Maturity Date:

Original Delivery Date:

REGISTERED OWNER

PRINCIPAL AMOUNT

DOLLARS

The Shaler Area School District, County of Allegheny, Commonwealth of Pennsylvania (the "District"), for value received and intending to be legally bound, promises to pay to the registered owner shown hereon or its registered assigns the principal amount shown hereon on the maturity date stated above upon presentation and surrender of this Bond at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent") in Pittsburgh, Pennsylvania, and to pay interest thereon at the rate stated above from the most recent March 1 or September 1 to which interest has been paid or provided for (or from \_\_\_\_\_, 2019 if the date of this Bond is prior to \_\_\_\_\_) semi-annually on \_\_\_\_\_, 2019 and on each March 1 and September 1 thereafter until payment of said principal amount has been made or provided for.

The principal of, and premium, if any and interest on this Bond are payable in such coin or currency of the United States of America as at the time and place of payment is legal tender for payment of public and private debts, at the designated corporate trust office of the Paying Agent; provided, that interest will be paid by check mailed to the person who is the registered owner on the appropriate record date at his address as it appears on the Bond Register described below, unless written demand is made by such person for payment in legal tender at such office.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HERE.

This Bond shall not be valid or become obligatory for any purposes unless the certificate of authentication hereon shall have been signed by the manual signature of a signatory of the Paying Agent.

IN WITNESS WHEREOF, the District has caused this Bond to be duly executed in its name by the true or facsimile signature of the President of the Board attested by the true or facsimile signature of its Secretary and the true or facsimile of its seal to be printed hereon.

ATTEST:

SHALER AREA SCHOOL DISTRICT

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
PRESIDENT, BOARD OF SCHOOL  
DIRECTORS

(SEAL)

(FORM OF PAYING AGENT'S AUTHENTICATION  
CERTIFICATE FOR FACE OF BOND)

Paying Agent's Authentication Certificate

This Bond is one of the Shaler Area School District, General Obligation Bonds, Series of 2019, described in the within-mentioned Resolution. The Text of Opinion printed hereon is the text of the opinion of Dickie, McCamey & Chilcote, P.C., Bond Counsel, of Pittsburgh, Pennsylvania, an executed counterpart of which, dated the date of original delivery of and payment for the Shaler Area School District, General Obligation Bonds, Series of 2019, of which this Bond is one, is on file at the designated corporate trust office of the undersigned.

\_\_\_\_\_  
By: \_\_\_\_\_  
AUTHORIZED SIGNATORY

Date of Authentication: \_\_\_\_\_

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common.

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_ under Uniform Gifts to Minors Act(Cust)

Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in list above.

(REVERSE SIDE OF BOND)

This Bond is one of a duly authorized issue of \$\_\_\_\_\_, aggregate principal amount, Shaler Area School District, General Obligation Bonds, Series of 2019 (hereinafter called the “Bonds”) of the District all issued in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended (the “Act”), without the assent of the electors, pursuant to a Resolution (the “Resolution”) of the Board of School Directors of the District adopted on \_\_\_\_\_, 2019. The Bonds are issued for the purposes of obtaining funds to pay the costs of the Projects as defined in the Resolution and to pay the costs of issuance of the Bonds as set forth in the Resolution.

Interest payable on any interest payment date will, as provided in the Resolution, be paid to the person in whose name this Bond is registered on the close of business on the fifteenth (15<sup>th</sup>) day of the calendar month (whether or not a business day) next preceding the month of each interest payment date (the “Record Date”). Any such interest which is not deposited with the Paying Agent on or before any such interest payment date for payment to the holders of record on the Record Date shall forthwith cease to be payable to the registered owner on the Record Date, and shall be paid to the person in whose name this Bond is registered on a special record date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to registered owners not less than ten (10) days prior to such special record date.

This Bond may be transferred or exchanged only on the Bond Register (“Bond Register”) maintained by the District at the designated corporate trust office of the Paying Agent upon surrender hereof by the registered owner at such office duly endorsed by, or accompanied by a written instrument of transfer duly executed by the registered owner or his duly authorized Agent or legal representative in each case, in form and with a guaranty of signature satisfactory



to the District and the Paying Agent. Upon any such transfer or exchange a new registered Bond or Bonds in the same aggregate principal amount will be issued to the transferee.

No service charge shall be made for any transfer or exchange of any Bond, but the District may require payment of any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Subject to the provisions of the Bonds and of the Resolution relating to payment of interest, the District and the Paying Agent may treat the person in whose name this Bond is registered as the absolute owner thereof, for all purposes, whether or not this Bond shall be overdue, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The District, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to registered owners. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice and reliance may be placed only on the identification number printed hereon.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST, OR PREMIUM, IF ANY, ON THIS BOND, OR FOR ANY CLAIM BASED HEREON OR UPON THE RESOLUTION AGAINST ANY MEMBER, OFFICER OR EMPLOYEE, PAST, PRESENT OR FUTURE, OF THE DISTRICT OR OF ANY SUCCESSOR BODY, AS SUCH, EITHER DIRECTLY OR THROUGH THE DISTRICT OR ANY SUCH SUCCESSOR BODY, UNDER ANY CONSTITUTIONAL PROVISION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR BY ANY LEGAL OR EQUITABLE PROCEEDING OR OTHERWISE, AND ALL SUCH

LIABILITY OF SUCH MEMBERS, OFFICERS OR EMPLOYEES BEING RELEASED AS A  
CONDITION OF AND AS CONSIDERATION FOR THE ISSUANCE OF THIS BOND.

Optional Redemption. The Bonds maturing on and after \_\_\_\_\_ are  
subject to redemption prior to maturity at the option of the District in whole on  
\_\_\_\_\_ or on any date thereafter, or in part on \_\_\_\_\_ or on any date  
thereafter, at a redemption price equal to 100% of the principal amount thereof plus accrued  
interest to the date of redemption, selected by lot by the Paying Agent in such manner as the  
Paying Agent may determine.

Mandatory Redemption. The Bonds are subject to mandatory redemption, prior to  
maturity, by lot within a maturity, at 100% of the principal amount thereof, plus accrued interest  
to the redemption dates, on September 1 of the following years in the following aggregate  
principal amounts:

**Redemption Date**

**Principal Amount to be Redeemed**

\*Stated Maturity

In lieu of such mandatory redemption, the Paying Agent on behalf of the District, may purchase, from money in the Sinking Fund, or the District may tender to the Paying Agent, all or part of the Bonds subject to be drawn for redemption in any such year.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the District to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the District is within every debt limit and other limit prescribed by the constitution and the statutes of the Commonwealth of Pennsylvania and applicable to the District; and that the District has established with the Paying Agent as Sinking Fund Depositary a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable.

This Bond is hereby declared to be a general obligation of the District. The District, in the Resolution authorizing the issuance of the Bonds of which this Bond is one, has covenanted with the registered owners, from time to time, of the Bonds that the District will include the amount of the debt service charges on the Bonds for each fiscal year in which such sums are payable, in its budget for that year, that it will appropriate such amounts to the payment of such debt service, and will duly and punctually pay or cause to be paid the principal of every Bond, and the interest thereon, at the dates and places and in the manner stated in the Bond according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the

District has pledged its full faith, credit and taxing power. This covenant is specifically enforceable.

[STATEMENT OF INSURANCE]

[FORM OF OPINION OF BOND COUNSEL)

ASSIGNMENT

\_\_\_\_FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto  
\_\_\_\_ (the "Transferee")

Please Insert Social Security or  
other identifying number of Transferee

\_\_\_\_\_  
\_\_\_\_\_  
Please print or typewrite name and address  
including postal zip code of Transferee.

\_\_\_\_\_  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_, Agent to transfer the within Bond on the  
books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature(s) to this assignment must correspond with the name(s) as written upon the face of the Bond, in every particular, without alteration or enlargement, or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust and the name of the trustee should be supplied. Signature(s) must be guaranteed by an approved eligible guarantor institution which is a participant in a Securities Transfer Association recognized signature guarantee program. Notarized or witnessed signatures are not acceptable.

SECTION 25. CLEARING ACCOUNT. The Paying Agent is hereby authorized and directed to open for and on behalf of the District a Clearing Account into which it shall deposit proceeds of the Bonds. The Paying Agent is authorized hereby to receipt for funds deposited to the Clearing Account, to transfer funds from the Clearing Account and to draw checks on such account in accordance with the direction of the District for payment of costs of issuance, and such other actions as shall be necessary or advisable to complete the settlement of the Bonds.

SECTION 26. BOOK-ENTRY FORM OF THE BONDS. All of the Bonds will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"); provided that if DTC requests that the Bonds be registered in the name of a different nominee, the Sinking Fund Depository must exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such nominee of DTC. No person other than DTC or its nominee is entitled to receive from the District or the Sinking Fund Depository either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee transfers record ownership of all or any portions of the Bonds on the Bond Register (as such term is defined herein), in connection with discontinuing the book entry system.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds will be made to DTC or its nominee in immediately available funds on the dates provided for such payments in this Resolution. Each such payment to DTC or its nominee will be valid and effective to discharge fully all liability of the District or the Sinking Fund Depository with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum

or sums so paid. In the event of the redemption of less than all of the Bonds outstanding of any maturity, the Sinking Fund Depository will not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of the partial redemption provided that DTC must deliver to the Sinking Fund Depository, upon request, a written confirmation of the partial redemption and thereafter the records maintained by the Sinking Fund Depository will be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

The District and the Sinking Fund Depository may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Registered Owners under this Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Registered Owners and for all other purposes whatsoever; and neither the Resolution nor the Sinking Fund Depository will be affected by any notice to the contrary. Neither the District nor the Sinking Fund Depository will have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the Register as being Registered Owner, with respect to either (1) the Bonds; or (2) the accuracy of any record maintained by DTC or any such participant; or (3) the payment by DTC or any participant of any amount in respect of the principal or redemption price of or interest on the Bonds; or (4) any notice which is permitted or required to be given to Registered Owners under this Resolution; or (5) the selection by DTC or any participant of any person to receive payment in the event of partial redemption of the Bonds; or (6) any consent given or other action taken by DTC as Registered Owner.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Registered Owners under this Resolution will be given to DTC as provided in the blanket representation letter to be delivered to DTC.

In connection with any notice or other communication to be provided to Registered Owners pursuant to this Resolution by the District or the Sinking Fund Depository with respect to any consent or other action to be taken by Registered Owners, DTC will consider the date of receipt of notice requesting such consent or other action as the record date for the consent or other action, provided that the District or the Sinking Fund Depository may establish a special record date for such consent or other action. The District or the Sinking Fund Depository must give DTC notice of the special record date not less than ten (10) days in advance of such special record date.

Any successor Sinking Fund Depository must, in its written acceptance of its duties under this Resolution, agree to take any actions necessary from time to time to comply with the requirements of the representation letter.

The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either: (1) after notice to the District and the Sinking Fund Depository, DTC determines to resign as securities Depository for the Bonds; or (2) after notice to DTC and the Sinking Fund Depository, the District determines that a continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interest of the District. In either of such events (unless in the case described in clause (2) above, the District appoints a successor securities depository), the Bonds will be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the District or

the Sinking Fund Depository for the accuracy of such designation. Whenever DTC requests the District and the Sinking Fund Depository to do so, the District and the Sinking Fund Depository must cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds. The Bonds will also carry CUSIP numbers as a convenience to owners.

In lieu of all the above, the Bonds may each be in printed form, as certificates with steel-engraved borders, all as approved by the Paying Agent, Bond Counsel and the District.

SECTION 27. OFFICIAL STATEMENT. The Preliminary Official Statement with respect to the Bonds presented as part of these proceedings and ordered filed with the permanent records thereof is hereby approved and adopted for use in connection with the underwriting of the Bonds by the Underwriter and the offer, sale and purchase of the Bonds. Such Preliminary Official Statement, for purposes of SEC Rule 15c2-12(b)(1), is deemed by the District to be final as of its date but is subject to completion in a final official statement as to offering price, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, redemption provisions and such other terms as are specified in the Underwriter's proposal accepted at this meeting. The President of the Board is hereby authorized to execute and approve a final Official Statement relating to the Bonds. The form of and the distribution of the Preliminary Official Statement is hereby ratified and the Underwriter is hereby authorized to use the Preliminary Official Statement and the final Official Statement in connection with the sale of the Bonds.

SECTION 28. CONTINUING DISCLOSURE UNDERTAKING. In order to enable the Participating Underwriter to comply with the provisions of SEC Rule 15c2-12(b)(5), the District hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution,



failure of the District to comply with such Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes. "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. "Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

SECTION 29. MUNICIPAL BOND INSURANCE. The District agrees to enter into a binding agreement with Build America Mutual Assurance Company ("BAM") to procure a commitment for municipal bond insurance, insuring the payment when due of principal of and interest on the Bonds, effective as of the date on which the Bonds are issued (the "Policy"). The President and Secretary of the Board and any other officers are authorized to execute all necessary documents to enable the District to procure the Policy, including, but not limited to, the BAM commitment, the relevant terms and conditions of which are set forth in Schedule "C" attached hereto and incorporated by reference as if set forth at length herein.

SECTION 30. SEVERABILITY. In the event any provision, section, sentence, clause or part of this Resolution is determined by a court of competent jurisdiction to be invalid and

unenforceable, such determination shall not affect the validity or effect of the remaining provisions hereof.

SECTION 31. REPEALER. All resolutions or parts thereof not in accordance with this Resolution are hereby repealed insofar as they conflict herewith.

SECTION 32. EFFECTIVE DATE. This Resolution shall take effect upon its adoption and certification.

ENACTED into Law by the Board of School Directors of the Shaler Area School District on \_\_\_\_\_, 2019, in lawful session assembled, a full quorum being present.

ATTEST:

SHALER AREA SCHOOL DISTRICT

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President of Board of School Directors

(SEAL)

**CERTIFICATE**

I, the Undersigned, Secretary of the Shaler Area School District, Allegheny County, Pennsylvania, do hereby certify that the foregoing and attached is a true copy of a Resolution, which was duly enacted by the affirmative vote of at least \_\_\_\_\_ members of the Board of the District at a meeting thereof duly called and held on the \_\_\_\_\_ day of May, 2019, after due notice to the members and to the public and which was at times open to the public, and was duly recorded in its Minutes, and was published as required by law in a newspaper of general circulation in said District.

I further certify that the total number of members of the governing body is nine; that the vote upon said Resolution was called and duly recorded on the minutes of said meeting and that its members voted in the following manner:

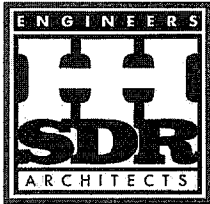
VOTE

|                            |       |
|----------------------------|-------|
| James Tunstall, President  | _____ |
| Tim Gapsky, Vice President | _____ |
| Suzanna Donahue            | _____ |
| James Fisher               | _____ |
| Dr. April Kwiatkowski      | _____ |
| Jason Machajewski          | _____ |
| Jeanne Petrovich           | _____ |
| Eileen Phillips            | _____ |
| Steve Romic                | _____ |

WITNESS my hand and seal of the District this \_\_\_\_ day of May, 2019.

By: \_\_\_\_\_  
Secretary

(SEAL)



May 2, 2019

Shaler Area School District  
1800 Mount Royal Blvd.  
Glenshaw, PA 15116

Attention: Sherri L. Ludwig, CPA, Director of Business Affairs

40 SHENANGO AVENUE  
SHARON, PA 16146  
TEL. (724) 981-8820  
FAX (724) 981-4515

Re: **District-Wide Capital Improvements**  
Shaler Area School District  
HHS DR #4258

J. GREER HAYDEN, P.E., R.A.  
ROBERT A. ENGLEBAUGH, R.A.  
ANDREAS N. DOMETAKIS, R.A.  
VINCENT M. ORDINARIO, R.A.  
MATTHEW P. FRANZ, R.A.

Dear Ms. Ludwig,

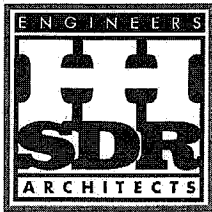
Following the estimated costs for various capital improvements throughout the School District.

C. ROBERT SCHAFER, R.A.  
PAUL S. McCULLOUGH, P.E.

JOHN J. CARLY  
BARBARA A. MATEJKA, CCS  
CHARLES A. ROZZI  
JEFFREY L. TILLIA  
JONATHAN E. FINN, R.A.

A I A / N S P E

| <b><u>Capital Improvement</u></b>           | <b><u>Cost</u></b> |
|---|--------------------|
| <b><u>Shaler Area Elementary School</u></b> |                    |
| Roof Replacement & Related work             | \$ 4,004,371       |
| Computer Labs A/C                           | \$ 475,700         |
| Guidance Area Roof Top Unit                 | \$ 127,500         |
| ATC Controls                                | \$ 1,105,000       |
| <b><u>Shaler Area High School</u></b>       |                    |
| Cooling Tower Replacement                   | \$ 229,455         |
| Turf Replacement                            | \$ 524,000         |
| Schweiger Roadway                           | \$ 200,000         |
| ATC Controls                                | \$ 1,560,000       |
| Parking Lot Paving                          | \$ 1,200,000       |
| Site Lighting                               | \$ 360,000         |
| Gym-A A/C                                   | \$ 150,000         |
| Gym-B A/C                                   | \$ 150,000         |
| <b><u>Marzolf Elementary School</u></b>     |                    |
| ATC controls                                | \$ 320,000         |
| <b><u>Shaler Area Middle School</u></b>     |                    |
| ATC controls                                | \$ 1,175,000       |
| <b><u>Burchfield Elementary School</u></b>  |                    |
| ATC controls                                | \$ 570,000         |
| Boiler Replacement                          | \$ 500,000         |



**District-Wide School**

Door & Hardware Replacement  
Lighting Replacement (ESCO)

\$ 100,000  
\$ 400,000

**Related Soft Costs**

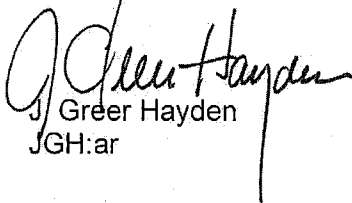
\$ 2,236,865

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**Total** **\$15,387,891**

Please contact me if you require any additional information.

Sincerely,  
HHSDR Architects/Engineers

  
J Greer Hayden  
JGH:ar

NET BOND DEBT SERVICE NTE

Shaler Area School District  
Series of 2019 NTE

| Period<br>Ending | Principal     | Coupon | Interest      | Debt Service  | Net<br>Debt Service | Net Fiscal<br>Debt Service |
|------------------|---------------|--------|---------------|---------------|---------------------|----------------------------|
| 6/18/2019        |               |        |               |               |                     |                            |
| 9/1/2019         | 130,000.00    | 6.000% | 219,000.00    | 349,000.00    | 349,000.00          |                            |
| 3/1/2020         | -             | 0.000% | 536,100.00    | 536,100.00    | 536,100.00          | 885,100.00                 |
| 9/1/2020         | 130,000.00    | 6.000% | 536,100.00    | 666,100.00    | 666,100.00          |                            |
| 3/1/2021         | -             | 0.000% | 532,200.00    | 532,200.00    | 532,200.00          | 1,198,300.00               |
| 9/1/2021         | 130,000.00    | 6.000% | 532,200.00    | 662,200.00    | 662,200.00          |                            |
| 3/1/2022         | -             | 0.000% | 528,300.00    | 528,300.00    | 528,300.00          | 1,190,500.00               |
| 9/1/2022         | 130,000.00    | 6.000% | 528,300.00    | 658,300.00    | 658,300.00          |                            |
| 3/1/2023         | -             | 0.000% | 524,400.00    | 524,400.00    | 524,400.00          | 1,182,700.00               |
| 9/1/2023         | 130,000.00    | 6.000% | 524,400.00    | 654,400.00    | 654,400.00          |                            |
| 3/1/2024         | -             | 0.000% | 520,500.00    | 520,500.00    | 520,500.00          | 1,174,900.00               |
| 9/1/2024         | 130,000.00    | 6.000% | 520,500.00    | 650,500.00    | 650,500.00          |                            |
| 3/1/2025         | -             | 0.000% | 516,600.00    | 516,600.00    | 516,600.00          | 1,167,100.00               |
| 9/1/2025         | 130,000.00    | 6.000% | 516,600.00    | 646,600.00    | 646,600.00          |                            |
| 3/1/2026         | -             | 0.000% | 512,700.00    | 512,700.00    | 512,700.00          | 1,159,300.00               |
| 9/1/2026         | 105,000.00    | 6.000% | 512,700.00    | 617,700.00    | 617,700.00          |                            |
| 3/1/2027         | -             | 0.000% | 509,550.00    | 509,550.00    | 509,550.00          | 1,127,250.00               |
| 9/1/2027         | 105,000.00    | 6.000% | 509,550.00    | 614,550.00    | 614,550.00          |                            |
| 3/1/2028         | -             | 0.000% | 506,400.00    | 506,400.00    | 506,400.00          | 1,120,950.00               |
| 9/1/2028         | 105,000.00    | 6.000% | 506,400.00    | 611,400.00    | 611,400.00          |                            |
| 3/1/2029         | -             | 0.000% | 503,250.00    | 503,250.00    | 503,250.00          | 1,114,650.00               |
| 9/1/2029         | 105,000.00    | 6.000% | 503,250.00    | 608,250.00    | 608,250.00          |                            |
| 3/1/2030         | -             | 0.000% | 500,100.00    | 500,100.00    | 500,100.00          | 1,108,350.00               |
| 9/1/2030         | 105,000.00    | 6.000% | 500,100.00    | 605,100.00    | 605,100.00          |                            |
| 3/1/2031         | -             | 0.000% | 496,950.00    | 496,950.00    | 496,950.00          | 1,102,050.00               |
| 9/1/2031         | 105,000.00    | 6.000% | 496,950.00    | 601,950.00    | 601,950.00          |                            |
| 3/1/2032         | -             | 0.000% | 493,800.00    | 493,800.00    | 493,800.00          | 1,095,750.00               |
| 9/1/2032         | 105,000.00    | 6.000% | 493,800.00    | 598,800.00    | 598,800.00          |                            |
| 3/1/2033         | -             | 0.000% | 490,650.00    | 490,650.00    | 490,650.00          | 1,089,450.00               |
| 9/1/2033         | 105,000.00    | 6.000% | 490,650.00    | 595,650.00    | 595,650.00          |                            |
| 3/1/2034         | -             | 0.000% | 487,500.00    | 487,500.00    | 487,500.00          | 1,083,150.00               |
| 9/1/2034         | 105,000.00    | 6.000% | 487,500.00    | 592,500.00    | 592,500.00          |                            |
| 3/1/2035         | -             | 0.000% | 484,350.00    | 484,350.00    | 484,350.00          | 1,076,850.00               |
| 9/1/2035         | 105,000.00    | 6.000% | 484,350.00    | 589,350.00    | 589,350.00          |                            |
| 3/1/2036         | -             | 0.000% | 481,200.00    | 481,200.00    | 481,200.00          | 1,070,550.00               |
| 9/1/2036         | 520,000.00    | 6.000% | 481,200.00    | 1,001,200.00  | 1,001,200.00        |                            |
| 3/1/2037         | -             | 0.000% | 465,600.00    | 465,600.00    | 465,600.00          | 1,466,800.00               |
| 9/1/2037         | 7,210,000.00  | 6.000% | 465,600.00    | 7,675,600.00  | 7,675,600.00        |                            |
| 3/1/2038         | -             | 0.000% | 249,300.00    | 249,300.00    | 249,300.00          | 7,924,900.00               |
| 9/1/2038         | 7,655,000.00  | 6.000% | 249,300.00    | 7,904,300.00  | 7,904,300.00        |                            |
| 3/1/2039         | -             | 0.000% | 19,650.00     | 19,650.00     | 19,650.00           | 7,923,950.00               |
| 9/1/2039         | 655,000.00    | 6.000% | 19,650.00     | 674,650.00    | 674,650.00          |                            |
| 3/1/2040         | -             | 0.000% | -             | -             | -                   | 674,650.00                 |
|                  | 18,000,000.00 |        | 18,937,200.00 | 36,937,200.00 | 36,937,200.00       | 36,937,200.00              |

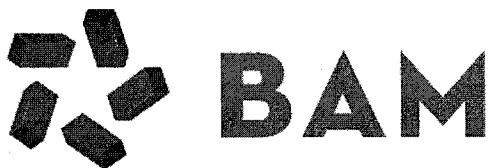
SCHEDULE "B"

**PROPOSED AGGREGATE NET DEBT SERVICE NTE**

Shaler Area School District  
Series of 2019 NTE

| Period<br>Ending | 1997A Rem Out | 2006 Rem Out  | 2013          | 2015          | 2016A        | 2016B         | 2016C         | 2016D        | 2016 AWB     | 2019 NTE      | Proposed Agg<br>Net Debt Service | Existing Agg<br>Net Debt Service |
|------------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|--------------|---------------|----------------------------------|----------------------------------|
| 6/30/2019        | -             | -             | -             | -             | -            | -             | -             | -            | 22,929.10    |               | 22,929.10                        | 22,929.10                        |
| 6/30/2020        | 3,745,000.00  | -             | 442,150.13    | 272,846.07    | 533,208.20   | 855,884.20    | 666,950.88    | 139,550.00   | 144,059.29   | 885,100.00    | 7,684,748.77                     | 6,799,648.77                     |
| 6/30/2021        | 3,745,000.00  | -             | 443,294.00    | 272,760.71    | 526,610.68   | 854,356.17    | 666,858.60    | 139,450.00   | 144,084.86   | 1,198,300.00  | 7,990,715.04                     | 6,792,415.04                     |
| 6/30/2022        | 3,745,000.00  | -             | 444,240.13    | 272,659.79    | 529,254.46   | 852,828.15    | 666,766.33    | 139,350.00   | 143,851.61   | 1,190,500.00  | 7,984,450.47                     | 6,793,950.47                     |
| 6/30/2023        | 3,745,000.00  | -             | 444,988.51    | 272,550.22    | 529,183.00   | 851,300.13    | 666,674.06    | 139,250.00   | 143,864.01   | 1,182,700.00  | 7,975,509.93                     | 6,792,809.93                     |
| 6/30/2024        | -             | -             | 4,199,800.88  | 272,440.64    | 214,312.21   | 1,163,475.34  | 666,581.79    | 139,150.00   | 143,591.64   | 1,174,900.00  | 7,974,252.50                     | 6,799,352.50                     |
| 6/30/2025        | -             | -             | 4,210,414.38  | 272,331.07    | 204,189.66   | 1,155,071.21  | 666,489.52    | 139,050.00   | 143,539.73   | 1,167,100.00  | 7,958,185.57                     | 6,791,085.57                     |
| 6/30/2026        | -             | -             | 362,020.13    | 1,101,394.55  | 62,831.25    | 4,466,603.87  | 666,328.04    | 138,875.00   | 144,173.49   | 1,159,300.00  | 8,101,526.34                     | 6,942,226.34                     |
| 6/30/2027        | -             | -             | -             | 1,256,687.71  | 38,227.51    | 4,718,823.26  | 666,097.36    | 138,625.00   | 144,064.27   | 1,127,250.00  | 8,089,775.10                     | 6,962,525.10                     |
| 6/30/2028        | -             | -             | -             | 1,255,822.66  | 37,798.79    | 4,717,390.74  | 665,866.68    | 138,375.00   | 143,816.18   | 1,120,950.00  | 8,080,020.04                     | 6,959,070.04                     |
| 6/30/2029        | -             | 2,410,806.30  | -             | 1,258,475.47  | 32,677.97    | 2,310,180.62  | 665,636.00    | 138,125.00   | 143,852.89   | 1,114,650.00  | 8,074,404.26                     | 6,959,754.26                     |
| 6/30/2030        | -             | 4,711,339.13  | -             | 1,467,885.93  | 32,392.15    | -             | 665,405.33    | 137,875.00   | -            | 1,108,350.00  | 8,123,247.54                     | 7,014,897.54                     |
| 6/30/2031        | -             | 4,711,339.13  | -             | 1,473,468.37  | 32,106.34    | -             | 665,174.65    | 137,625.00   | -            | 1,102,050.00  | 8,121,763.49                     | 7,019,713.49                     |
| 6/30/2032        | -             | 4,711,339.13  | -             | 1,472,237.11  | 31,820.53    | -             | 664,943.97    | 137,375.00   | -            | 1,095,750.00  | 8,113,465.74                     | 7,017,715.74                     |
| 6/30/2033        | -             | 4,711,339.13  | -             | 1,054,924.24  | 444,439.41   | -             | 664,713.29    | 137,125.00   | -            | 1,089,450.00  | 8,101,991.07                     | 7,012,541.07                     |
| 6/30/2034        | -             | 4,711,339.13  | -             | -             | 314,275.35   | -             | 1,852,018.49  | 136,875.00   | -            | 1,083,150.00  | 8,097,657.97                     | 7,014,507.97                     |
| 6/30/2035        | -             | 4,711,339.13  | -             | -             | -            | -             | 2,168,740.86  | 136,625.00   | -            | 1,076,850.00  | 8,093,554.99                     | 7,016,704.99                     |
| 6/30/2036        | -             | -             | -             | -             | -            | -             | 6,722,455.37  | 136,375.00   | -            | 1,070,550.00  | 7,929,380.37                     | 6,858,830.37                     |
| 6/30/2037        | -             | -             | -             | -             | -            | -             | 3,768,950.07  | 2,690,625.00 | -            | 1,466,800.00  | 7,926,375.07                     | 6,459,575.07                     |
| 6/30/2038        | -             | -             | -             | -             | -            | -             | -             | -            | -            | 7,924,900.00  | 7,924,900.00                     | -                                |
| 6/30/2039        | -             | -             | -             | -             | -            | -             | -             | -            | -            | 7,923,950.00  | 7,923,950.00                     | -                                |
| 6/30/2040        | -             | -             | -             | -             | -            | -             | -             | -            | -            | 674,650.00    | 674,650.00                       | -                                |
| 6/30/2041        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
| 6/30/2042        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
| 6/30/2043        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
| 6/30/2044        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
| 6/30/2045        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
| 6/30/2046        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
| 6/30/2047        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
| 6/30/2048        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
| 6/30/2049        | -             | -             | -             | -             | -            | -             | -             | -            | -            | -             | -                                | -                                |
|                  | 14,980,000.00 | 30,678,841.08 | 10,546,908.16 | 11,976,484.55 | 3,563,327.51 | 21,945,913.68 | 23,836,651.28 | 5,040,300.00 | 1,461,827.09 | 36,937,200.00 | 160,967,453.36                   | 124,030,253.36                   |





## **MUNICIPAL BOND INSURANCE COMMITMENT**

**ISSUER:** Shaler Area School District (Allegheny County, Pennsylvania)

**MEMBER:** Shaler Area School District (Allegheny County, Pennsylvania)

**Effective Date:** May 1, 2019

**Expiration Date:** July 29, 2019

**BONDS:** General Obligation Bonds, Series of 2019  
in aggregate principal amount not to exceed \$13,120,000

**Insurance Payment:** 0.154% of the Total Debt Service on the Bonds

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Insurance Policy (the "Policy") relating to the Bonds referenced above (the "Bonds") issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

### **THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:**

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds (collectively, the "Security Documents"), shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the "Closing Date").
3. As of the Closing Date, there shall have been no material adverse change in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds or (ii) any disclosure document relating to the Bonds (including any financial statements and other information included or incorporated by reference therein) (the "Official Statement"), the

Security Documents to be executed and delivered with respect to the Bonds, any project to be financed with the proceeds of the Bonds (if applicable), the legal opinions to be delivered in connection with the issuance and sale of the Bonds, or any other information submitted to BAM with respect to the issuance and sale of the Bonds, including the proposed debt service schedule of the Bonds, from information previously provided to BAM in writing.

4. The applicable Security Documents shall contain the document provisions set forth in Exhibit A hereto and shall be in form and substance acceptable to BAM. No variation shall be permitted therefrom except as specifically approved by BAM in writing prior to the Closing Date.

5. The Bonds shall contain no reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM. BOND PROOFS SHALL BE APPROVED IN WRITING BY BAM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form found on BAM's website ([www.buildamerica.com](http://www.buildamerica.com)) and in Exhibit B hereto entitled "DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS".

6. The Official Statement shall contain the language provided by BAM and only such other references to BAM as BAM shall supply or approve in writing, and BAM shall be provided with final drafts of any preliminary and final Official Statement at least two business days prior to printing/electronic posting. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

7. BAM shall be provided with:

(a) Copies of all Security Document drafts prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period. Copies of all drafts of the Security Documents shall be delivered to the BAM contacts specified in Exhibit 1.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer's reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, the Bonds, which schedule shall be acceptable to BAM. Please be aware that BAM will only insure fixed rate Bonds.

(d) A No-Litigation Certificate or a description of any material pending litigation relating to the Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) Executed copies of all Security Documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion, primary market disclosure certificate and officer's certificate to be delivered by BAM at Closing is attached hereto as Exhibit C.)

(g) Evidence of wire transfer in federal funds of an amount equal to the Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the Closing Date.

8. Bonds must have an underlying, long-term rating of at least:

|    |                           |
|----|---------------------------|
| A+ | Standard and Poor's       |
| NR | Moody's Investors Service |
| NR | Fitch Ratings             |

9. Promptly, but in no event more than thirty (30) days after the Closing Date, BAM shall receive two (2) CD-ROMs, which contain the final closing transcript of proceedings or if CD-ROMs are not available, such other electronic form as BAM shall accept.

10. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Official Statement containing disclosure language regarding BAM is circulated and ten (10) days after the date of this Commitment.

11. Standard & Poor's Ratings Services will separately present a bill for its fees relating to the Bonds. There is no incremental Standard & Poor's fee for the BAM-Insured rating. Payment of such bill by the Member should be made directly to such rating agency. Payment of the rating fee is not a condition to the release of the Policy by BAM.

#### REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for

the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.

(c) BAM covenants that it will not seek to convert to a stock insurance corporation.

(d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law, including the right to receive dividends if and when declared by BAM's Board of Directors. No dividends have been paid to date, and BAM has no current expectation that any dividends will be paid.

(e) The Policy is non-assessable and creates no contingent mutual liability.

(f) Refundings.

**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**

If (1) the Security Documents relating to the Bonds permit a legal defeasance (such that the bonds are no longer treated as outstanding under the Security Documents), (2) refunding bonds ("Refunding Bonds") will be issued for the purpose of legally defeasing such then outstanding BAM-insured Bonds (in this context, the "Refunded Bonds") and (3) upon their issuance (A) such Refunding Bonds have a final maturity date that is not later than the final Maturity Date of the Refunded Bonds, (B) the average annual debt service on the Refunding Bonds does not exceed the average annual debt service on the Refunded Bonds, and (C) the net proceeds of such Refunding Bonds are applied solely towards the legal defeasance of the Refunded Bonds and related costs of issuance, then, if BAM is requested to, and in its sole discretion determines to, offer a municipal bond insurance policy covering the Refunding Bonds (the "Refunding Policy") BAM will credit the then available Member Surplus Contribution for the Refunded Bonds against the insurance payment then charged with respect to the Refunding Bonds (proportionate to the amount of Refunding Bonds insured by BAM). If the Security Documents are silent on the matter of a legal defeasance, BAM may, in its sole and absolute discretion, accept such certificates, opinions and reports from or on behalf of the Member in connection with the issuance of such Refunding Bonds in order to establish to its satisfaction that the Refunding Bonds will be issued to retire the outstanding Refunded Bonds and that the Refunding Bonds comply with the criteria set forth in clause (3) of the preceding sentence for the purpose of determining whether a supplemental Member Surplus Contribution is or is not required to be made at that time.

**BUILD AMERICA MUTUAL  
ASSURANCE COMPANY**



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Authorized Officer

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May 01, 2019

Date

AGREED AND ACCEPTED

1. The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the Bonds (and any of the Bonds to be issued on the same date and for which BAM has issued a commitment) are insured by a policy of municipal bond insurance, such insurance shall be provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Bonds be insured or that a Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM; and (vii) BAM has made no representation that any dividend will be declared or paid while the Bonds are outstanding, the undersigned has no reason for expecting that any dividend will be declared or paid and the potential receipt of any dividend was not a reason for acquiring the Policy.

Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under subparagraphs (ii) through (vii) above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

**SHALER AREA SCHOOL DISTRICT (ALLEGHENY  
COUNTY, PENNSYLVANIA)**

By: \_\_\_\_\_  
Authorized Officer

\_\_\_\_\_  
Date