

BOOK-ENTRY ONLY

Moody's Underlying Rating: "A2" See "Ratings" herein  
Insured Rating for BAM: "AA" (Stable) See "Ratings" herein

*In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Bonds, as defined below (including Bonds sold at an original issue discount, the difference between the initial offering price and par), is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under §57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the Federal individual alternative minimum taxes. The Bonds, and interest income therefrom, are free from taxation for purposes of personal income, corporate net income, and personal property taxes within the Commonwealth of Pennsylvania. (See "TAX MATTERS" herein.)*

\$10,020,000

## STATE PUBLIC SCHOOL BUILDING AUTHORITY

(Commonwealth of Pennsylvania)

CRAWFORD COUNTY CAREER AND TECHNICAL CENTER

SCHOOL LEASE REVENUE REFUNDING BONDS

SERIES OF 2020

**Dated:** December 30, 2020

**First Interest Payment:** March 1, 2021

**Principal Due:** March 1 (as shown inside cover)

**Interest Payable:** March 1 and September 1

The Crawford County Career & Technical Center, School Lease Revenue Refunding Bonds, Series of 2020 (the "Bonds") of the State Public School Building Authority (the "SPSBA" or the "Authority"), will be issued in the aggregate principal amount of \$10,020,000. The Bonds will mature on March 1 of each year from 2021 through and including 2039, all as shown on the inside front cover and will pay interest semi-annually, from December 30, 2020 (the "Dated Date"), on March 1 and September 1 of each year, commencing on March 1, 2021.

When issued, the Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. So long as Cede & Co. is the registered owner, reference herein to the registered owner of the Bonds shall mean Cede & Co., and not the Beneficial Owners (as defined herein). DTC will act as securities depository of the Bonds, and purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, in denominations of \$5,000 or integral multiples thereof. Beneficial Owners will not receive certificates representing their interest in the Bonds. See "Book-Entry Only System" herein. Principal of, and premium, if any, on the Bonds will be paid by Zions Bancorporation, National Association having a corporate trust office located in Pittsburgh, Pennsylvania (the "Trustee"). So long as Cede & Co. is the registered owner, the Trustee will pay principal of, and interest on, the Bonds to DTC, which will remit such principal and interest to its Participants (as defined herein), which will in turn remit such principal and interest to the Beneficial Owners of the Bonds, as more fully described herein. See "Book-Entry Only System" herein. *The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.*

**AUTHORIZATION FOR ISSUANCE:** The Bonds will be issued under a Trust Indenture dated as of December 30, 2020 (the "Indenture"), between the Authority and the Trustee and will be equally and ratably secured under the Indenture by an assignment and pledge by the Authority to the Trustee of Sublease rentals payable to the Authority by the Crawford County Career & Technical Center (the "Career and Technical Center") and the Participating District (defined herein). Each of the Participating Districts have enacted a Resolution authorizing the Sublease (defined herein) with the Authority and have covenanted to annually budget, appropriate and provide for the payment from its general revenues as a current expense of such Participating District of an amount equal to its proportionate share of the Sublease payments. The Authority and the Career and Technical Center have no taxing power.

**SECURITY:** The Bonds are limited obligations of the SPSBA. Neither the principal or redemption price of the Bonds, nor the interest accruing thereon, shall constitute a general indebtedness of the SPSBA or an indebtedness of the Commonwealth of Pennsylvania (the "Commonwealth") or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever; constitute a charge against the general credit of the SPSBA or the general credit or taxing power of the Commonwealth or any political subdivision thereof; or be deemed to be a general obligation of the SPSBA or an obligation of the Commonwealth or any political subdivision thereof. Each of the Participating Districts has provided in resolutions supporting the Bonds to annually budget, appropriate and pay from its general revenues as a current expense in an amount equal to its allocable share. A failure by any of the Participating Districts to appropriate or pay its respective payment in any given year would constitute a failure "to pay or to provide for the payment of any rental or rentals" due the SPSBA, within the meaning of Section 7-785 of the School Code. Consequently, any such non-appropriation or nonpayment would be subject to the intercept provision of the School Code (defined herein). (See "Commonwealth Enforcement of Lease Rentals and Debt Service Payments" herein.)

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued by Build America mutual Assurance Company, simultaneously with the delivery of the Bonds.



**MATURITY SCHEDULE (See Inside Front Cover)**

The Bonds are offered when, as and if issued and received by us, subject to prior sale and subject to approval of legality by Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania as Bond Counsel to the Authority. Certain matters will be passed upon for the Authority by its Counsel Barley Snyder LLP, Lancaster, Pennsylvania. Certain matters will be passed upon for the Career and Technical Center by its Solicitor, Watts & Pepicelli, Meadville, Pennsylvania. It is expected that the Bonds in book-entry form will be available for delivery through DTC in New York, New York on December 30, 2020.

**PIPER | SANDLER**

**Date:** December 9, 2020

**\$10,020,000**  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
**(Commonwealth of Pennsylvania)**  
**CRAWFORD COUNTY CAREER AND TECHNICAL CENTER**  
**SCHOOL LEASE REVENUE REFUNDING BONDS**  
**SERIES OF 2020**

**Dated:** December 30, 2020

**First Interest Payment:** March 1, 2021

**Principal Due:** March 1 (as shown below)

**Interest Payable:** March 1 and September 1

<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>		<u>CUSIPS**</u>	
2021	\$465,000	4.000%	0.400%	100.608		85732G WN6	
2022	375,000	4.000%	0.480%	104.099		85732G WP1	
2023	395,000	4.000%	0.550%	107.429		85732G WQ9	
2024	405,000	4.000%	0.620%	110.591		85732G WR7	
2025	425,000	4.000%	0.670%	113.668		85732G WS5	
2026	440,000	4.000%	0.790%	116.227		85732G WT3	
2027	460,000	4.000%	0.920%	118.430		85732G WU0	
2028	480,000	4.000%	1.080%	120.091		85732G WV8	
2029	495,000	4.000%	1.260%	118.725	C	85732G WW6	
2030	515,000	4.000%	1.350%	118.049	C	85732G WX4	
2031	540,000	4.000%	1.490%	117.005	C	85732G WY2	
2032	560,000	4.000%	1.580%	116.340	C	85732G WZ9	
2035	1,805,000	3.000%	1.980%	106.784	C	85732G XA3	(1)
2039	2,660,000	3.000%	2.180%	105.413	C	85732G XB1	(2)

C - Price to first optional redemption date of March 1, 2028

(1) Term Bonds, mandatory redemption beginning March 1, 2033

(2) Term Bonds, mandatory redemption beginning March 1, 2036

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**\$10,020,000**  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
**CRAWFORD COUNTY CAREER & TECHNICAL CENTER**  
**SUMMARY STATEMENT**

This Summary Statement is subject in all respects to more complete information contained in this Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise use it without the entire Official Statement.

<b>Issuer</b> .....	State Public School Building Authority, Commonwealth of Pennsylvania. See “THE AUTHORITY” herein.
<b>Bonds</b> .....	\$10,020,000 aggregate principal amount of the Authority’s School Lease Revenue Refunding Bonds, Series of 2020. The Bonds will be dated December 30, 2020 and will pay interest semi-annually on March 1 and September 1, beginning on March 1, 2021.
<b>Redemption Provisions</b> .....	The Bonds are be subject to optional and mandatory sinking fund redemption prior to maturity. See “REDEMPTION PROVISIONS” herein.
<b>Application of Proceeds</b> .....	Proceeds of the Bonds will be used to: (1) refund the outstanding State Public School Building Authority Lease Revenue Refunding Bonds (Crawford County Career and Technical Center), Series of 2013 issue on behalf of the Crawford County Career and Technical Center (the “Career and Technical Center”) as more fully described herein; and (2) pay the costs of issuing and insuring the Bonds. See “PURPOSE OF THE ISSUE” herein.
<b>Form</b> .....	Book-Entry Only. See “Book-Entry Only System” herein.
<b>Security</b> .....	The Bonds are limited obligations of the Authority, payable solely from: (a) Sublease rental payments to the Authority from the Career and Technical Center and the Participating Districts (defined herein) (the “Sublease Rentals”); (b) moneys derived from the investment of such Sublease Rentals; and (c) other Receipts, revenues and moneys otherwise available to the Authority under the Indenture. The Authority has no taxing power. The Career and Technical Center has no taxing power. The taxing power of the Participating Districts is not pledged as security for the obligation of the Career Center to pay Sublease rentals under the Sublease, each of the Participating Districts is a party to the Sublease, with a direct obligation to make payment of their allocable share of the Sublease Rentals to the Authority. See “SECURITY FOR THE BONDS” herein.
<b>Investment Considerations</b> .....	For certain investment considerations relating to the decision to purchase the Bonds, see “INVESTMENT CONSIDERATIONS” herein.
<b>Bond Insurance</b> .....	The scheduled payment of principal and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (“Municipal Bond Insurance Policy”) to be used by Build America Mutual Assurance Company (“BAM”), see “BOND INSURANCE” herein.
<b>Ratings</b> .....	Moody’s Investor’s Services has assigned the underlying rating of “A2” to the Bonds. Moody’s has assigned the rating of “AA” (Stable) to the Bonds with the understanding that the above referenced Municipal Bond Insurance Policy will be issued at the time of settlement of the Bonds. See “RATINGS” herein.
<b>Continuing Disclosure Undertaking</b> ...	The Obligated Parties, as defined hereinafter, have agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the “Rule”). See “CONTINUING DISCLOSURE UNDERTAKING” herein.

IN CONNECTION WITH THIS OFFERING, PIPER SANDLER & CO. ("FORMELY KNOWN AS PIPER JAFFRAY & CO.") (THE "UNDERWRITER") MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE AUTHORITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED WITHIN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY STATE IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. WHILE THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT HAS BEEN FURNISHED FROM SOURCES WHICH ARE BELIEVED TO BE RELIABLE, SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CAREER AND TECHNICAL CENTER SINCE THE DATE HEREOF.

The Authority has not prepared or assisted in the preparation of this Official Statement except for the statements under the captions "THE AUTHORITY," and solely with respect to the Authority, "LITIGATION." The Authority has reviewed only the information contained herein under such captions and approved only such information for use within the Official Statement.

The Authority and the Career and Technical Center have deemed this Official Statement to be final for the purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

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**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
(Commonwealth of Pennsylvania)

**BOARD MEMBERS**

Honorable Thomas W. Wolf  
Governor of the Commonwealth of Pennsylvania..... President

Honorable Wayne Langerholc Jr.  
Designated by the President Pro Tempore of the Senate ..... Vice President

Honorable Andrew E. Dinniman  
Designated by the Minority Leader of the Senate ..... Vice President

Honorable Curtis G. Sonney  
Designated by the Speaker of the House of Representatives..... Vice President

Honorable Joseph M. Torsella  
State Treasurer.....Treasurer

Honorable Curtis M. Topper  
Secretary of General Services..... Secretary

Honorable Anthony M. DeLuca  
Designated by the Minority Leader of the House of Representatives .....Board Member

Honorable Eugene A. DePasquale  
Auditor General .....Board Member

Honorable Noe Ortega  
Acting Secretary of Education.....Board Member

**EXECUTIVE DIRECTOR**

Mr. Eric Gutshall

**SPECIAL COUNSEL TO THE AUTHORITY**

(Appointed by the Office of General Counsel)  
Barley Snyder LLP  
Lancaster, Pennsylvania

**BOND COUNSEL**

(Appointed by the Office of General Counsel)  
Dinsmore & Shohl LLP  
Pittsburgh, Pennsylvania

**UNDERWRITER**

Piper Sandler & Co.  
Camp Hill, Pennsylvania

**TRUSTEE, PAYING AGENT, TRANSFER AGENT, AND REGISTRAR**

Zions Bancorporation, National Association  
Pittsburgh, Pennsylvania

## **CRAWFORD COUNTY CAREER AND TECHNICAL CENTER**

### **JOINT OPERATING COMMITTEE MEMBERS**

Mr. Don Ellis, Jr. ....	Chairperson
Conneaut School District	
Mr. Frank Schreck .....	Vice Chairman
Crawford Central School District	
Mr. Timothy McQuiston.....	Member
Conneaut School District	
Dr. John Burnham .....	Member
Conneaut School District	
Ms. Kevin Merrit.....	Member
Crawford Central School District	
Mr. Delwood Smith .....	Member
Crawford Central School District	
Mr. Robert Johnston .....	Member
PENNCREST School District	
Mr. Luigi DeFrancesco .....	Member
PENNCREST School District	
Mr. Mark Gerow.....	Member
PENNCREST School District	
Ms. Jacquelynn Dutchtot.....	Secretary*
Crawford County Career and Technical Center	
Ms. Denise Bell .....	Treasurer*
Crawford County Career and Technical Center	

\* Non-voting members

### **ADMINISTRATION**

Mr. Kevin Sprong .....	Director
Mr. Michael Costa.....	Assistant Director
Ms. Jacquelynn Dutchtot .....	Business Manager/Board Secretary

#### **School Address**

860 Thurston Road  
Meadville, Pennsylvania 16335-2152

#### **School Solicitor**

Watts & Pepicelli, P.C.  
Meadville, Pennsylvania

\$10,020,000  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
(Commonwealth of Pennsylvania)  
**CRAWFORD COUNTY CAREER AND TECHNICAL CENTER**  
**SCHOOL LEASE REVENUE BONDS**  
**SERIES OF 2020**

**INTRODUCTION**

This Official Statement, including the Cover Page hereof and the Appendices hereto, is furnished in connection with the offering of the State Public School Building Authority (the "Authority" or "SPSBA"), Crawford County Career and Technical Center, School Lease Revenue Bonds, Series of 2020, in the aggregate principal amount of \$10,020,000 (the "Bonds").

The Bonds are being issued pursuant to the State Public School Building Authority Act of 1947, P.L. 1217, as supplemented and amended (the "Act"), a Resolution duly adopted by the SPSBA on October 29, 2020, and a Trust Indenture dated as of December 30, 2020 (the "Indenture") between the SPSBA and Zions Bancorporation, National Association (the "Trustee"), as trustee, registrar, transfer agent, and paying agent. The Crawford County Career and Technical Center (the "Career and Technical Center") is situated on real estate in the City of Meadville, Crawford County, Pennsylvania on which the educational facilities of the Career and Technical Center are located (the "Educational Facilities"). The Career and Technical Center is sponsored by the following three public school districts in the area of Crawford County: Conneaut School District, Crawford Central School District, and PENNCREST School District (collectively, the "Participating Districts"). The Career and Technical Center and the Educational Facilities are wholly owned, *prorata*, by the Participating Districts in accordance with the School Code (defined herein) and the Articles of Agreement (defined herein). The Participating Districts and the Career and Technical Center will lease said real estate, together with the Educational Facilities located thereon (collectively the "Leased Property"), to the SPSBA under a Lease Agreement, dated as of December 30, 2020 (the "Lease") for a term not less than the final maturity of the Bonds, and the SPSBA under the Lease covenants and agrees to make available to the Career and Technical Center the proceeds of the Bonds to pay the costs of the Project (hereinafter defined). The SPSBA will then sublease to the Career and Technical Center and the Participating Districts the Leased Property under a Sublease Agreement dated as of December 30, 2020 (the "Sublease"), between the SPSBA, as lessee and sublessor, and the Career and Technical Center Board and the Participating Districts, as sublessee, for rental payments (the "Sublease Rentals") adequate to provide for the payment of the debt service on the Bonds. Under the Indenture, the SPSBA will pledge and assign to the Trustee the Sublease Rentals to be paid pursuant to the Sublease. Such Sublease Rentals are pledged by the SPSBA for the benefit of the holders of the Bonds.

The SPSBA is a body corporate and politic created in 1947 by the Act. Under the Act, the SPSBA is constituted a public corporation and governmental instrumentality, having perpetual existence, for the purpose of acquiring, financing, refinancing, constructing, improving, maintaining and operating public school and educational broadcasting facilities, and furnishing and equipping the same for use as part of the public school system of the Commonwealth of Pennsylvania (the "Commonwealth") under the jurisdiction of the Pennsylvania Department of Education (the "Department"). Under the Act and Article XVIII of the Public School Code, Act of September 12, 1961, P.L. 1272, No. 31, Section 1 et seq., as amended (the "School Code"), the SPSBA also has for its purpose the acquiring, financing, refinancing, construction, improvement, maintenance and operation of area vocational technical schools and school buildings and furnishing and equipping them for use, to the extent permitted by law. (See "THE AUTHORITY" herein.)

**PURPOSE OF THE ISSUE**

The proceeds to be derived by the SPSBA from the issuance and sale of the Bonds will be used to pay all or a portion of: (1) the current refunding of the SPSBA's outstanding Crawford County Career and Technical Center, School Lease Revenue Bonds, Series of 2013 (the "2013 Bonds"); and (2) the costs and expenses incurred by the SPSBA and the Career and Technical Center in connection with the issuance and sale of the Bonds.



## COMPOSITION OF THE BOND ISSUE

<b>SOURCES:</b>	<b>Bonds</b>
Principal amount of the Bonds	\$ 10,020,000.00
Plus: Original Issue Premium	<u>1,036,548.25</u>
<b>TOTAL SOURCES</b>	\$ 11,056,548.25
<b>USES:</b>	
Deposit to Refund the Refunded Bonds	\$ 10,833,437.50
Estimated Financing Costs (1)	218,562.57
Additional Proceeds	<u>4,548.18</u>
<b>TOTAL USES</b>	\$ 11,056,548.25

(1) Includes underwriter's discount, bond insurance, legal, printing, rating, CUSIP, Trustee, bond redemption fees and miscellaneous fees.

## PLAN OF FINANCE

A portion of the proceeds of the Bonds will be irrevocably deposited in the Debt Service and Sinking Fund maintained by Wells Fargo Bank, NA, as Trustee for the 2013 Bonds and applied, together with certain funds held in the funds and accounts relating to the 2013 Bonds, to redeem the 2013 Bonds at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date, pursuant to the optional redemption provisions applicable to the 2013 Bonds.

## THE AUTHORITY

The SPSBA and the Pennsylvania Higher Educational Facilities Authority (the "PHEFA") share an executive, fiscal and administrative staff, and operate under a joint administrative budget. The SPSBA has issued, and may continue to issue, other series of bonds for the purpose of financing other projects under the Act. Each such series of bonds is or will be secured by instruments separate and apart from the Indenture securing the Bonds.

Under the Act, the members of the Authority are the Governor of the Commonwealth, the State Treasurer, the Auditor General, the Secretary of the Department of Education, the Secretary of the Department of General Services, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives. Pursuant to Section 791.3 of the Act, the President Pro Tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives may designate any member of his or her legislative bodies to act as a member of the SPSBA in his or her stead. The members of the SPSBA serve without compensation but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The powers of the SPSBA are exercised by a governing body consisting of the member of the SPSBA acting as a board.

The following are key staff members of the SPSBA who are involved in the administration of the financing and projects:

### **Eric Gutshall** **Executive Director**

Mr. Gutshall was appointed by Governor Wolf as Executive Director of the Authority and PHEFA on December 9, 2019. He previously served as Governor Wolf's Secretary of Intergovernmental Affairs and as Director of Constituent Services. He obtained his Bachelors of Science degree in Business Administration from Central Pennsylvania College and his Master of Public Administration from the University of Pennsylvania.

**David Player**  
**Comptroller & Director of Financial Management**

Mr. Player serves as the Comptroller & Director of Financial Management of both the SPSBA and the PHEFA. He has been with the Authorities since 1999. Prior to his present post, he served as Senior Accountant for both Authorities and as an auditor with the Pennsylvania Department of the Auditor General. Mr. Player is a graduate of the Pennsylvania State University, Certified Public Accountant and Certified Internal Auditor.

**Beverly M. Nawa**  
**Director of Operations**

Mrs. Nawa has served as the Director of Operations of both the SPSBA and the PHEFA. She has been with the Authorities since 2004 and was the Acting Executive Director from October 2018 to December 2019. Ms. Nawa is a graduate of Alvernia University with a bachelor's degree in business administration.

The Bonds are being issued under the Act pursuant to a resolution of the Authority duly adopted on October 29, 2020, and pursuant to the Indenture.

The Authority has issued, and may continue to issue, other series of revenue bonds and notes for the purpose of financing projects for other eligible institutions in the Commonwealth. Except for other series of bonds which may be issued by the Authority on behalf of the Career and Technical Center under the Indenture, none of the revenues of the Authority with respect to any of the revenue bonds and notes referred to above are pledged as security for the Bonds and, conversely, the revenue bonds and notes referred to above are not payable from or secured by the revenue of the Authority under the Indenture or other monies securing the Bonds. See "Security and Sources of Payment" herein.

The Bonds are limited obligations of the Authority and are secured under the provisions of the Indenture, and are payable solely from the funds held under the Indenture and from Sublease Rentals to be made by the Career and Technical Center and the Participating Districts pursuant to the Sublease between the Authority and the Career and Technical Center and the Participating Districts, as described herein. Neither the principal of the Bonds, nor the interest accruing thereon, shall ever constitute a general indebtedness of the Authority or an indebtedness of the Commonwealth of Pennsylvania or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever, or shall ever constitute or give rise to a pecuniary liability of the Authority or of the Commonwealth of Pennsylvania or any political subdivision thereof or a charge against the general credit of the Authority or the general credit or taxing power of the Commonwealth of Pennsylvania or any political subdivision thereof, nor will the Bonds be, or be deemed to be, a general obligation of the Authority or an obligation of the Commonwealth of Pennsylvania or any political subdivision thereof. The Authority has no taxing power.

The Authority has not prepared or assisted in the preparation of this Official Statement except for the statements under this captioned section and the section captioned "LITIGATION" in respect of the Authority, and, except as aforesaid, the Authority is not responsible for any statements made herein and will not participate in, or otherwise be responsible for, the sale of the Bonds. Accordingly, except as aforesaid, the Authority disclaims responsibility for the disclosure set forth herein made in connection with the sale of the Bonds.

**CRAWFORD COUNTY CAREER AND TECHNICAL CENTER**

The Career and Technical Center is an Area Vocational Technical School created pursuant to Article XVIII of the Pennsylvania School Code of 1949, as amended (the "School Code"), for the purpose of providing career and technical education to the students in its participating school districts. The Career and Technical Center was created and operates under the Articles of Agreement for the Operation of the Crawford County Career and Technical Center, dated July 12, 2001, as amended and restated on November 12, 2008 (the "Articles of Agreement").

The Articles of Agreement were entered into by the three Participating Districts: Conneaut School District, Crawford Central School District, and PENNCREST School District.

Pursuant to the Lease, the Participating School Districts and the Career and Technical Center are leasing the Leased Property (which includes the Educational Facilities and the related real estate located in the City of Meadville, Crawford County, Pennsylvania) to the SPSBA. Pursuant to the Sublease, the SPSBA is subleasing the Leased Property to the Career and Technical Center.

Pursuant to the School Code and the Articles of Agreement, the Area Board of the Career and Technical Center (the

“Area Board”) consists of all of the members of the boards of school directors of the three Participating Districts -- a total of 27 members. The Area Board has various powers, including, without limitation, formulating policies relating to the operation of the Career and Technical Center, adopting budgets for the Career and Technical Center and designating a superintendent of the Career and Technical Center. The current superintendent is Dr. Timothy Glasspool, who is also the superintendent of PENNCREST School District, one of the Participating Districts.

Pursuant to the School Code and the Articles of Agreement, the Career and Technical Center also has a Joint Operating Committee consisting of three (3) members from each Participating District. The Area Board has delegated to the Joint Operating Committee certain powers related to the operation, administration and management of the Career and Technical Center.

Under the Articles of Agreement, the annual operating expenses are allocated to and paid by the Participating Districts under a formula based on each Participating District's usage of the Career and Technical Center, and the Sublease Rentals are allocated to and paid by the Participating Districts under a formula based on the ratio of each Participating District's market valuation bears to the total market valuation, all as more fully described in the Articles of Agreement.

The payment obligations of the participating districts under the articles of agreement are not statutory or constitutional debt obligations of the participating districts, and the taxing powers of the participating districts are not specifically pledged therefore.

The Articles of Agreement shall remain in full force and effect until all obligations for financing the construction, remodeling and/or alteration of the Career and Technical Center and all obligations created in connection therewith or in the financing of any subsequent capital expenditures shall have been paid in full. No Participating District may withdraw from the Sublease unless (a) all of the other Participating Districts approve the withdrawal, and (b) the withdrawing Participating District pays to the Career and Technical Center an amount approved by the other Participating Districts equal to the withdrawing Participating District's portion of the total "unamortized costs" of land, buildings, facilities, equipment and related costs for the Career and Technical Center. For purposes of this provision, "unamortized costs" means the outstanding principal balance of any debt obligation relating to the Career and Technical Center, plus, if such debt obligations cannot be prepaid at the time of the withdrawal, an amount equal to the present value of interest payments on such debt obligations until they can be prepaid. Such present value shall be determined by discounting all future interest payments to the withdrawal rate using the average interest rate on such debt obligation as the discount rate. Each Participating District agrees under the Sublease, that, so long as any financing of Career and Technical Center facilities remains outstanding, it will not approve any amendment to the foregoing provision relating to the term of the Sublease or withdrawal therefrom by a Participating District.

## **SECURITY FOR THE BONDS**

The Bonds are limited obligations of the SPSBA, payable solely from (a) Sublease Rentals payable to the SPSBA by the Career and Technical Center and the Participating Districts, (b) moneys derived from the investment of such Sublease Rentals; and (c) other receipts, revenues and moneys otherwise available to the SPSBA under the Indenture. The SPSBA has no taxing power. The Career and Technical Center has no taxing power.

The Sublease Rentals, which will be assigned to the Trustee pursuant to the Indenture, are payable under the Sublease by the Career and Technical Center from its general revenues, which include payments made by the Participating Districts. Each of the Participating Districts is a party to the Sublease, with a direct obligation to make payment of their allocable share of the Sublease Rentals to the SPSBA. Under the Articles of Agreement among the Participating Districts, pursuant to which the Career and Technical Center was established, the Participating Districts are obligated to pay allocable shares of all operating and capital costs, including Sublease Rentals. Each of the Participating Districts have provided in resolutions supporting the Bonds and the Sublease with SPSBA to annually budget, appropriate and provide for the payment from its general revenues as a current expense of such Participating District of an amount equal to such allocable share. The School Code provides that upon any failure to pay such amount pursuant to the Sublease with SPSBA the Pennsylvania Department of Education shall notify the defaulting board of school directors of its obligation and shall withhold out of any Commonwealth appropriations due such school district an amount equal to the amount owing by such school district to the SPSBA and shall pay over the amount so withheld to the SPSBA. The Department of Education has recently confirmed that such intercept provision applies to a non-debt appropriation-based leases, such as the Sublease. A failure by any of the Participating Districts to appropriate or pay its respective lease or sublease rental payment in any given year would constitute a failure “to pay or to provide for the payment of any rental or rentals due the SPSBA, within the meaning of Section 7-785 of the School Code. Consequently, any such non-appropriation or non-payment would be subject to the intercept.

Each Participating District's allocable share of Sublease Rentals is based on the relative market value of property in each district as compared to all districts. Accordingly, although the Sublease Rental will not change, the allocable share of each Participating District will change from year to year as market valuations change. Based on the most recent values available, the

2019 values, the allocable shares of the Participating Districts were: Conneaut School District, 30.13%, Crawford Central School District, 38.99%, PENNCREST School District, 30.88%. See below chart for historical changes in the market value.

**Pro Ratio of Debt Service Based on Market Values (STEB)**

School District	2019 Market Value	Percentage (of total Market Value)	2018 Market Value	Percentage (of total Market Value)	2017 Market Value	Percentage (of total Market Value)
Conneaut School District	\$962,636,518.37	30.13%	\$947,237,618.00	29.91%	\$936,253,354.20	30.28%
Crawford Central School District	1,245,566,946.96	38.99%	1,240,010,602.00	39.15%	1,204,031,644.42	38.94%
PENNCREST School District	<u>986,475,992.19</u>	30.88%	<u>980,117,055.00</u>	30.94%	<u>951,894,149.36</u>	30.78%
	\$3,194,679,457.51		\$3,167,365,275.00		\$3,092,179,147.98	

Source: State Tax Equalization Board

However, the obligation to make such payments is not a statutory or constitutional debt obligation of the Participating Districts, and the taxing powers of the Participating Districts are not specifically pledged therefor. Rather, such obligations of the Participating Districts are payable from current revenues of each of the Participating Districts in each applicable year. The appropriation of funds by the Participating District is not supported by the full faith, credit or taxing power of the Participating Districts. (See "CRAWFORD COUNTY CAREER AND TECHNICAL CENTER" herein for information on the financial obligations of the Participating Districts under the Articles of Agreement and the Sublease and limitations on the power of any such Participating District to withdraw from participation in the Career and Technical Center.)

THE BONDS DO NOT PLEDGE THE CREDIT OF THE SPSBA OR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE PARTICIPATING DISTRICTS. THE SPSBA HAS NO TAXING POWER. THE CAREER AND TECHNICAL CENTER HAS NO TAXING POWER. HOWEVER, IF ALLOCABLE SUBLEASE RENTAL PAYMENTS ARE NOT APPROPRIATED OR PAID BY PARTICIPATING DISTRICTS, THE COMMONWEALTH MAY WITHHOLD OUT OF ANY COMMONWEALTH APPROPRIATIONS DUE TO SUCH PARTICIPATING DISTRICT, THE AMOUNT DUE FOR ITS ALLOCABLE SUBLEASE RENTAL PAYMENT OBLIGATION (See "COMMONWEALTH ENFORCEMENT OF LEASE RENTALS AND DEBT SERVICE PAYMENTS" below).

**COMMONWEALTH ENFORCEMENT OF LEASE RENTALS AND DEBT SERVICE PAYMENTS**

Section 7-785 of the School Code, as amended, presently provides that if any school district fails to pay any rental, payment or rentals or payments due the SPSBA for any period in accordance with the terms of any lease, loan agreement or other lending instrument or contract entered into under the terms of subdivision (f) of Article VII of the School Code, the Secretary of Education shall notify the Participating District of its obligation and shall withhold out of any state appropriation due such school district an amount equal to the amount of the rental, payment or rentals or payments owing by such school district to the SPSBA and pay over the amount so withheld to the SPSBA in the payment of the rental or payment.

The withholding provisions of Section 785 described above are not part of any contract with the registered owners of the Bonds and may be amended or repealed by future legislation. The effectiveness of Section 785 may be limited by the application of other withholding provisions contained in the School Code, such as the provisions for withholding and paying over of appropriations for payment of teachers' salaries. Enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles effecting the enforcement of creditors' rights generally. There can be no assurance that any payments pursuant to such withholding provision will be made by the date on which such payment is due to the Bondholders.

## **BOND INSURANCE**

### **BOND INSURANCE POLICY**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **BUILD AMERICA MUTUAL ASSURANCE COMPANY**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

#### *Capitalization of BAM*

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$505.3 million, \$158.1 million and \$347.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM’s most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM’s website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

#### *Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at [www.buildamerica.com/videos](http://www.buildamerica.com/videos). (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated

herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any presale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at [www.buildamerica.com/credit-profiles](http://www.buildamerica.com/credit-profiles). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

## DESCRIPTION OF THE BONDS

### General Provisions

The Bonds shall be dated as of the date of their issuance and delivery, shall mature on the dates and in the amounts set forth on the inside cover hereof and shall be payable as to interest on March 1 and September 1 of each year, commencing March 1, 2021 (each an "Interest Payment Date"), at the rates set forth on the inside front cover. The Bonds shall be subject to redemption prior to maturity as described below.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), as registered owner. Purchases of Bonds may be made in book-entry only form, in denominations of \$5,000 principal amount or any integral multiple thereof, but only through brokers and dealers who are, or act through, DTC Participants (see "Book-Entry Only System" herein). Purchasers of Bonds ("Beneficial Owners") will not receive certificates representing their interests in the Bonds and must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant, so long as they desire to retain an ownership interest in Bonds. So long as Cede & Co. is the registered owner of the Bonds, references herein to the registered owners or holders of the Bonds shall mean Cede & Co., and not the Beneficial Owners of the Bonds.

Payments of principal and interest on the Bonds will be made directly to DTC by the Trustee on behalf of the SPSBA, and DTC will, in turn, remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants (defined below), as more fully described below.

### Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds (see "Book-Entry Only System" herein), payments of principal of and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the SPSBA with respect to, and to the extent of, principal and interest so paid. If the date for the payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the jurisdiction in which the corporate trust payment office is located are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions in which the corporate trust payment office is located are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, bond certificates will be issued

to the Beneficial Owners of the Bonds and payment of principal, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs:

The principal of the Bonds will be paid, when due, to the registered owners thereof or their transferees upon presentation and surrender of the Bonds at the designated corporate trust payment office of the Trustee presently located in Pittsburgh, Pennsylvania.

Interest will be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to March 1, 2021, in which event such Bond shall bear interest from the date of issuance and delivery thereof, or (d) as shown by the records of the Trustee, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest shall be paid initially on March 1, 2021, and thereafter semiannually on March 1 and September 1 of each year until the principal sum thereof is paid. Interest on each Bond will be payable by check drawn on the Trustee, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day of the month (whether or not a business day) next preceding each Interest Payment Date (the "Record Date"), on the registration books maintained by the Trustee, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the SPSBA shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

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

#### **Transfer, Exchange and Registration of Bonds**

Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Trustee, at its designated corporate trust payment office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Trustee shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The SPSBA and the Trustee may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the SPSBA and the Trustee shall not be affected by any notice to the contrary.

The SPSBA and the Trustee shall not be required to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifth (5<sup>th</sup>) 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 mailed, or to register the transfer of or exchange any portion of any Bond selected for redemption until the redemption date.

#### **Book-Entry Only System**

The information in this section concerning The Depository Trust Company, New York, New York ("DTC"), and DTC's book-entry system was obtained from material provided by DTC. Neither the SPSBA nor the Underwriter takes any responsibility for the accuracy thereof.

Certificates representing ownership of the Bonds will not be issued to the purchasers of the Bonds. Rather, DTC will act as securities depository under a book-entry system for the Bonds. Unless such system is discontinued, the provisions described

under this caption, “Book-Entry Only System” (including provisions regarding payments to and transfers by the owners of beneficial interests in the Bonds) will be applicable to the Bonds. If such system is discontinued, the provisions described under “Discontinuation of Book-Entry Only System” below will be applicable.

DTC will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity set forth on the inside cover page hereof, in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. DTC, the world’s largest depository, is a limited-purpose trust company organized under New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts thereby eliminating the need for physical movement of securities certificates. Direct DTC Participants (“Direct Participants”) include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as both U.S. and non-U.S., brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchasers of the Bonds under the DTC system must be made by or through Direct Participants, which receive a credit balance for the Bonds in the records of DTC. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) will be recorded through the records of the DTC Participants. Beneficial Owners will not receive written confirmation from DTC of their purchase, but are expected to receive a written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership in the Bonds will be accomplished by book entries made by DTC and by the DTC Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued. Interest on and principal of the Bonds will be paid by the Trustee to DTC, or its nominee, and then paid by DTC to the Direct Participants and thereafter paid by the Direct Participants to the Indirect Participants or to the Beneficial Owners when due.

**NONE OF THE SPSBA, THE UNDERWRITER, OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.**

**PRINCIPAL AND INTEREST PAYMENTS ON THE BONDS WILL BE MADE TO DTC OR ITS NOMINEE, CEDE & CO., AS THE REGISTERED OWNER OF THE BONDS. UPON RECEIPT OF MONEYS, DTC’S CURRENT PRACTICE IS TO CREDIT IMMEDIATELY THE ACCOUNTS OF DIRECT PARTICIPANTS IN ACCORDANCE WITH THEIR RESPECTIVE HOLDINGS SHOWN ON THE RECORDS OF DTC. PAYMENTS BY DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS TO BENEFICIAL OWNERS WILL BE GOVERNED BY STANDING INSTRUCTIONS AND CUSTOMARY PRACTICES, AS IS NOW THE CASE WITH MUNICIPAL SECURITIES HELD FOR THE ACCOUNTS OF CUSTOMERS OR REGISTERED IN “STREET NAME” AND WILL BE THE RESPONSIBILITY OF SUCH DTC PARTICIPANTS AND NOT OF DTC, THE TRUSTEE OR THE SPSBA, SUBJECT TO ANY STATUTORY AND REGULATORY REQUIREMENTS AS MAY BE IN EFFECT FROM TIME TO TIME.**

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or Registered Owners of the Bonds or Registered Owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Under the Indenture, payments made by the Trustee to DTC or its nominee shall satisfy the SPSBA obligations under the Indenture to the extent of such payments.

For every transfer and exchange of the Bonds, the Trustee may charge DTC and DTC may charge the DTC Participants and the DTC Participants may charge the Beneficial Owners a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.



## Discontinuance of Book-Entry Only System

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, Bond certificates are required to be printed and delivered as described below and in the Indenture. A Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Bondholder.

The SPSBA may determine to discontinue the system of book-entry transfer through DTC (or a successor securities depository). In such event, Bond certificates will be printed and delivered as described below and in the Indenture.

Unless otherwise noted, the information contained in this section has been extracted from a report from DTC entitled "Book-Entry Only Municipals". No representation is made by the SPSBA or the Underwriter as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

In the event that the Book-Entry Only System is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions applicable to registered owners would apply: (i) Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations, upon surrender thereof at the designated corporate trust office of the Trustee; (ii) the transfer of any Bonds may be registered on the books maintained by the Trustee for such purpose only upon the surrender thereof to the Trustee together with a duly executed assignment in form satisfactory to the SPSBA and the Trustee; and (iii) for every exchange or registration of transfer of Bonds, the Trustee may impose a charge sufficient to reimburse it for any tax, fee or governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds.

The SPSBA and the Trustee shall not be required: (a) to issue or transfer or exchange any Bond during a period beginning at the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on the Interest Payment Date; or (b) to issue or transfer or exchange any Bond then considered for redemption during the period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day on which the notice of redemption is mailed; or (c) to transfer or exchange any portion of any Bond selected for redemption until after the redemption date.

## Delivery of Certificates; Registered Owners

Bond certificates in fully registered form will be delivered to, and registered in the name of DTC or its nominee, Cede & Co., and in the event that the book-entry only system for the Bonds is discontinued, the DTC Participants or such other persons as such DTC Participants may specify (which may be the DTC Participants or Beneficial Owners), in authorized denominations of \$5,000 or integral multiples thereof. The ownership of the Bonds so delivered (and any Bonds thereafter delivered upon a transfer or exchange described below) shall be registered in registration books to be kept by the Trustee as Registrar and the SPSBA and the Trustee shall be entitled to treat the registered owners of such Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Indenture.

## REDEMPTION PROVISIONS

### Optional Redemption

The Bonds maturing on or after March 1, 2029 are subject to optional redemption prior to maturity by the SPSBA at the written direction of the Career and Technical Center, in any order of maturity or portion of a maturity, either in whole or in part and if in part, within a maturity by lot, on March 1, 2028, or any date thereafter, at a redemption price of 100% plus accrued interest to the date fixed for redemption.

### Mandatory Redemption

The Bonds maturing on March 1, 2035 and March 1, 2039 are subject to mandatory redemption by the SPSBA in part, by lot, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption, on March 1 in the years and in amounts set forth below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2033	\$585,000	2036	\$635,000
2034	605,000	2037	655,000
2035*	615,000	2038	675,000
		2039*	695,000

### **Manner of Redemption**

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the SPSBA, the Trustee and DTC and, if less than all Bonds of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in such Bonds to be redeemed shall be determined by the governing arrangement among them, subject to an statutory or regulatory requirement as may be in effect front time to time. See "Book-Entry Only System" herein for further information regarding redemption of Bonds registered in the name of Cede & Co.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing that number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

### **Notice of Redemption**

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, the SPSBA and Trustee shall send notices only to DTC or its nominee, as registered owner of the Bonds. Conveyance of any such notices to the Beneficial Owners by DTC and by Direct Participants and Indirect Participants will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If at any time the book-entry only system shall be discontinued with respect to certificated Bonds, the Indenture provides that any redemption of Bonds shall be upon notice effected by depositing a copy of the redemption notice in first class mail, postage prepaid, addressed to the registered owners of Bonds to be redeemed, not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, at the addresses shown on the registration books kept by the Trustee as of the day such Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

If at the time of mailing of a notice of redemption the SPSBA shall not have deposited with the Trustee (or, in the case of a refunding, with another bank or depository acting as refunding escrow agent) money sufficient to redeem all Bonds called for redemption, the notice of redemption may state that it is conditional i.e., that it is subject to the deposit of sufficient redemption money with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such money is so deposited.

On the date designated for redemption, money for payment of the principal and accrued interest being held by the Trustee, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal being redeemed and accrued interest thereon to the date fixed for redemption.

If the date for payment of the principal of, premium, if any, or interest on any of the Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the municipality where the designated corporate trust office of the Trustee is located are authorized by law or executive order to close, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or on a day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

## **STATE AID TO SCHOOL DISTRICTS**

The Commonwealth is charged with the duty of supporting and maintaining an efficient public school system pursuant to its constitution. As one means of fulfilling this mandate, the General Assembly has rendered financial assistance to school districts by means of a system of partial reimbursement in the current fiscal year, based on expenditures of the school district made in the preceding fiscal year. In the case of debt service requirements, the reimbursement is made for debt service paid in the current fiscal year. These reimbursements are determined by formulae established by the School Code.

The School Code establishes that such factors as a school district's weighted average daily population, equalized millage, population density, actual cost of instruction, children of low income families (payments and additional special assistance), health

services, vocational curriculum, certain transportation matters, school building rentals, sinking fund charges, assessed valuation, and market value are relevant to these formulae.

The General Assembly has also provided partial reimbursement for sinking fund payments, and lease rental payments to a municipal authority, in support of school building projects approved by the Pennsylvania Department of Education through the PlanCon process described below. In the case of rental and/or sinking fund reimbursements, the reimbursements are determined by formulae established by the School Code. Rental and/or sinking fund reimbursement from the Commonwealth for school projects is determined by multiplying the "Reimbursable Percentage" assigned to the school building project by the school district's "Market Value Aid Ratio" or the "Capital Account Reimbursement Factor", whichever is higher. A school district's MVAR may change each year, as it is based on such factors as enrollment, assessed valuation and market valuation. As a result, the Commonwealth payment of rental and/or sinking fund reimbursement may also change each year.

### **PlanCon Overview**

When a school district or career center undertakes a major school construction project and seeks reimbursement from the Commonwealth, a process known as PlanCon is initiated. PlanCon, an acronym for "Planning and Construction Workbook," is a set of forms and procedures required to apply for Commonwealth reimbursement of school construction costs. The forms were designed in the 1970s to: (1) document a local school district's planning process; (2) provide justification for a project to the public; (3) ascertain compliance with Commonwealth laws, regulations and standards; and (4) establish the level of Commonwealth participation in the cost of the project.

The Division of School Facilities (the "Division") in the Pennsylvania Department of Education ("PDE") reviews proposed school building projects including their plans and specifications, enrollments, building utilization and building condition. The Division also calculates Commonwealth reimbursement for qualified school construction projects.

Amounts payable by the PDE to school districts as reimbursement for construction costs are now subject to a continuing appropriation and are no longer conditioned upon the Commonwealth adopting a budget and appropriating funds necessary to make such payments. From time to time, the Commonwealth has imposed a moratorium on the filing and approval of new PlanCon applications even when requisite budget and appropriation authority was in place. During that time, some school districts issued bonds but did not increase their levy because they thought PlanCon reimbursements would cover all or a portion of debt service on such bonds. In some cases, debt service and other fixed costs increased and available tax revenue diminished in the absence of anticipated PlanCon funding, which placed significant financial pressure on such districts' budgets. For example, in 2014, there were over 300 public school construction projects waiting for the Commonwealth to fund reimbursement requests, representing about \$1.7 billion then owed to school districts, some of whom waited two or more years.

Although much of the recent delays in PlanCon reimbursement funding have been caused by inadequate Commonwealth funding, delays are often the result of the lengthy and burdensome PlanCon application process itself. This latter problem has periodically resulted in proposed legislation to simplify and speed the PlanCon process.

Certain existing indebtedness of each of the participating Districts is eligible for PlanCon reimbursement. Legislation has been introduced from time to time in the Commonwealth containing language that would revise or even abolish the PlanCon reimbursement system. Currently, a moratorium is in place and no new projects are being considered under PlanCon. To the extent that future legislation contains material changes to the PlanCon reimbursement program, the amount of reimbursement to each Participating District could be positively or negatively affected, which could materially impact the amount of local funds needed to be raised by each Participating District to pay rentals due under the Sublease.

### **STATE ENFORCEMENT OF DEBT SERVICE PAYMENTS**

Section 7-785 of the School Code, as amended, presently provides that if any school district fails to pay any rental, payment or rentals or payments due the SPSBA for any period in accordance with the terms of any lease, loan agreement or other lending instrument or contract entered into under the terms of subdivision (f) of Article VII of the School Code, the Secretary of Education shall notify the Participating District of its obligation and shall withhold out of any state appropriation due such school district an amount equal to the amount of the rental, payment or rentals or payments owing by such school district to the SPSBA and pay over the amount so withheld to the SPSBA in the payment of the rental or payment.

THERE CAN BE NO ASSURANCE, HOWEVER, THAT ANY PAYMENTS PURSUANT TO SUCH WITHHOLDING PROVISIONS WILL BE MADE BY THE DATE ON WHICH SUCH PAYMENTS ARE DUE TO THE BONDHOLDERS, NOR CAN ANY ASSURANCES BE GIVEN THAT THERE WILL BE FUNDS REMAINING TO BE DISBURSED TO THE PARTICIPATING DISTRICTS FROM SUCH ANNUAL APPROPRIATION SUFFICIENT TO

SATISFY THE PAYMENTS ON THE BONDS AT THE TIME OF SUCH REQUEST. (See “Pennsylvania Budget Adoption and Experience” below.)

The withholding provisions of Section 7-785 are not part of any contract with the registered owners of the Bonds and may be amended or repealed by future legislation. The effectiveness of Section 7-785 may be limited by the application of other withholding provisions contained in the School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers’ salaries and pension benefits and for payments which a school district owes to charter schools. See “INVESTMENT CONSIDERATIONS – Competing Commonwealth Intercept Authorities.” In addition, the timing of payment to the sinking fund depository may be adversely affected by procedural requirements under the Pennsylvania Administrative Agency Law and enforcement may also be limited by bankruptcy, insolvency, receivership, or other laws or equitable principles affecting the enforcement of creditors’ rights.

On December 11, 2015 Standard and Poor’s Rating Services removed from CreditWatch and withdrew its ratings on Pennsylvania school districts that were based on Pennsylvania’s state aid intercept program (the “Intercept Program”) due to the duration of the Commonwealth budget impasse at that time and the lack of alternative measures to ensure the Intercept Program’s proper functioning which, in the view of Standard and Poor’s Rating Services, indicated a lack of commitment to the Intercept Program. Standard and Poor’s Rating Services also noted that the frequency with which Pennsylvania budgets have been delayed, noting delays in 10 of the last 13 budgets.

### **Pennsylvania Budget Adoption and Experience**

For the 2018-19 fiscal year, the state budget (House Bill 2121) was signed by the Governor on June 22, 2018. For the 2019-20 fiscal year, the state budget was signed by the Governor on June 28, 2019. On May 29, 2020 Governor Wolf signed a short-term budget for the fiscal year 2020-21 to fund most Commonwealth operations through November. This budget funds Pennsylvania School Districts for the full twelve months at current funding levels.

For the 2017-2018 fiscal year, the state budget became law, known as Act 1A of 2017, on July 11, 2017 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on June 30, 2017. Thereafter the General Assembly considered various tax and revenue packages, as the same were needed in order to balance the 2017-2018 state budget. On October 24, 2017, the General Assembly finally adopted a tax and revenue package (House Bill 674) as necessary to balance the state budget. On October 30, 2017, four months after the start of the fiscal year, the Governor signed the General Assembly’s revenue package.

For the 2016-2017 fiscal year, the Commonwealth budget became law, known as Act 16A of 2016, on July 12, 2016, when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on July 1, 2016. On July 13, 2016, the General Assembly adopted and the Governor signed into law an additional tax and revenue package, known as Act 85 of 2016 that was needed to balance the 2016-2017 Commonwealth budget.

In the Commonwealth’s 2015-2016 fiscal year, a final budget was not enacted until 270 days following the beginning of the fiscal year on March 27, 2016, when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on March 17, 2016.

During a budget impasse, school districts in Pennsylvania cannot be certain that state subsidies and revenues owed them from the Commonwealth will become available. These include many major state subsidies and overall revenues that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements and certain block grants, among many others. Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the Public School Code. However, recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the Public School code during any future budget impasses. See “Act 85 of 2016” hereafter.

### **Act 85 of 2016**

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) (“Act 85 of 2016”), an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code (“Fiscal Code”). Act 85 of 2016 adds to the Fiscal Code Article XVII-E.4, entitled “School District Intercepts for the Payment of Debt Service During Budget Impasse”, which provides for intercept of subsidy payments by PDE to a school district subject to an intercept statute or an intercept agreement in the event of a Commonwealth budget impasse in any fiscal year.

Act 85 of 2016 includes in the definition of “intercept statutes,” Section 633 of the Public School Code. The Bonds are subject to Section 633 of the Public School Code.

Act 85 of 2016 provides that the amounts that may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement “shall be appropriated” to PDE from the General Fund of the Commonwealth after PDE submits justification to the majority and minority chairs of the appropriations committees of the Pennsylvania Senate and House of Representatives allowing ten (10) calendar days for their review and comment, if, in any fiscal year:

- (1) Annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;
- (2) The conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and
- (3) The Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated and paid to the Trustee on the day the scheduled payment for principal and interest is due on the expiration of the tenth (10<sup>th</sup>) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payment under Article XVII-E.4 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

Act 85 of 2016 requires that each school district with bonds or notes subject to an intercept statute or intercept agreement must deliver to PDE, in such format as PDE may direct, a copy of the final Official Statement for the relevant bonds or notes or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The Participating Districts intend on submitting this information with respect to the Bonds to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

It is not clear how PDE would apply Act 85 of 2016 in the event of a budget impasse. In particular, in the absence of a fiscal agent agreement or other obligation to make a sinking fund deposit more than 10 days in advance of a debt service payment date, timely payment of the impasse intercept by PDE relies on the required advance notice by the Secretary of Education to legislative officials. As of the date of this Official Statement, no precedent or process for this advance notice has been established. The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation.

## **TAXING POWERS OF THE PARTICIPATING SCHOOL DISTRICT**

The Participating Districts are school districts of the third class, on the basis of population.

School districts of the third class are empowered, under the School Code, to levy an annual tax on assessed valuation of real estate, for general purposes, not exceeding 25 mills, and an annual per capita tax on each resident over 18 years of age, not exceeding \$5.00.

In addition, school districts of the third class are authorized to levy an unlimited annual tax on assessed valuation of taxable real estate: to pay up to and including the salaries and increments of the teaching and supervisory staff;

- (i) to pay rentals due any municipality authority, nonprofit corporation, or the State Public School Building Authority;
- (ii) to pay interest and principal on any indebtedness incurred pursuant to the Act or any prior act governing the issuance of indebtedness; and
- (iii) to pay for the amortization of a note issue which provided for a school building prior to the first Monday of July, 1959.

Under the Act 511 of December 31, 1965, P.L. 1257, effective January 1, 1966 (The Local Tax Enabling Act), which replaces and repeals Act 481 of June 25, 1947, P.L. 1145, additional taxes may be levied by school districts of the third class

(subject to division with other political sub-divisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege), subject to the following limitations:

Tax on Occupations - no rate limit set by the Local Tax Enabling Act if a millage or percentage of the assessed valuation of occupations is used as a base.

Per Capita Tax.....	\$10.00
Gross Receipts of wholesalers.....	1 mill *
Gross Receipts of retailers. ....	1 1/2 mills *
Wages, salaries, commissions and other earned income of individuals.....	1%
Retail Sales involving transfer of title or possession of tangible personal property ..	2%
Transfers of title of real property .....	1%
Flat rate occupation and occupational privilege tax.....	\$10.00
Admissions (except Motion Picture Theaters) .....	10%

\*May be limited to rates in effect in November 30, 1988 by The Local Tax Reform Act, Act 145, approved December 13, 1988.

The aggregate amount of taxes under the Local Tax Enabling Act may not exceed 12 mills on the latest total market value of assessable real estate.

The taxes provided in this law are subject to apportionment with municipalities co-extensive with the Participating Districts where such municipalities exercise the right to such apportionment.

The Participating Districts ability to increase the rates of the foregoing taxes are subject to the limitation of the Act 1.

#### **Legislation Limiting Unreserved Fund Balances**

A school district is prohibited from increasing real property taxes, unless the school district has adopted a budget that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

<b>Total Budgeted Expenditures</b>	<b>Estimated ending Unreserved Undesignated Fund Balance as a Percentage of Total Budgeted Expenditures</b>
Less than or equal to \$11,999,999	12.0%
Between \$12,000,000 and \$12,999,999	11.5%
Between \$13,000,000 and \$13,999,999	11.0%
Between \$14,000,000 and \$14,999,999	10.5%
Between \$15,000,000 and \$15,999,999	10.0%
Between \$16,000,000 and \$16,999,999	9.5%
Between \$17,000,000 and \$17,999,999	9.0%
Between \$18,000,000 and \$18,999,999	8.5%
Greater than or equal to \$19,000,000	8.0%

“Estimated ending unreserved fund balance” is defined as that portion of the fund balance which is appropriable for expenditures or not legally or otherwise segregated for specific or tentative future use, projected for the close of the school year for which a school district’s budget was adopted and held in the general fund accounts of the school district.

#### **INVESTMENT CONSIDERATIONS**

*This Official Statement contains summaries of portions of the Indenture and the Bonds. Such summaries and references are qualified in their entirety by reference to the full text of such documents. The following discussion of some of the risk factors associated with the Bonds is not, and is not intended to be, exhaustive, and such risks are not necessarily presented in the order of their magnitude.*

*This Official Statement does not describe all of the risks of an investment in the Bonds and the Underwriter disclaims any responsibility to advise prospective investors of such risks as they exist at the date of this Official Statement or as they may change from time to time. Prospective investors should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds and the suitability of investing in the Bonds in light of their particular circumstances. Prospective investors*

*should be able to bear the risks relating to an investment in the Bonds and should carefully consider, among other factors, the matters described below.*

### **Economic and Other Factors Affecting the Financial Condition of the Participating Districts**

Future economic and other factors may adversely affect the Participating Districts revenues and expenses and, consequently, the Participating Districts ability to meet its operating expenses and pay debt service on the Bonds and other indebtedness. Among the factors that could have such adverse effects are: decreases in property tax collections; increases in unemployment in the Participating Districts, Crawford County (the “County”), or the Commonwealth; the Participating Districts ability to gain concessions from its unionized workers and the consequent impact on wage scales and operating costs of the Participating Districts; the Participating Districts ability to access capital markets; adverse changes to the County and Commonwealth budgets and appropriations affecting crucial revenue streams from the Commonwealth to the Participating Districts; changes in demographic trends; and closure or disinvestment of key industries located in the Participating Districts. The Participating Districts cannot assess or predict the ultimate effect of these factors on its operations or financial results of its operations or on its ability to make debt service payments on the Bonds.

### **Uncertainty of Tax Revenues**

The ability of the Participating Districts to generate sufficient revenue to meet their operating expenses, working capital needs and its obligations on the Sublease Rentals and other indebtedness is subject to many factors including the availability of current revenues of the Participating Districts to make required payments in full, when due, prior to the levy of additional taxes on the Participating Districts residents and real property. There can be no assurances or representations that the Participating Districts will realize revenue in sufficient amounts or that the Participating Districts will be able to generate sufficient revenue through its taxing and other revenue generating powers to pay rentals pursuant to the Sublease and other payments necessary to meet the obligations of the Participating Districts.

### **Operating History**

The Participating Districts have never defaulted on the payment of principal of or interest on any general obligation debt or any tax anticipation bonds.

### **Net Pension Liability**

School districts throughout the Commonwealth must participate in the Public School Employees Retirement System (“PSERS”), a state-administered pension program. Under this program, contributions are made by each of three parties – participating employees, local educational entities (school districts, intermediate unit and area vocational technical boards) and the Commonwealth. All of the Participating Districts full time employees salaried over eighty (80) days and hourly employees working more than five hundred (500) hours per year participate in the program.

The Commonwealth reimburses the Participating Districts for 50 percent of its retirement cost for employees hired prior to July 1, 1994 and a percentage equal to the greater of 50 percent or the Participating Districts market value/personal income aid ratio for employees hired after June 30, 1994.

In Fiscal Year Ending 2016, the employer rate for the pension contribution was 25.84% of payroll costs, and in Fiscal Year Ending 2017 was 30.03%. The pension contribution rate for Fiscal Year 2018 was 32.57% of payroll costs and for the Fiscal Year 2019 is 33.43%. The pension contribution for the current Fiscal Year 2020 is 34.29%. The pension contribution for the upcoming Fiscal Year 2021 is 34.51%.

The Participating Districts have no authority over benefits and has no responsibility or authority for the operation and administration of PSERS nor does it have any related liability except for the annual contribution requirements which include payments for current normal costs plus amortization of the PSERS unfunded liability. See the PSERS website at [www.psers.state.pa.us](http://www.psers.state.pa.us) for information about the state-administered pension program.

### **Pension Funding Pressure**

The Participating Districts annual pension contribution obligation is expected to continue to climb over the next several years. As PSERS’ pension obligations rise, the annual amount payable by the Participating Districts to PSERS will also rise, absorbing a greater share of available revenues and leaving less funding for student learning and negatively impacting the available sources of funds the Participating Districts has to operate and to pay its obligations on the Bonds and other indebtedness.

## **Pledged Taxes and Overlapping Entities**

The availability of the money generated from the taxes and other revenue received by the Participating Districts, is dependent on the tax base within the Participating Districts and the ability of this tax base to support the tax burden imposed in any year by the Board of School Directors of the Participating Districts and other overlapping taxing authorities such as the County and the local municipality, and water and sewage authorities. In addition, the individual Boards levy and collect taxes for its operations. Overlapping governmental entities also levy property taxes for general operations, payment of their general obligation debt and pension obligations.

## **Competing Commonwealth Intercept Authorities**

Under current Pennsylvania law, Commonwealth subsidies to school districts can be intercepted for purposes other than to pay debt service then due and owing on school district debt and lease rentals. For example, Pennsylvania law authorizes the diversion of Commonwealth subsidies directly to charter schools if a school district fails to transfer such subsidies to the charter school. Additionally, Commonwealth law authorizes the diversion of state subsidies to PSERS if a school district fails to fully fund its annual contribution to the retirement system.

**There can be no assurance that Commonwealth subsidies subject to the Intercept Program will not be diverted under competing Commonwealth intercept authorities. In addition, there can be no assurance that Commonwealth law will not change to authorize additional forms of diversion, eliminate or reduce existing reimbursement authority, or establish priorities among existing diversion programs.**

## **Commonwealth Failure to Appropriate**

The Participating Districts appropriation is dependent upon the adoption by the Commonwealth of its annual budget and corresponding appropriation legislation, which by law are supposed to be enacted prior to the start of each fiscal year beginning July 1.

Although the Commonwealth's 2020-21 Fiscal Year budget, as enacted, contains an amount expected to be sufficient to fund fully basic education subsidies due to Pennsylvania school districts for the entire 2020-21 fiscal year at an amount level with the 2019-20 fiscal year, there can be no assurance that actual appropriations by the Commonwealth to the School District to fund the Commonwealth's school district intercept programs including Section 633 will be made in any particular amount or on any particular time table, will be consistent with past levels of subsidy, or will be made at levels needed or requested by the School District now or in the future. (See "STATE ENFORCEMENT OF DEBT SERVICE PAYMENTS" – "Pennsylvania Budget Adoption and Experience" and "Act 85 of 2016" herein.)

## **Enforcement of Remedies; Public Education**

Enforcement of a claim for payment of principal of and interest on the Bonds may be subject to applicability of general principles of equity and to the provisions of other statutory laws enacted by the United States Congress or the General Assembly of the Commonwealth or case law developed by competent courts having jurisdiction extending the time for payment or imposing other constraints upon enforcement insofar as such laws may be constitutionally applied.

School district officials are generally charged with the duty of providing for the education, safety and general welfare of their students. Confronted with a choice between providing education services to its students or funding other obligations like rentals under the Sublease, bondholders should consider carefully the risk that such officials might choose to provide educational services to its students from its limited funds available before it pays its other obligations.

## **Remedies Under Act 141**

Pennsylvania has enacted Act 141 which establishes a program for distressed districts.

Pursuant to the provisions of Act 141, if a school district is declared in "financial recovery status" a chief recovery officer is appointed, serves at the pleasure of the PDE Secretary, and is compensated by PDE. The chief recovery officer is appointed to develop, implement, and administer a financial recovery plan for the school district, coordinate the PDE's provision of technical assistance to the school district; attend regular and executive sessions of the school district's board of school directors; and meet at least monthly with an advisory committee which is also established pursuant to the provisions of Act 141. Chief recovery officers are afforded wide discretion by state courts in developing and implementing financial plans.

The chief recovery officer is required to develop a financial recovery plan for a school district in financial recovery status within 90 days of appointment, subject to extension by the PDE Secretary. The school board for a financial recovery district must



approve the financial recovery plan and is subject to final approval by the PDE Secretary. The financial recovery plan must provide for the payment of lawful financial obligations of the financial recovery district and may include, among other things, recommendations for balancing the budget through tax or fee change, enhancing the ability of the financial recovery district to negotiate new general obligation bonds and other debt.

Following the PDE Secretary's approval of the financial recovery plan, the chief recovery officer is required to oversee implementation of the plan by "directly controlling the implementation process" including directing employees and elected or appointed officials of the financial recovery district to take or refrain from taking certain actions. The school board for a financial recovery district is required to comply with all directives of the chief recovery officer related to implementation of the recovery plan and may take no action that is inconsistent with the plan, not specifically identified in the recovery plan or not directed by the chief recovery officer as necessary to implement the plan. If the school board for a financial recovery district fails to comply with the foregoing, the school district shall be subject to the appointment of a receiver pursuant to the School Code. The School Code provides that no collective bargaining agreement, arbitration settlement or arbitration award may in any manner violate, expand or diminish the provisions of a financial recovery plan in effect on the date of execution of the collective bargaining agreement, arbitration settlement or arbitration award. The School Code specifies certain powers which the school district in financial recovery status may exercise only to the extent that the powers are specifically included in the financial recovery plan and the exercise of the powers will affect needed economies in the operation of the district's schools. Such specified powers include, among other things, reopening a district's budget for a current school year, suspending or revoking charters, closing or reconstructing schools, increasing tax levies in such amount and at such times as is recommended by the chief recovery officer, subject to the limits of Act 1, and negotiating new collective bargaining agreements.

Any receiver is required to assume the powers and duties of the chief recovery officer and the board of school directors and shall have the powers and duties to implement the financial recovery plan including the power to direct the board of school directors to levy and raise taxes. A receiver, however, may not unilaterally levy or raise taxes or unilaterally abrogate, alter, or otherwise interfere with a lien, charge, covenant or relative priority held by a holder of a debt obligation of a school district. Section 672-(A)(c)(3) of Article VI-A of the School Code further provides that nothing in the financial recovery provisions of such article or financial recovery plan shall be construed to authorize a receiver to "unilaterally impair or modify existing bonds, notes, school district securities or other lawful contractual or legal obligations of the school district, except as otherwise ordered by a court of competent jurisdiction or as provided in Section 642-A(A)(3)" of Article VI-A of the School Code which authorizes the receiver to "cancel or renegotiate any contract to which the board of school directors or the school district is a party, if the cancellation or renegotiation of contract will effect needed economies in the operation of the district's schools." Collective bargaining agreements are specifically exempted from such clause.

## **Bankruptcy**

**The rights and remedies of bondholders with respect to the Participating Districts obligations are not subject to the provisions of Chapter 9 of the Bankruptcy Code under current Pennsylvania law. If Commonwealth law were to change to authorize bankruptcy filing by Pennsylvania school districts, and the Participating Districts were to file for bankruptcy, and bondholders became subject to the provisions of Chapter 9, the remedies provided under the Act would not be available to bondholders. Holders of the Bonds would be considered to be unsecured creditors of the Participating Districts, and should not expect to receive any payment of debt service prior to confirmation of a plan of adjustment or dismissal of the case. Moreover, holders of the Bonds, as unsecured creditors, generally would not be entitled to a claim for interest accruing during the pendency of the proceeding.**

## **No Assurance of Secondary Market for the Bonds**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Accordingly, purchasers of the Bonds should be prepared to have their funds committed until the Bonds mature. It is not the present practice of the Underwriter to make a secondary market in the note issues for which it serves as Underwriter. Prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different than the original purchase price. Because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue may be suspended or terminated.

## **Risk of Audit by Internal Revenue Service**

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. Certain types of transactions are being targeted for audit, including certain refundings.

No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Authority as the taxpayer and the Bondholders may have no right to participate in such procedure. Neither the Underwriter nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds on behalf of the Bondholders. Neither the Participating Districts nor Bond Counsel are responsible to pay or reimburse the cost of any Bondholders with respect to any audit or litigation relating to the Bonds.

### **INFECTIOUS DISEASE OUTBREAK – COVID-19**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth of Pennsylvania. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Pennsylvania Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations as of 8:00 p.m. March 19, 2020 to slow the spread of COVID-19. On March 23, 2020, the Pennsylvania Department of Education (PDE) announced that all schools in the Commonwealth will remain closed through at least April 6 as a result of the COVID-19 response efforts. On April 9, 2020, the closure order was extended by the Governor through the remainder of the 2019-20 academic year. The closure order has since been extended indefinitely in an effort to stop the spread of COVID-19. On April 1, 2020, the Governor issued a Stay at home order effective for all Pennsylvania Counties through May 8, 2020. The Governor had extended the Stay at Home order and since that time some restrictions are being lifted in a planned and managed approach.

On March 27, 2020, Act No. 13 of 2020 was signed into law by Governor Wolf to amend the School Code concerning the Pandemic. Act No. 13 permits the Pennsylvania Secretary of Education to further order the closure of all school entities until the threat to health and safety caused by the Pandemic has ended. Act No. 13 also waives the requirement that school entities be open for at least 180 days of instruction and provides for, *inter alia*, compensation of school entity employees, school subsidies and reimbursements from the Commonwealth as a result of actions taken by the Secretary of Education pursuant to Act No. 13, and continued payments to charter schools, intermediate units, career and technical centers, and approved private schools and residential rehabilitative institutions where public schools have placed students.

Act No. 13 requires each school entity to make a good faith effort to develop a plan to offer continuity of education using alternative means during the closure period. To assist schools during the extended closure, the Commonwealth’s 29 intermediate units will provide technical assistance to help develop continuity of education plans for all students.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the Participating Districts. Despite any taxing initiatives taken by the Participating Districts, however, there is also a risk that some taxpayers within the Participating Districts will not be able to timely pay such taxes due to employment disruption across the country.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Participating Districts cannot predict how the outbreak will impact the financial condition or operations of the Participating Districts, or if there will be any impact on the assessed values of property within the Participating Districts or deferral of tax payments to the Participating Districts. Further, the Participating Districts cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in Commonwealth funding or an increase in operational costs incurred to implement distance learning strategies or clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. At this time, it is also unclear whether the Participating Districts will receive any federal relief funding under the recently passed CARES Act, or, even if eligible, how much funding would be available to the Participating Districts.

The financial and operating data contained herein are the latest available, but are as of the dates and for periods prior to the current economic impact of the Pandemic and measures instituted to slow it. Accordingly, they may not be indicative of the current financial condition or future prospects of the Participating Districts.

The Participating Districts continues to monitor the spread of COVID-19 and is working with federal, state and local agencies to address the potential impact of the Pandemic upon the Participating Districts and its students. While the potential impact of the Pandemic on the Participating Districts cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the Participating Districts operations and financial condition, and the effect could be material.

Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on Commonwealth websites, including but not limited to the Governor's office (<http://www.pa.gov/>), the Pennsylvania Department of Health (<http://www.health.pa.gov/>). *The Participating Districts has not incorporated by reference the information on such websites and the Participating Districts does not assume any responsibility for the accuracy of the information on such websites.*

## **TAX MATTERS**

### **State Tax Matters**

In the opinion of Bond Counsel, the Bonds, and the interest income therefrom, are free from taxation for purposes of personal income, corporate net income and personal property taxes within the Commonwealth of Pennsylvania.

The residence of a holder of a Bond in a state other than Pennsylvania, or being subject to tax in a state other than Pennsylvania, may result in income or other tax liabilities being imposed by such other state or its political subdivisions based on the interest or other income from the Bonds.

### **Federal Income Tax Matters**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including, in the case of Bonds sold at an original issue discount, the difference between the initial offering price and par) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of Federal individual alternative minimum taxes. It should be noted that the corporate alternative minimum tax has been eliminated for taxability years beginning after December 31, 2017.

### *Original Issue Premium*

The Bonds that mature on March 1, 2021 through and including March 1, 2032 and March 1, 2035 and March 1, 2039 (collectively, the "Tax-Exempt Premium Bonds") are being sold at an original issue premium ("OIP"). An amount equal to the excess of the issue price of a Tax-Exempt Premium Bond over its stated redemption price at maturity constitutes OIP on such Tax-Exempt Premium Bond. An initial purchaser of a Tax-Exempt Premium Bond must amortize any OIP over such Tax-Exempt Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Tax-Exempt Premium Bonds callable prior to their maturity, by amortizing the OIP to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As OIP is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Tax-Exempt Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Tax-Exempt Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Tax-Exempt Premium Bonds should consult with their tax advisors with respect to the determination and treatment of OIP for federal income tax purposes and with respect to the state and local tax consequences of owning a Tax-Exempt Premium Bond.

### *Continuing Compliance*

The Code imposes various terms, restrictions, conditions and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The Authority and the Career and Technical Center have covenanted to comply with all such requirements, including non-arbitrage requirements under Section 148 of the Code, that are necessary to ensure that interest on the Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with the aforesaid covenants. Moreover, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax-exempt status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Such changes or actions could constitute an exchange or other tax event with respect to the Bonds, which could result in gain or loss to the holder of a Bond, and a consequent

tax liability.

Pursuant to its continuing disclosure obligations made pursuant to SEC Rule 15c2-12 (see “Continuing Disclosure Undertaking” herein), the Authority and the Career and Technical Center may be required to provide notice of such changes or actions, as Material Events under said Rule. However, holders of the Bonds should consult their own tax advisors as to the effect of such changes or actions with respect to their federal tax liability.

#### *Collateral Tax Liabilities*

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for Federal and Pennsylvania income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may result in other collateral effects on a Bondholder’s Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder’s other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion; each Bondholder or potential Bondholder is urged to consult with its own tax advisors with respect to the effects of purchasing, holding or disposing of the Bonds on its tax liabilities.

Examples of tax consequences for certain taxpayers include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability of certain S corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of social security or railroad retirement benefits under Section 86 of the Code, limiting the use of the Earned Income Credit under Section 32 of the Code, limiting the use of the refundable credit for coverage under a qualified health plan under Section 36B of the Code, and denying an interest expense deduction to certain financial institutions under Section 265 of the Code (unless, and in the circumstance when, the Bonds have been designated by the issuer as “qualified tax-exempt obligations”).

#### *Change in Law; Adverse Determinations*

From time to time, certain legislative proposals may be introduced, or are pending, in the Congress of the United States or the various state legislatures, including some that carry retroactive effective dates, that, if, enacted, could alter or amend the federal and state tax matters described above or affect the market value of the Bonds. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) regularly audits tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No prediction can be made whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures, the Service may treat the Authority as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until such time as the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, such as the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or to any Bondholder who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns.

**THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL, STATE AND LOCAL TAX LAWS WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE BONDS OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE EFFECT ON THEIR FEDERAL, STATE OR LOCAL TAX LIABILITY AND GENERAL FINANCIAL AFFAIRS OF HOLDING THE BONDS OR RECEIVING INTEREST THEREON.**

#### **CONTINUING DISCLOSURE UNDERTAKING**

In accordance with Rule 15c2-12 (the “Rule”) under the Securities Exchange Act of 1934, as amended, the Career and Technical Center and the Participating Districts (each, an “Obligated Person”) will covenant in a Continuing Disclosure Agreement, for the benefit of the holders and beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking

Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") for municipal securities or through any other electronic format or system prescribed by the MSRB for the purposes of Section (b)(5) of the Rule, on an annual basis, each of its general purpose financial statements presented in conformity with generally accepted accounting principles (the "Report"). The Report must be provided no later than 270 days following the end of the relevant fiscal year. If the Report does not include independently audited financial statements, the Career and Technical Center and Participating Districts must also provide independently audited financial statements when and if available.

The Career and Technical Center and the Participating Districts also will covenant to provide to the MSRB through EMMA notice of the following events with respect to the Bonds no later than ten (10) business days after the occurrence:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar events of an Obligated Person;
13. The consummation of a merger, consolidation, or acquisition involving an Obligated person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. The appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation (defined below) of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Career and Technical Center and the Participating Districts intend the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation below to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Financial Obligation means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

The SEC requires the listing of (1) through (16), above, although some of the events may not be applicable to the Bonds. The Obligated Person and the Participating Districts also covenant, to file notice with the MSRB of any failure to file the Annual Financial Information on or before the date specified above.

The Continuing Disclosure Agreement will provide Bondholders with certain enforcement rights in the event of a failure by the Obligated Person and the Participating Districts to comply with its terms; however, a default under the Continuing Disclosure Agreement does not constitute a default under the Indenture or on the Bonds. The Continuing Disclosure Agreement may be revised from time to time as permitted or required by applicable law, without the consent of the Bondholders, and may be terminated upon the economic defeasance of all outstanding Bonds, or other arrangement, whereby the Obligated Person and the Participating Districts are released from any further obligation with respect to the Bonds. Covenants in the Indenture and the Continuing Disclosure Agreement may also be terminated, without the consent of the Bondholders, at such time as continuing disclosure is no longer required by applicable law. The Obligated Person and the Participating Districts will promptly

notify the MSRB via EMMA of any revision or termination of the disclosure covenants. The sole remedy for a breach by the Obligated Person and the Participating Districts of their covenants to provide financial statements, tabular information and notices of material events is an action to compel performance of such covenants. Under no circumstances may monetary damage be assessed or recovered, nor will any such breach constitute a default under the Bonds.

The Career and Technical Center and the Participating Districts will file at a single designation to the EMMA system located at [www.emma.msrb.org](http://www.emma.msrb.org). Filings with EMMA shall be in electronic format as pdf files.

Bondholders are advised that the Continuing Disclosure Agreement (see “Appendix G – DRAFT Continuing Disclosure Agreement” herein) and the Indenture, which is available at the administrative office of the Career and Technical Center, should be read in their entirety for more complete information regarding their content.

The Obligated Person and each of the Participating Districts has previously entered into continuing disclosure agreements to provide continuing disclosure for several outstanding bond issues. The Career and Technical Center five-year filing history is shown in the table below:

<u>Fiscal Year Ended</u>	<u>Filing Deadline</u>	<u>Annual Audited Financial Statements Filing Date</u>	<u>Budgetary Filing Date</u>
June 30, 2015	December 27, 2015	December 16, 2015	December 16, 2015
June 30, 2016	December 27, 2016	November 22, 2016	November 22, 2016
June 30, 2017	December 27, 2017	December 14, 2017	December 14, 2017
June 30, 2018	December 27, 2018	October 2, 2020	October 2, 2020
June 30, 2019	December 27, 2019	December 9, 2019	December 9, 2019

The Failure to File Event Notice for fiscal years ending June 30, 2018 was posted to EMMA system on October 2, 2020.

Although the Career and Technical Center has previously failed to file on time under its existing Continuing Disclosure Agreements within the past five years, the Career and Technical Center acknowledges its responsibilities with regard to continuing disclosure obligations. Questions relating to the Career and Technical Center’s continuing disclosure obligations can be addressed to the Career and Technical Center School District’s Business Manager.

(i) to file, in a timely manner, to the MSRB and accompanied by such identifying information as prescribed by the MSRB, notice of a failure of the Career and Technical Center or a Participating District to submit the Annual Information to the MSRB for any fiscal year on or before the date specified above.

The Career and Technical Center or a Participating District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Career and Technical Center and the Participating Districts do not commit to provide any such notice of the occurrence of any events except those specifically listed above.

Each of the Career and Technical Center and each of the Participating Districts reserve the right to terminate its obligation to provide annual financial information and notices of reportable events, as set forth above, if and when the Career and Technical Center or such Participating District no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule. Each of the Career and Technical Center and the Participating Districts acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders or beneficial owners of the Bonds and shall be enforceable by the holders or beneficial owners of such Bonds; provided that the Bondholders’ right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Career and Technical Center’s or such Participating District’s obligations hereunder and any failure by the Career and Technical Center or such Participating Districts to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

Notwithstanding any other provisions of the Disclosure Certificate, any filing required by the Disclosure Undertaking may be made with such depositories and using such electronic filing systems as may be approved by the SEC or the MSRB (in lieu of the procedures otherwise set forth in the Disclosure Undertaking).

The Conneaut School District five-year filing history is shown in the table below:

<u>Fiscal Year Ended</u>	<u>Filing Deadline</u>	<u>Annual Audited Financial Statements Filing Date</u>	<u>Budgetary Filing Date</u>	<u>Modified Date</u>
June 30, 2015	December 27, 2015	November 24, 2015	January 6, 2016	May 28, 2020
June 30, 2016	December 27, 2016	January 12, 2017	January 26, 2017	May 28, 2020
June 30, 2017	December 27, 2017	December 31, 2017	March 5, 2018	May 28, 2020
June 30, 2018	December 27, 2018	December 26, 2018	February 12, 2019	May 28, 2020
June 30, 2019	December 27, 2019	December 9, 2019	December 9, 2019	May 28, 2020

The Crawford Central School District five-year filing history is shown in the table below:

<u>Fiscal Year Ended</u>	<u>Filing Deadline</u>	<u>Annual Audited Financial Statements Filing Date</u>	<u>Budgetary Filing Date</u>
June 30, 2015	December 27, 2015	December 29, 2015	March 11, 2015
June 30, 2016	December 27, 2016	December 23, 2016	October 28, 2016
June 30, 2017	December 27, 2017	January 2, 2018	September 3, 2019
June 30, 2018	December 27, 2018	December 27, 2018	September 3, 2019
June 30, 2019	December 27, 2019	November 21, 2019	December 2, 2019

The PENNCREST School District five-year filing history is shown in the table below:

<u>Fiscal Year Ended</u>	<u>Filing Deadline</u>	<u>Annual Audited Financial Statements Filing Date</u>	<u>Budgetary Filing Date</u>
June 30, 2015	December 27, 2015	November 6, 2015	N/A
June 30, 2016	December 27, 2016	December 1, 2016	July 18, 2016
June 30, 2017	December 27, 2017	December 15, 2017	July 5, 2017
June 30, 2018	December 27, 2018	November 8, 2018	June 28, 2018
June 30, 2019	December 27, 2019	November 15, 2019	June 17, 2019

#### **SUMMARY OF CERTAIN PROVISIONS OF THE LEASE, SUBLEASE AND INDENTURE**

The following pages contain descriptions of certain provisions of the Indenture, the Lease and the Sublease. The Bonds are secured by the Indenture and are payable from payments due under the Sublease. *These descriptions are brief summaries and do not purport to be and should not be regarded as complete statements of the terms of either the Lease, Sublease or the Indenture or as complete synopses thereof. Reference is made to the documents in their entirety, copies of which may be obtained from the Trustee, for the complete statement of the terms and conditions thereof.*

#### **Lease**

The Lease provides for the leasing of the “Leased Property” by the Participating Districts, as owners and lessors, and the Career and Technical Center, as co-lessor, to the SPSBA, as lessee. The Leased Property will be subleased to the Career and Technical Center and the Participating Districts pursuant to the Sublease, as described below. The term of the Lease commences on the date of issuance of the Bonds, and subject to the Career and Technical Center’s option to discharge its obligation under the Sublease by prepaying its obligations thereunder, ends 15 calendar days after the earlier to occur of the final maturity date of the Bonds or such time as the terms of the Indenture have been satisfied and discharged. As rental under

the Lease, the SPSBA will deposit with the Trustee the net proceeds of the issuance and sale of the Bonds for application to the payment of the costs of refunding the 2013 Bonds and the costs of issuance of the Bonds. Under the terms of the Lease, the SPSBA has no responsibilities with respect to the maintenance, repair or operation of the Leased Property. All such obligations, including the duties to insure the Leased Property and pay all expenses related thereto, are assumed by the Career and Technical Center under the terms of the Lease and Sublease.

## **Sublease**

In connection with the issuance of the Bonds, the Career and Technical Center and the Participating Districts will enter into the Sublease with the SPSBA. The Sublease will provide for Sublease Rentals by the Career and Technical Center and the Participating Districts to the SPSBA at the times and in the amounts sufficient to pay the debt service requirements on the Bonds. The Career and Technical Center has the right to prepay Sublease Rentals to redeem the Bonds pursuant to optional redemption provisions of the Bonds.

**Source of Rental Payments:** The Sublease Rentals are payable by the Career and Technical Center from its current revenues, appropriated by the Participating Districts under the Articles of Agreement. The payment obligations of the Participating Districts under the Articles of Agreement are not statutory or constitutional debt obligations of the Participating District, and the taxing power of the Participating Districts is not pledged as security for the obligation of the Career and Technical Center to pay Sublease Rentals under the Sublease. See "Security for the Bonds" above.

**Assignment of Sublease:** The Sublease Rentals shall be paid by Career and Technical Center directly to the Trustee under an assignment by the SPSBA to the Trustee of such payments for the benefit and security of the registered Owners of Bonds issued under the Indenture.

**Unconditional Obligation of the Career and Technical Center:** The obligation of the Career and Technical Center to pay the Sublease Rentals due under the Sublease and all other sums payable under the Sublease is absolute and unconditional. The Sublease Rentals are required to be paid in full directly to the Trustee when due without delay or diminution for any cause whatsoever, including, without limitation thereto, destruction of the Educational Facilities (as defined in the Sublease), and without right of set-off for default on the part of the Career and Technical Center under the Sublease.

**Maintenance and Repair:** The Authority has no responsibility or obligation to and the Career and Technical Center covenants under the terms of the Sublease to pay the costs of and to operate, to maintain and repair the Educational Facilities from time to time as may be necessary. It is understood that this provision applies to all repairs major as well as minor, without exception.

**Insurance:** The Career and Technical Center also covenants in the Sublease to maintain adequate insurance on the Educational Facilities in the name of Career and Technical Center, the SPSBA and the Trustee as their interest may appear, with any loss payable to the Trustee. The total recovered from time to time in connection with any fire or other causality covered by insurance shall, at the option of Career and Technical Center be made available by the Trustee to the SPSBA for the purpose of rebuilding, repairing, or replacing such destroyed or partially destroyed Educational Facilities or to be used toward the purchase or redemption of Bonds. The Career and Technical Center agrees to remain in possession of its Educational Facilities during the period of reconstruction or repair and to continue to pay its Sublease Rentals irrespective of the damage.

**Compliance with Code:** The Career and Technical Center covenants to comply with all applicable provisions of the Code in order to protect the tax-exempt status of the Bonds.

**Defaults and Remedies:** Under the Sublease, the failure of Career and Technical Center to make any payments required of it as Sublease Rentals or otherwise, or the failure to comply with covenants after written notice, or the occurrence of a default under the Indenture on payment of the Bonds by acceleration, or the failure to carry out the Project to be financed in part by the proceeds of the Bonds, shall constitute events of default. In the event of any such default, and after due notice if required, the SPSBA, and/or Trustee as its assignee, may, in addition to any other remedies (i) declare all sums payable under the Sublease to be immediately due; or (ii) by legal action enforce call rights of SPSBA under the Sublease; and (iii) in the event of a default in payment, notify the Secretary of the Department of Education of the Commonwealth to commence proceedings for the withholding of any appropriation due the Participating Districts under the School Code, as appropriate.

## **Indenture**

**Limited Obligation of the SPSBA:** The Bonds are limited obligations of the SPSBA and are secured by a pledge and assignment to the Trustee of the payments or other revenues or income derived by or for the SPSBA from or with respect to the Sublease and the Educational Facilities leased thereunder and all moneys to be paid over to the Trustee under the provisions of the Indenture. The SPSBA has no taxing power. Neither the general credit of the SPSBA, the Commonwealth, the Participating



Districts or any other political subdivision of the Commonwealth is pledged for the payment of the principal of or interest on the Bonds; nor shall the Bonds be deemed to be general obligations of SPSBA or obligations of the Commonwealth, the Participating Districts or any other political subdivision thereof.

**Pledge and Assignment:** The SPSBA has assigned to the Trustee, in the Indenture, its right, title and interest in all Sublease Rentals and other sums payable to it under the Sublease except for "Reserved Rights" as described below, for the benefit and security of the Registered Owners of the Bonds issued under such Indenture.

**Revenue Fund:** All Sublease Rentals with respect to the Bonds are required to be deposited to the Revenue Fund established with the Trustee, together with any other amounts required to be deposited therein by the Indenture. Moneys in the Revenue Fund are required to be transferred by the Trustee on or before the date of any required or permitted payment of principal of and interest on the Bonds to the Debt Service and Sinking Fund, in the aggregate amount required on such date for the payment of principal and interest on the Bonds next due.

**Debt Service and Sinking Fund:** The Trustee shall deposit and maintain a Debt Service and Sinking Fund for the Bonds, into which the Trustee shall make appropriate deposits in respect of the required Debt Service, as defined by the Indenture. The moneys in deposit in the Debt Service and Sinking Fund shall be applied by the Trustee to the payment of principal and interest on the Bonds.

**Rebate Fund:** The Trustee shall establish a Rebate Fund. Periodically while the Bonds are outstanding and upon retirement of the last Bond, the SPSBA will determine the sum required to be deposited in the Rebate Fund and direct the Trustee to transfer such sum from the other funds and accounts established under the Indenture. The SPSBA will direct the Trustee to pay to the United States of America the sums on deposit in the Rebate Fund at the times and in the amount required by the Code and all regulations promulgated thereunder.

**Investment of Funds:** Moneys held in the funds and accounts established by the Indenture shall be wholly or partially deposited and redeposited in Permitted Investments, as defined by the Indenture.

**Default and Remedies:** The Act, which governs the SPSBA, provides remedies to the Bondholders in the event of default or failure on the part of the SPSBA to fulfill its covenants under the Indenture.

Under the Indenture, in the event of any such event of default (as defined in the Indenture), the Trustee may enforce, and upon the written request of the holders of 25% in principal amount of the Bonds then outstanding accompanied by indemnity as provided in the Indenture and the consent of the Bond Insurer, shall enforce for the benefit of all Bondholders all their rights of entry, of bringing suit, action or proceeding at law or in equity and of having a receiver appointed.

Neither the Trustee nor any receiver, however, have any claim on, nor may sell, assign, mortgage or otherwise dispose of any assets of the SPSBA other than its right to receive Sublease Rentals. For a more complete statement of rights and remedies of the Bondholders and of the limitations thereon, reference is made to the Indenture.

**Modifications and Amendments:** Amendments to the Indenture are permitted without consent of Bondholders for certain purposes, including the imposition of additional restrictions and conditions respecting issuance of bonds, the addition of covenants and agreements by the SPSBA, the modification of the Indenture to conform the same with governmental regulations (so long as the rights of Bondholders issued thereunder are not adversely affected thereby), the curing of any ambiguity, defect of inconsistency in the Indenture and the making of provision for matters which are necessary or desirable and which do not adversely affect the interest of Bondholders. Certain other modifications may be made to the Indenture, but only with consent of owners of not less than 51% in principal amount or in maturity value of outstanding Bonds issued thereunder.

**Reserved Rights:** Under the terms of the Indenture, the SPSBA has reserved the right to receive payment of any fees, costs and expenses from the Career and Technical Center and its right to indemnification by the Career and Technical Center. Such rights are not assigned to the Trustee.

**Defeasance:** Whenever all Bonds outstanding under the Indenture and all other sums due thereunder have been paid, or provision shall have been made for payment, then the rights, title and interest of the Trustee under the Indenture shall cease and the Trustee shall release and discharge the lien of the Indenture. Provision for payment of the Bonds may be made by depositing any combination of direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America with the Trustee.

**Rights of Bond Insurer:** The Indenture contains various provisions giving Build America Mutual Assurance Company (the "Bond Insurer") certain rights, including without limitation the right to consent to amendments to the Indenture, the Lease or the Sublease that require the consent of the Bondholders or affect the rights and interests of the Bond Insurer, and

the right to consent on behalf of the Bondholders or direct the Trustee to exercise remedies, accelerate the Bonds, waive Events of Default or provide consents, directions or approvals under the Indenture. Such provisions are applicable only for so long as the Municipal Bond Insurance Policy is in effect with respect to the Bonds and the Bond Insurer is not in default or its obligations thereunder.

## **RATING**

Moody's Investors Services ("Moody's") has assigned the Career and Technical Center's underlying "A2" rating. S&P is expected to assign its municipal bond rating of "AA" to the issue of the Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of the principal of and the interest on the Bonds will be issued by BAM. There is no assurance that such rating will remain for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if in their judgement circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

## **FUTURE FINANCING**

The Career and Technical Center does not plan any future additional financing at this time.

## **LITIGATION**

There is no litigation of any nature now pending, or, to the SPSBA's knowledge, threatened against it restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds, the Indenture, or any proceedings of the SPSBA taken in connection with the issuance or sale of the Bonds, the pledge or application of any moneys or security provided for the payment of the Bonds, or the existence or powers of the SPSBA.

There is no litigation, individually or in the aggregate, currently pending or to the knowledge of the Career and Technical Center threatened against it, which will have a material adverse effect on its financial condition or which will affect the validity or enforceability of the Sublease or which in any way contests the existence or powers of the Career and Technical Center.

## **LEGAL MATTERS**

Purchase of the Bonds by the Underwriter is subject to the receipt of the approving legal opinion of Dinsmore & Shohl, Pittsburgh, Pennsylvania, Bond Counsel. Certain legal matters relating to the SPSBA will be passed upon by Barley Snyder LLP, Lancaster, Pennsylvania, SPSBA Counsel, and certain legal matters relating to the Career and Technical Center will be passed upon by Watts and Pepicelli P.C., Meadville, Pennsylvania, Solicitor to the Career and Technical Center.

## **THE TRUSTEE**

The Authority has appointed Zions Bancorporation, National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application of the proceeds of such Bonds by the Authority. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the Project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

## **UNDERWRITING**

The Underwriter has agreed to purchase the Bonds from the Authority at an aggregate purchase price of \$10,956,348.25

(the aggregate principal amount of the Bonds in the amount of \$10,020,000.00 plus original issue premium of \$1,036,548.25 and less underwriter's discount of \$100,200.00). The Bond Purchase Contract provides that the Underwriter will purchase all the Bonds, if any are purchased. The initial public offering prices set forth on the inside cover page may be changed by the Underwriter and the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the offering prices set forth on the inside cover page hereof.

The Underwriter has entered into distribution agreements with other broker-dealers that have not been designated by the Authority as Underwriter for the distribution of the Bonds, at the original issue prices. Such agreements generally provide that the Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriter has read and participated in the preparation of certain portions of this Official Statement and has supervised the compilation and editing thereof. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

#### MISCELLANEOUS

The SPSBA has no responsibility for the Career and Technical Center's compliance or any Participating Districts' compliance with the Continuing Disclosure Agreement or for the contents of, or any omissions from, the financial information, operating data, or notices provided thereunder.

The references herein to the Indenture, the Lease, the Sublease, the Bonds, the Continuing Disclosure Agreement, the Act, the School Code and other materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof, copies of which will be furnished by the SPSBA upon request.

The information contained in this Official Statement has been compiled or prepared from official and other sources deemed to be reliable and, although not guaranteed as to completeness or accuracy, are believed to be correct as of this date. Statements involving matters of opinion, whether or not expressly so stated are intended as such and not as representations of fact.

The information contained in this Official Statement should not be construed as representing all the conditions affecting the SPSBA, the Career and Technical Center, the Participating Districts, or the Bonds.

The SPSBA has not assisted in the preparation of this Official Statement, except for the statements concerning the Authority under the sections captioned "The Authority" and "Litigation" herein and, except for these sections, the SPSBA is not responsible for any statement made in this Official Statement except for the authorization, execution and delivery of documents required to affect the issuance of the Bonds, the SPSBA has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except aforesaid, the SPSBA assumes no responsibility for the disclosures set forth in this Official Statement.

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
Commonwealth of Pennsylvania

By: /s/ Eric Gutshall

Mr. Eric Gutshall  
Executive Director

The Career and Technical Center hereby approves the use and distribution of this Official Statement in connection with the issuance and sale of the Bonds and hereby certifies that, as of the date hereof, the statements contained in this Official Statement relating to the Career and Technical Center do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

CRAWFORD COUNTY CAREER AND TECHNICAL CENTER  
Crawford County, Pennsylvania

By: /s/ Don Ellis, Jr.

Mr. Don Ellis, Jr.  
Chairperson, Joint Operating Committee

## **APPENDIX A**

### **Description of the Career and Technical Center and Financial Factors**

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## **DESCRIPTION OF THE CAREER AND TECHNICAL CENTER AND FINANCIAL FACTORS**

### **Introduction**

The Crawford County Career and Technical Center (the “Career and Technical Center”) is a joint venture operated in accordance with the Articles of Agreement by its three member school districts, Conneaut, Crawford Central, and PENNCREST, each of which is located in Crawford County. The School is located in Meadville, Pennsylvania and it provides career and technical education and technical training to secondary level students of its Participating Districts. The Career and Technical Center receives funding primarily from contributions from its Participating Districts and from state and federal government sources. The Career and Technical Center is governed by its Joint Operating Committee, consisting of nine members, three members from each of the member districts.

The Career and Technical Center is considered a Career and Technical School under Pennsylvania’s Department of Education. The Career and Technical Center offers High School Programs as well as Adult Education Programs, all listed below.

### **The Career and Technical Center**

Established in 1968 as Crawford County Area Vocational-Technical School, the school has served the needs of Crawford County area students and businesses for over 50 years. The school changed its name to Crawford County Career and Technical Center in 2008. The Career and Technical Center serves six public and several private high schools in the Conneaut, Crawford Central, and PENNCREST school districts. In addition, programs are available for adult students in nursing, welding, electrical, manufacturing and personal interest courses. The Career and Technical Center offers over 300 quality, teacher interactive online courses in a wide variety of subject areas. The Career and Technical Center serves an average of 700 secondary and post-secondary students per year.

#### **High School Programs:**

Automotive Collision Repair Technology	Drafting & Design Technology
Auto Technology	Electrical Occupations
Carpentry	Electronics Technology
Early Childhood Education	Culinary Arts and Restaurant management
Commercial Art	Health Occupations
Computer & Information Sciences	Landscape and Turfgrass Management
Cooperative Education	Precision Machining
Cosmetology	Welding
Diesel Technology	

#### **Adult Education Programs:**

The Career and Technical Center offers Licensed Practical Nursing and Pennsylvania State Inspection courses for adult learners. There are also a variety of additional adult evening courses offered, which vary each semester and have varying costs for each course. The Career and Technical Center also offers over 300 online courses that are available to adults.

### **Mission Statement**

The mission of the Crawford County Career and Technical Center is to provide career and technical education to secondary and adult students in collaboration with family, community, employers and post-secondary providers

Source: [http://www.crawfordctc.org/about\\_us.html](http://www.crawfordctc.org/about_us.html)

## Demographic Characteristics

The Crawford County Career and Technical Center is located in the City of Meadville, Crawford County, Pennsylvania. The City of Meadville is the largest city in Crawford County, Pennsylvania and also serves as the county seat. It was first settled in 1788. The City lies in northwestern Pennsylvania approximately 40 miles south of Lake Erie, 91 miles north of Pittsburgh, and 88 miles east of Cleveland, Ohio.

Crawford County is situated in northwest Pennsylvania. Covering an area of 1,013 square miles, Crawford County is largely agricultural, with a strong industrial base of tool and plastics manufacturers centered in the Meadville area. A solid base of goods and service-oriented businesses is complemented by a flourishing tourism industry based on Crawford County's natural beauty and the environmental health of the region. Its communities share a rich and varied cultural life linked by country roads, railroads and scenic trails.

Due to its unique geological history, Crawford County's landscape is unique in its variety. The terrain changes from plains and broad low valleys in the west to near-mountainous features in the east. In between is a vast area of rolling hills, clean streams, glacial lakes and marshes. French Creek, one of the world's most biologically diverse streams, runs through the county. Also calling Crawford County home is the 8,777-acre Erie National Wildlife Refuge — one of only two in the entire Commonwealth.

Sources: Crawford County Convention and Visitors Bureau ([www.visiterawford.org](http://www.visiterawford.org)) and Meadville-Western Crawford County Chamber of Commerce ([www.meadvillechamber.com](http://www.meadvillechamber.com))

The following tables provide population trends, age, and housing indices for the County and the Commonwealth.

### Population

	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
Crawford County	88,765	90,366	86,169	88,869
Commonwealth	12,702,379	12,281,054	11,881,643	11,863,895

### Age Composition (2010)

	<u>Under 18</u>	<u>Under 18 as</u>	<u>65 or Over</u>	<u>65 or Over as</u>
		<u>%</u>		<u>%</u>
Crawford County	19,911	22.43	14,712	16.57
Commonwealth	2,792,155	21.98	1,959,307	15.42

### Occupied Housing (2010)

	<u>Total Housing</u>	<u>Occupied</u>	<u>% Occupied</u>	<u>Owner-</u>	<u>% Owner</u>
	<u>Units</u>	<u>Housing Units</u>	<u>Housing</u>	<u>Occupied</u>	<u>Occupied</u>
				<u>Housing Units</u>	
Crawford County	44,686	35,028	78.39	25,816	73.70
Commonwealth	5,567,315	5,018,904	90.15	3,491,722	69.57

Source: The Pennsylvania State University Data Center

## Utilities

Electrical needs of homes and industries in the area are served by PENELEC, the Northwestern Rural Electric Co-Op Association, and Pennsylvania Power Company.

Meadville Water Authority, Linesville Municipal Authority and Oakland Beach Water Company provide water services in the more populated areas and there are individually owned wells in the more rural areas. Sewer service is provided to residents and industries by the Meadville Water Authority, Conneaut Lake Joint Municipal Authority, North & South Shenango Joint Municipal Authority, Northwest Crawford County Sewer Authority and Linesville Municipal Authority. Other residents and industries are served by individual septic tanks and cesspools as a general means of on-site sewage disposal.



National Fuel Gas Company provides natural gas service to area residents.

### **Communications**

Crawford County is served by four newspapers: The Meadville Tribune, Erie Time News, Community News and Area Shopper; a commercial television station, and several radio stations.

### **Transportation**

Interstates 79, 80, 90, 76 and 70 and U.S. Routes 322, 19, and 6 run through or near the City of Meadville and provide access to the Cities of Erie, Pittsburgh, and Cleveland.

Air transportation is provided by Port Meadville Airport. Erie International Airport is a convenient 45 minutes north, Pittsburgh International Airport is 1.5 hours south, and Cleveland Hopkins International Airport is 2 hours west.

Rail service provides freight service from the Eastern Seaboard to St. Louis and south to Washington D.C. through Norfolk Southern Rail Road.

### **Health Facilities**

Two acute care hospitals serve the residents of the area with a combined capacity exceeding 500 beds. The hospitals and their bed capacities are as follows:

<u>Name</u>	<u>Location</u>	<u>Bed</u>
Meadville Medical Center	Meadville	320
Greenville Hospital	Greenville	201

### **Educational Institutions**

Laurel Technical Institute has two locations, one in Meadville. The Laurel Technical Institute offers degrees and continuing education to residents.

There are ten institutions of higher education located within or near the area including: Edinboro University, Allegheny College, Thiel College, Penn State Behrend College, Mercyhurst College, Gannon University, Pitt of Titusville, Clarion University, Slippery Rock University, Grove City College, Erie Business Center, and Tri-State Business Institute. Included in these are two State Universities (Edinboro and Clarion) and two State-Related Universities (Penn State and Pitt Titusville).

Source: Meadville-Western Crawford County Chamber of Commerce ([www.meadvillechamber.com](http://www.meadvillechamber.com))

### **Recreational Facilities**

Many recreation facilities are available in the area. The surrounding lakes and woodlands provide outstanding fishing and hunting for both residents and tourists. The area offers boating, swimming, horseback riding, golfing, hiking, bird watching, snowmobiling, and cross country skiing. There are many ball fields, picnic areas, sportsmen's clubs, and lighted basketball and tennis courts within the area. Pymatuning State Park is visited by thousands of residents and tourists annually.

## SCHOOL FACILITIES AND ENROLLMENT

<u>School Facility</u>	<u>Original Construction Date</u>	<u>Renovations or Additions</u>	<u>Current Enrollment</u>
Crawford County CTC	1967	1974, 2009	481

Source: Career Center Officials

## Pupil Enrollment Historical and Projected

The following Table presents recent trends in school enrollment and projections of enrollment for over the next 3 years, as prepared by Career and Technical Center officials.

<u>Historical</u>		<u>Projected</u>	
<u>School Year</u>	<u>Total</u>	<u>School Year</u>	<u>Total</u>
2015-16	496	2020-21	460
2016-17	526	2021-22	488
2017-18	531	2022-23	515
2018-19	494		
2019-20	481		

Source: Career Center Officials

## DEBT SUMMARY AND RELATED INFORMATION

### Composition of Financing

<u>Lease Revenue:</u>	<u>Issue Date:</u>	<u>Long-Term Debt Outstanding</u>	<u>Estimated Project Reimbursement Percentage (1)</u>
Bonds	2020	<u>\$10,020,000</u>	52.68%
Total:		<u>\$10,020,000</u>	

(1) Estimated Project Reimbursement will be multiplied by the each Participating District's Market Value Aid Ratio or .5000 whichever is higher, as shown in the table on the next page.

**Crawford County Career and Technical Center**

<b><u>Participating District</u></b>	<b><u>20-21 MVAR (1)</u></b>
Conneaut SD	55.04%
Crawford Central SD	67.78%
Penncrest SD	67.52%

(1) School District's MVAR or 50.00%, whichever is higher.

**CRAWFORD COUNTY CAREER AND TECHNICAL CENTER**  
**Comparative Statement of General Fund Revenues**  
**and Expenditures**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues:</b>					
Local Sources	\$3,781,596	\$3,796,874	\$4,063,738	\$4,644,618	\$4,543,620
State Sources	986,508	1,069,940	1,088,604	1,134,931	1,297,060
Federal Sources	539,720	513,381	520,658	473,989	533,517
Interfund transfer	<u>0</u>	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	<b>\$5,307,824</b>	<b>\$5,381,695</b>	<b>\$5,673,000</b>	<b>\$6,253,538</b>	<b>\$6,374,197</b>
<b>Expenditures:</b>					
Instruction	\$3,203,791	\$3,272,477	\$3,405,038	\$3,648,115	\$3,650,299
Support Services	\$1,519,078	\$1,523,807	\$1,595,637	\$1,740,226	\$1,801,840
Operation of non-instructional services	\$11,373	\$12,844	\$2,506	\$16,601	\$16,869
Facilities acquisition and improvements	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total Expenditures</b>	<b>\$4,734,242</b>	<b>\$4,809,128</b>	<b>\$5,003,181</b>	<b>\$5,404,942</b>	<b>\$5,469,008</b>
Excess (Deficiency) of Revenues					
Over Expenditures	\$573,582	\$572,567	\$669,819	\$848,596	\$905,189
<b>Other Financing Sources (Uses):</b>					
Interfund Transfers	\$50,000	\$100,000	\$100,000	\$150,500	\$200,000
Debt Service	\$458,637	\$461,969	\$540,441	\$782,305	\$785,846
Proceeds from Loans/Bonds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,000</u>	<u>\$0</u>
<b>Total Other Financing Sources</b>	<b>\$508,637</b>	<b>\$561,969</b>	<b>\$640,441</b>	<b>\$942,805</b>	<b>\$985,846</b>
Net Change in Fund Balances	\$64,945	\$10,598	\$29,378	-\$94,209	-\$80,657
<b>Fund Balance – Beginning of Year</b>	<b>\$696,439</b>	<b>\$761,384</b>	<b>\$771,982</b>	<b>\$801,360</b>	<b>\$707,151</b>
Prior Period Adjustment		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Fund Balance – End of Year</b>	<b>\$761,384</b>	<b>\$771,982</b>	<b>\$801,360</b>	<b>\$707,151</b>	<b>\$626,494</b>

Source: Career and Technical Center's financial records

**APPENDIX B**  
**Description of the**  
*Conneaut School District*  
**And Financial Factors**

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## DESCRIPTION OF THE CONNEAUT SCHOOL DISTRICT

The Conneaut School District, a school district of the Third Class, (school districts within the Commonwealth of Pennsylvania are classified as First, Second, Third and Fourth Class according to population) is located in the western part of Crawford County, approximately 8 miles west of Meadville, 40 miles south of Erie and 91 miles north of Pittsburgh. Comprised of a total area of approximately 319 square miles, the School District is bordered on the south by Mercer County, on the west by the State of Ohio, on the north by Erie County and on the east by the City of Meadville.

Included in the School District are the Boroughs of Conneaut Lake, Conneautville, Linesville and Springboro. Townships comprising the School District include Beaver, Conneaut, East Fallowfield, Greenwood, North Shenango, Pine, Sadsbury, Spring, Summerhill, Summit and West Fallowfield. The School District can be classified as rural and residential in nature and well suited for agriculture. Limited industry exists within the boundaries of the School District with the majority of the work force employed in area contiguous to that of the School District.

Source: Conneaut School District, Official Statement; <http://www.emma.msrb.org/>

## TAX REVENUES OF THE SCHOOL DISTRICT

### Ten Largest Taxpayers in the School District

The ten largest real estate taxpayers in the School District and the 2019-20 assessed valuation of their real estate are as follows:

<u>Taxpayer</u>	<u>2020 Assessed Valuation</u>
J-M Manufacturing	\$3,240,041.00
Sperry Farms, Inc.	1,704,399.00
Rolling Fields Nursing Home, Inc.	1,522,631.00
Pittsburgh Glass Works, LLC	1,372,000.00
Haase, Mark & Rosalie	719,634.00
Bortnick Dairy, LLC	693,211.00
Esmark Realty Associates PA I/II LLP	692,701.00
Burns, Brian	590,713.00
Palfund Association	584,200.00
Iroquois Boating & Fishing Club	407,213.00
Total:	\$11,526,743.00

Source: Conneaut School District, Official Statement; <http://www.emma.msrb.org/>

### Market and Assessed Values of Real Property

Market values of real property in the Conneaut School District, as reported by the Pennsylvania State Tax Equalization Board, are listed below.

<u>Year</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
2015	\$895,723,938	\$284,176,280	31.73%
2016	\$925,042,350	\$287,330,326	31.06%
2017	\$936,253,354	\$290,707,047	31.05%
2018	\$947,237,618	\$293,695,731	31.01%
2019	\$962,636,518	\$298,708,717	31.03%

Source: Pennsylvania State Tax Equalization Board and Conneaut School District, Official Statement; <http://www.emma.msrb.org/>

### Real Property Tax Collection Record

Tax notices are due for mailing to taxpayers at the beginning of July each year. A discount of 2% is allowed on all property taxes paid within two months from the date tax bills are mailed. After the discount period expires a two-month period is allowed for payment of taxes at par. Taxes paid after these times are subject to a 10% penalty. Local tax collectors submit a list of names of all taxpayers that have not paid their current real estate taxes to the Tax Claim Bureau of Crawford County on February 1 of the following calendar year. All delinquent real estate taxes are subsequently paid to this office, which in turn remits a monthly list of delinquent collections to the School District.

<u>Year</u>	<u>Assessed Valuation</u>	<u>Tax Levy</u>	<u>Current Collections</u>	<u>Total Current Plus Delinquent</u>	<u>Total Collections as % of Total Adjusted Tax Levy</u>
2014-15	\$284,176,280	\$13,330,583	\$13,407,955	\$14,983,951	112.40%
2015-16	\$287,330,326	\$13,372,616	\$12,291,830	\$13,722,107	102.61%
2016-17	\$290,707,047	\$13,538,806	\$12,481,297	\$14,083,271	104.02%
2017-18	\$293,695,731	\$13,704,878	\$12,344,053	\$14,045,168	102.48%
2018-19	\$298,708,717	\$14,149,310	\$13,040,296	\$13,942,047	98.54%

Source: Conneaut School District, Official Statement; <http://www.emma.msrb.org/>

#### Tax Rates

Real Estate (mills)	
Conneaut School District	51.55
Per Capita	
Conneaut School District	\$10.00
Earned Income	
Conneaut School District	50%
Municipalities	50%
Real Estate Transfer	
Conneaut School District	0.50%
Municipalities	0.50%

Source: Conneaut School District, Official Statement; <http://www.emma.msrb.org/>



## SCHOOL FACILITIES AND ENROLLMENTS

The Conneaut School District's buildings are described on the following table.

<u>School Facility</u>	<u>Original Construction Date</u>	<u>Most Recent Renovations or Additions</u>	<u>Grades Served</u>	<u>Student Capacity</u>	<u>Current Enrollment</u>
Elementary Schools:					
Conneaut Lake	1966	2004	K-4	672	329
Conneaut Valley	1966	2007	K-4	538	325
Secondary Schools:					
Conneaut Lake Middle School	1966	2004	5-8	725	306
Conneaut Valley School District	1965	2003	5-8	599	283
Conneaut Area Senior High School	1953	2003	9-12	670	602
Alice L. Shafer Annex	1984	2004	HS Annex	674	Included Above
Administration Building	1965	2007	N/A	N/A	N/A
TOTAL ENROLLMENT:					1,845

Source: Conneaut School District, Official Statement; <http://www.emma.msrb.org/>

### Pupil Enrollment Historical and Projected

The following Table presents recent trends in school enrollment and projections of enrollment for over the next 2 years, as prepared by School District officials.

<u>School Year</u>	<u>Historical Kindergarten &amp; Elementary</u>			<u>School Year</u>	<u>Projected Kindergarten &amp; Elementary</u>		
	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>		<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>
2014-15	711	1,347	2,058	2020-21	632	1,194	1,826
2015-16	711	1,347	2,058	2021-22	621	1,164	1,785
2016-17	683	1,340	2,023	2022-23	597	1,168	1,765
2017-18	672	1,317	1,989				
2018-19	656	1,247	1,903				
2019-20	661	1,227	1,888				

Source: Conneaut School District, Official Statement; <http://www.emma.msrb.org/>

**APPENDIX C**  
**Description of the**  
*Crawford Central School District*  
**And Financial Factors**

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## DESCRIPTION OF THE CRAWFORD CENTRAL SCHOOL DISTRICT

The Crawford Central School District is situated in Pennsylvania in the south central area of Crawford County and the northern area of Mercer County. Crawford County is located in the northwestern part of the Commonwealth, bounded by Erie County on the north, on the east by Warren County, on the south by Mercer and Venango Counties and the State of Ohio on the west. Crawford County incorporates an area of 1,016 square miles, of which 157.9 are part of the Crawford Central School District. The School District is composed of eight municipalities in Crawford County: the City of Meadville, the Borough of Cochranton, and the Townships of East Fairfield, Fairfield, Union, Vernon, Wayne and West Mead and the township of French Creek in Mercer County.

Source: Crawford Central School District, Official Statement; <http://www.emma.msrb.org/>

## TAX REVENUES OF THE SCHOOL DISTRICT

### Ten Largest Taxpayers in the School District

The ten largest real estate taxpayers in the School District and their current assessed valuation of their real estate are as follows:

<u>Taxpayer</u>	<u>2020 Assessed Valuation</u>
Alliance Property Holdings, Inc.	\$4,394,462
Wal-Mart Stores, Inc.	\$3,933,650
Wesbury Foundation/Wesbury United Methodist Redevelopment Authority	\$3,845,817
Travaglini Enterprises, Inc.	\$3,205,547
Ainsworth Pet Nutrition (formerly Dad's)	\$2,835,608
Home Depot USA Inc.	\$2,624,503
Meadville Housing Corporation	\$2,308,150
UDE of Vernon Township	\$2,155,489
South Park Plaza	\$2,121,350
Total:	\$2,096,081
	\$29,520,657

Source: Crawford Central School District, Official Statement; <http://www.emma.msrb.org/>

### Market and Assessed Values of Real Property

Market values of real property in the Crawford Central School District, as reported by the Pennsylvania State Tax Equalization Board, are listed below.

<u>Year</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
2015	\$1,162,387,150	\$447,673,941	38.51%
2016	\$1,191,804,973	\$449,223,524	37.69%
2017	\$1,204,031,644	\$453,502,863	37.67%
2018	\$1,240,010,602	\$453,298,062	36.56%
2019	\$1,245,566,947	\$454,125,696	36.46%

Source: Pennsylvania State Tax Equalization Board and Crawford Central School District, Official Statement; <http://www.emma.msrb.org/>

### Real Estate Tax Collection Record

<u>Year</u>	<u>Assessed Valuation</u>	<u>Tax Levy</u>	<u>Current Collections</u>	<u>Total Current Plus Delinquent</u>	<u>Total Collections as % of Total Adjusted Tax Levy</u>
2014-15	\$447,673,941	\$22,998,920	\$19,682,393	\$21,373,568	92.93%
2015-16	\$449,223,524	\$22,981,743	\$19,683,322	\$21,404,609	93.14%
2016-17	\$453,502,863	\$23,471,474	\$20,164,681	\$21,788,829	92.83%
2017-18	\$453,298,062	\$23,698,397	\$20,423,760	\$21,836,139	92.14%
2018-19	\$454,125,696	\$22,671,289	\$20,869,198	\$22,487,719	99.19%

Source: Crawford Central School District, Official Statement; <http://www.emma.msrb.org/>

### Tax Rates

Real Estate (mills)	
Crawford Central School District	52.61
Per Capita	
Crawford Central School District	\$5.00
Earned Income	
Crawford Central School District	0.50%
Municipalities	0.50%
Real Estate Transfer	
Crawford Central School District	0.50%
Municipalities	0.50%

Source: Crawford Central School District, Official Statement; <http://www.emma.msrb.org/>

### SCHOOL FACILITIES AND ENROLLMENTS

The Crawford Central School District consists of six elementary schools, housing grades K-6. The secondary program is housed in two high schools. The School District's buildings are described on the following table.

<u>School Facility</u>	<u>Original Construction Date</u>	<u>Most Recent Renovations or Additions</u>	<u>Grades Served</u>	<u>Student Capacity</u>	<u>Current Enrollment</u>
Elementary Schools:					
First District Elementary	1938	2009	K-6	602	413
Second District Elementary	1929	2009	K-6	694	341
Neason Hill Elementary	1978	---	K-6	490	296
West End Elementary	1988	2012	K-6	980	350
Cochranton Elementary	1968	1989, 2010	K-6	786	382
Secondary Schools:					
Meadville Middle/High School	1966	2004	7-12	2,531	1,279
Cochranton Junior-Senior High School	1965	2003	7-12	477	383
TOTAL:					3,444

Source: Crawford Central School District, Official Statement; <http://www.emma.msrb.org/>

**Pupil Enrollment Historical and Projected**

The following Table presents recent trends in school enrollment and projections of enrollment for over the next 3 years, as prepared by School District officials.

<b>Historical</b>				<b>Projected</b>			
<b><u>School Year</u></b>	<b><u>Elementary</u></b>	<b><u>Secondary</u></b>	<b><u>Total</u></b>	<b><u>School Year</u></b>	<b><u>Elementary</u></b>	<b><u>Secondary</u></b>	<b><u>Total</u></b>
2014-15	2,049	1,723	3,772	2020-21	1,742	1,589	3,331
2015-16	1,982	1,734	3,716	2021-22	1,695	1,558	3,253
2016-17	1,919	1,787	3,706	2022-23	1,673	1,529	3,202
2017-18	1,843	1,716	3,559				
2018-19	1,837	1,621	3,458				
2019-20	1,782	1,662	3,444				

Source: Crawford Central School District, Official Statement; <http://www.emma.msrb.org/>

**APPENDIX D**  
**Description of the**  
*PENNCREST School District*  
**And Financial Factors**

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## DESCRIPTION OF THE PENNCREST SCHOOL DISTRICT

The Penncrest School District is located in Crawford and Venango Counties, in Northwestern Pennsylvania, and encompasses square miles. The District is composed of 18 Townships and Boroughs in the northeastern portion of Crawford County and one Township in Venango County. The School District is broken into three separate attendance areas with separate elementary schools and Jr/Sr high schools. There are 3 elementary schools and 3 Jr/Sr high schools. The area is primarily agricultural with industrial areas located in Saegertown and Cambridge Springs. The total school population is 3,937 students while the School District census reveals approximately 25,000 people living within the District.

## TAX REVENUES OF THE SCHOOL DISTRICT

### Ten Largest Taxpayers in the School District

The ten largest real estate taxpayers in the School District and the current assessed valuation of their real estate are as follows:

<u>Taxpayer</u>	<u>2020 Assessed Valuation</u>
Lord Corporation	\$1,361,862.00
Greenleaf Corp.	1,205,198.00
Northwestern Rural Electric	954,290.00
Smith, Robert L & Nancy N (Acutee)	757,925.00
Saegertown MFG (MacClean Saeg LLC)	720,350.00
Wehttam & Netsirk Holdings, LLC (Deist Ind.)	632,800.00
Apple Shamrock Land Mgmt, LLC	627,755.00
Country Club	499,719.00
US Bronze	483,550.00
Bartlett Gardens	460,500.00
Total:	\$7,703,949.00

Source: School District Officials

### Market and Assessed Values of Real Property

Market values of real property in the PENNCREST School District, as reported by the Pennsylvania State Tax Equalization Board, are listed below.

<u>Year</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
2015	\$907,357,784	\$305,513,514	33.67%
2016	\$941,791,571	\$308,813,264	32.79%
2017	\$951,894,149	\$311,880,177	32.76%
2018	\$980,117,055	\$313,350,676	31.97%
2019	\$986,475,992	\$315,305,903	31.96%

Source: Pennsylvania State Tax Equalization Board

### Tax Collection Record

Tax notices are due for mailing to taxpayers at the beginning of July each year. A discount of 2% is allowed on all property taxes paid within two months from the date tax bills are mailed. After the discount period expires a two-month period is allowed for payment of taxes at par. Taxes paid after these times are subject to a 10% penalty. Local tax collectors submit a list of names of all taxpayers that have not paid their current real estate taxes to the Tax Claim Bureau of Crawford County on February 1 of the following calendar year. All delinquent real estate taxes are subsequently paid to this office, which in turn remits a monthly list of delinquent collections to the School District.

<u>Year</u>	<u>Assessed Valuation</u>	<u>Tax Levy</u>	<u>Current Collections</u>	<u>Total Current Plus Delinquent</u>	<u>Total Collections as % of Total Adjusted Tax Levy</u>
2014-15	\$303,872,498	\$12,192,182	\$11,203,398	\$1,090,971	91.89%
2015-16	\$306,016,784	\$12,686,445	\$11,661,146	\$976,829	91.92%
2016-17	\$309,295,994	\$12,847,474	\$11,820,593	\$920,117	92.01%
2017-18	\$312,193,033	\$13,519,208	\$12,460,934	\$1,075,441	92.17%
2018-19	\$313,623,738	\$13,639,559	\$12,646,916	\$926,854	92.72%
2019-20	\$315,514,671	\$13,839,282	\$12,861,581	\$972,922	92.94%

Source: School District Officials

<b>Tax Rates</b>		
Real Estate (mills)	Crawford	Venango
Penncrest School District	52.25	19.35
Per Capita		
Penncrest School District	\$10.00	\$10.00
Earned Income		
Penncrest School District	0.50%	0.50%
Municipalities	0.50%	0.50%
Real Estate Transfer		
Penncrest School District	0.50%	0.50%
Municipalities	0.50%	0.50%

Source: School District Officials

## SCHOOL FACILITIES AND ENROLLMENTS

The PENNCREST School District presently operates three elementary schools, and three junior/senior high schools. The School District's buildings are described on the following table.

Source: School District Officials

Pupil Enrollment Historical and Projected					
<u>School Facility</u>	<u>Original Construction Date</u>	<u>Most Recent Renovations or Additions</u>	<u>Grades Served</u>	<u>Student Capacity</u>	<u>Current Enrollment</u>
Elementary Schools:					
Cambridge Springs	1958	1960/1966/1970/1990/1999	K-6	889	418
Maplewood	1959	1990/1995/1998	K-6	1,115	451
Saegertown	1959	1991/1998	K-6	1,069	430
Secondary Schools:					
Cambridge Springs	1953	1966/1991/1999	7-12	1,089	409
Maplewood	1973	1990/1999	7-12	1,123	460
Saegertown	1971	1990/1998	7-12	1,015	439
<b>TOTAL ENROLLMENT:</b>					2,607

The following Table presents recent trends in school enrollment and projections of enrollment for over the next 2 years, as prepared by School District officials.

Historical				Projected			
<u>School Year</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>	<u>School Year</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>
2014-15	1,456	1,588	3,044	2020-21	1,374	1,300	2,674
2015-16	1,460	1,494	2,954	2021-22	1,412	1,280	2,692
2016-17	1,437	1,467	2,904	2022-23	1,438	1,230	2,668
2017-18	1,441	1,387	2,828				
2018-19	1,412	1,351	2,763				
2019-20	1,299	1,308	2,607				

Source: School District Officials

## **APPENDIX E**

### **Specimen Municipal Bond Insurance Policy**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

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

Authorized Officer

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



## **APPENDIX F**

### **Proposed Form of Opinion of Bond Counsel**

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## OPINION OF BOND COUNSEL

*The form of the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Bond Counsel has no duty, and has assumed no obligation, to revise, update or supplement its opinion to address or reflect a change or changes in such circumstances subsequent to the date of delivery of the Bonds, whether or not it has notice or obtains knowledge of the same, and whether or not this Official Statement shall be recirculated. The approving legal opinion of Bond Counsel represents its considered professional judgment, following a comparison of relevant factual certifications to applicable law. Such opinion is not a guarantee of a particular result, nor is such opinion binding on any administrative or judicial tribunal.*

We have served as Bond Counsel in connection with the issuance by the State Public School Building Authority (the “Authority”) of \$ \_\_\_\_\_ aggregate principal amount of the Authority’s Crawford County Career and Technology Center Lease Revenue Refunding Bonds, Series of 2020 (the “Bonds”). The Authority is issuing the Bonds pursuant to the Pennsylvania State Public School Building Authority Act, Act of 1947, P.L. 1217, as amended (the “Act”) and a Trust Indenture dated as of \_\_\_\_\_ (the “Indenture”) between the Authority and Zions Bancorporation, National Association, as Trustee (the “Trustee”). The Bonds are being issued to finance a project consisting of the payment of all or a portion of (a) the costs of the current refunding the Authority’s Crawford County Career and Technology Center Lease Revenue Refunding Bonds, Series of 2013, and (b) the costs of issuance of the Bonds. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Indenture.

The Authority will provide the proceeds of the Bonds to Crawford County Career and Technical Center (the “Center”) pursuant to a Lease Agreement dated as of \_\_\_\_\_ (the “Lease”), under which the educational facilities owned and operated by the Center (the “Facilities”) will be leased by the Center and Conneaut School District, PENNCREST School District and Crawford Central School District (together, the “Participating Districts”) to the Authority. The Authority will sublease the Facilities to the Center and the Participating School Districts pursuant to a Sublease Agreement dated as of \_\_\_\_\_ (the “Sublease”) in consideration for Rental Payments by the Center and the Participating Districts at the times and in the amounts sufficient to pay debt service on the Bonds. Pursuant to the Indenture, the Authority has pledged and assigned to the Trustee, as security for the payment of the Bonds, all Rental Payments and other Revenues paid to the Authority under the Sublease and all right, title and interest of the Authority in, to and under the Sublease (except for certain rights to indemnification and payment of its expenses thereunder).

In connection with the issuance of the Bonds, we have examined the laws of the Commonwealth of Pennsylvania and of the United States of America relevant to the opinions herein, and the following:

- (a) Executed counterparts of the Indenture, the Lease and the Sublease (together, the “Authority Documents”);
- (b) The form of Bond;
- (c) A certified copy of the resolution of the Board of the Authority adopted on October 29, 2020 authorizing the Bonds (the “Bond Resolution”); and

(d) Such other documents, records and certificates and such other matters of law as we have deemed relevant and necessary in rendering this opinion.

As to questions of fact material to our opinion, we have relied upon representations and covenants made on behalf of the Authority, the Center and the Participating Districts in the Authority Documents, certificates of officers of the Authority, the Center and the Participating Districts and certificates of other public officials (including certifications as to the use of the proceeds of the Bonds), in each case without undertaking to verify the same by independent investigation. We have not passed upon any matters relating to the business, properties, affairs or condition, financial or otherwise, of the Authority, the Center or the Participating Districts, and no inference should be drawn that we have expressed an opinion on matters relating to the financial ability of such entities to perform their respective obligations under the agreements described herein.

Based upon and subject to the foregoing, we are of the opinion that as of the date hereof:

1. The Authority is a body corporate and politic existing under the laws of the Commonwealth of Pennsylvania. Pursuant to the Act, the Authority is empowered to execute and deliver the Authority Documents and to issue the Bonds on behalf of the Center for the purposes described in the Indenture.

2. The Bonds have been validly authorized, executed, issued and delivered by the Authority in accordance with the laws of the Commonwealth of Pennsylvania, and represent the valid and legally binding special and limited obligations of the Authority enforceable against the Authority in accordance with their terms.

3. Each of the Authority Documents has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, represents the valid and legally binding agreement of the Authority enforceable against the Authority in accordance with its terms.

4. All right, title and interest of the Authority in and to the Sublease and the Rental Payments (except for payments with respect to certain fees, expenses and indemnification) have been validly assigned to the Trustee.

5. The obligation of each Participating District to pay its proportionate share of the Rental Payments due pursuant to the Sublease is a valid and binding obligation of such Participating District, payable by annual appropriations made by each Participating District from current revenues and not as "debt" of such Participating District, as such term is used in the Pennsylvania Local Government Unit Debt Act. The payment by each Participating District of its proportionate share of Rental Payments to the Authority is further subject to, and such payment is further secured by, the "State Intercept" and withholding provisions of Section 785 of the Public School Code of 1949, as amended.

6. Interest on the Bonds (including any original issue discount properly allocable to the holders thereof) is excluded from gross income for federal income tax purposes, and is not an item of tax preference within the meaning of Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the federal alternative minimum tax imposed by Section 55 of the Code on individuals. The opinions set forth in the first sentence of this paragraph are subject to and assume continuing compliance by the Authority and the Center with all requirements of the Code and the regulations thereunder that must be satisfied subsequent to the issuance of the Bonds in order that interest on the Bonds be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such covenants could cause the interest on the Bonds to be included in gross income

retroactively to the date of issue of the Bonds. The Authority and the Center have covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. Under the laws of the Commonwealth as presently enacted and construed, the interest on the Bonds is exempt from Pennsylvania corporate net income tax and from Pennsylvania personal income tax.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Authority Documents may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have relied upon the opinion, dated the date hereof, of Watts & Pepicelli, P.C., Meadville, Pennsylvania, the Center's counsel, with respect to the organization and standing of the Center as an area vocational-technical school under the Public School Code, the power of the Center to enter into the Lease and the Sublease, and the due authorization, execution and delivery of the documents described above to which the Center is a party and that the same constitute legal, valid and binding obligations of the Center, enforceable in accordance with their respective terms.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement this opinion letter to reflect any facts or circumstances that may come to our attention, or any changes in law that may occur, after the date hereof. This opinion letter may be relied upon by you (and by any subsequent holder of the Bonds) in connection with the issuance of the Bonds and may not be relied upon by you or any other person for any purpose whatsoever, without in each case our prior written consent.

## **APPENDIX G**

### **Draft Continuing Disclosure Agreement**

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FORM OF  
CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) made as of \_\_\_\_\_, 2020 by and among Conneaut School District, Crawford Central School District and PENNCREST School District (each a “School District” and, collectively, the “School Districts”) and the Crawford County Career and Technical Center, acting through its joint operating committee (the “Operating Committee”);

WITNESSETH:

WHEREAS, pursuant to the Bond Purchase Agreement among the State Public School Building Authority (the “Authority”), the Operating Committee and Piper Sandler & Co. (the “Underwriter”), dated \_\_\_\_\_ (the “Purchase Contract”), the Authority is selling the above-captioned bonds (the “Bonds”) to the Underwriter; and

WHEREAS, the Bonds are being issued pursuant to a Trust Indenture dated as of \_\_\_\_\_, 2020 between the Authority and Zions Bancorporation, National Association, as Trustee (the “Indenture”); and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”), provides that a participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule) unless the Underwriter has reasonably determined that an issuer of municipal securities, or an obligated person for whom financial or operating data is presented in the final official statement, has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain material events; and

WHEREAS, the School Districts and the Operating Committee are the only obligated persons with respect to the Bonds; and

WHEREAS, the School Districts and the Operating Committee desire to undertake to provide the information and notices required by the Rule;

NOW, THEREFORE, in consideration of the premises, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Definitions.

All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Indenture and the Bonds. Notwithstanding the foregoing, the term “Disclosure Agent” shall mean the School Districts and/or the Operating Committee, each for themselves (unless the context should suggest collectively), but in the event a third-party disclosure agent is appointed or engaged by any one or more by the School Districts and/or the Operating Committee, the term shall mean that third-party agent, as applicable; any successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:



*“Annual Financial Information”* shall mean: (i) a copy of the annual audited financial information prepared for the School Districts and/or Operating Committee.

*“Beneficial Owner”* shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, the Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

*“Bondholder”* shall mean any holder of the Bonds and any Beneficial Owner thereof.

*“EMMA”* shall mean the continuing disclosure service of the MSRB’s Electronic Municipal Market Access system, as established by SEC Release No. 34-58256, as amended, and approved by SEC Release No. 34-59061.

*“Disclosure Agent”* shall mean any party designated by any of the School Districts or Operating Committee to perform its respective duties hereunder.

*“Financial Obligation”* means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*“MSRB”* shall mean the Municipal Securities Rulemaking Board.

*“Listed Event”* shall mean any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the security;
- (vii) modifications to the rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the obligated

person;

- (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

“SEC” shall mean the Securities and Exchange Commission.

"State" shall mean Commonwealth of Pennsylvania.

## Section 2. Covenants of the School Districts and Operating Committee.

(A) Information Provided to EMMA. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 4 hereof, the School Districts and Operating Committee shall make, or shall cause the Disclosure Agent to provide to EMMA the information set forth in subsections (1), (2) and (3) below:

(1) Annual Financial Information. Annual Financial Information, as applicable, at least annually not later than 270 days following the end of each fiscal year of the School Districts and the Operating Committee beginning with fiscal year ending June 30, 2020 and continuing with each fiscal year thereafter. If the Disclosure Agent is a third-party person other than one or more of the School Districts and/or Operating Committee, then the School Districts and/or Operating Committee, as applicable, shall provide the Annual Financial Information to the Disclosure Agent not later than fifteen (15) Business Days prior to the disclosure date referenced above. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information; provided that the audited financial statements of the School Districts and Operating Committee may be submitted separately from the balance of the Annual Financial Information, if applicable.

(2) Listed Events Notices. Notice of the occurrence of a Listed Event.

(3) Failure to Provide Annual Financial Information. Notice of the failure of School Districts and/or Operating Committee to provide the Annual Financial Information by the date required herein.

Section 3. Termination of Reporting Obligations. A School District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the School District's share of the Bonds, and the Operating Committee's obligation under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. If a School District's obligations under the Loan Agreement (as defined in the Purchase Contract) are assumed in full by some other entity, such other entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the School District and the School District shall have no further responsibility hereunder unless the School District agrees otherwise. In addition, each School District's and the Operating Committee's obligation to provide information and notices as specified in Section 2 hereof may be terminated by the School District or the Operating Committee as set forth in Section 4.

Section 4. Amendment. This Disclosure Agreement may be amended by written agreement of the parties hereto. In addition, each School District and the Operating Committee reserves the right (i) to modify from time to time the specific types of information provided or the format of the presentation of the Annual Financial Information, to the extent necessary or appropriate in the judgment of the School District or the Operating Committee and consistent with the Rule, and (ii) upon prior written notice to the MSRB to amend or terminate any or all of its continuing disclosure covenants for any reason if permitted to do so under the Rule.

Section 5. Remedies for Default. In the event of a breach or default by a School District or the Operating Committee of its covenants to provide Annual Financial Information and notices as provided in Section 2 hereof, any record owner or beneficial owner of Bonds, shall have the right to bring an action in a court of competent jurisdiction to compel specific performance by the School Districts or the Operating Committee; provided that the covenant involved has not been terminated by the School Districts or the Operating Committee. No monetary damages may be recovered under any circumstances for any breach or default by any School Districts or the Operating Committee of its covenants hereunder. A breach or default under this Disclosure Agreement shall not constitute an event of default under any other agreement.

Section 6. Miscellaneous.

(a) *Binding Nature of Agreement.* This Disclosure Agreement shall be binding upon the School Districts, and the Operating Committee, and shall inure to the benefit of the parties hereto and their respective successors and assigns. In addition, record owners and beneficial owners of the Bonds from time to time shall be third party beneficiaries hereof and shall be entitled to enforce the provisions hereof as if they were parties hereto; but no consent of owners of the Bonds shall be required in connection with any amendment of this Disclosure Agreement.

(b) *Notices.* All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mails, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the School Districts:

**Conneaut School District**

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Attention: Business Manager

**Crawford Central School District**

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Attention: Business Manager

**PENNCREST School District**

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Attention: Business Manager

- (ii) If to the Operating Committee:

**Crawford County Career and Technical Center**

Attn: --

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Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section for the giving of notice.

(c) *Execution in Counterparts.* This Disclosure Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Disclosure Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

(d) *Controlling Law.* This Disclosure Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State and the Rule.

**Section 7. Indemnity and Reimbursement of Authority.**

The Authority shall have no responsibility or liability for this Disclosure Agreement or the obligations of the School Districts and the Operating Committee (the "Obligated Persons"), including filing obligations, under this Disclosure Agreement, including, without limitation, financial information, operating data or notices provided under this Disclosure Agreement or for the contents of such filings or omissions therefrom. The Obligated Persons agree to indemnify, compensate and reimburse (to the extent permitted by law) the Authority and its respective members, officers, directors, employees and agents for any claims, loss, expense (including reasonable attorney's fees and expenses) or liability arising from or based upon this Disclosure Agreement and the transactions contemplated hereunder, including, without limitation, (i) any breach by the Obligated Persons of this Disclosure Agreement or (ii) any Annual Financial Information or notices provided under this Disclosure Agreement or any omissions therefrom. This Section 7 shall survive the termination of this Disclosure Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

CONNEAUT SCHOOL DISTRICT

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

CRAWFORD CENTRAL SCHOOL DISTRICT

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

PENNCREST SCHOOL DISTRICT

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

CRAWFORD COUNTY CAREER AND TECHNICAL  
CENTER

By \_\_\_\_\_  
Chairperson, Joint Operating Committee

