

**DELAWARE COUNTY
VOCATIONAL-TECHNICAL
SCHOOL AUTHORITY**

AGENDA

200 Yale Avenue
Morton, PA

May 11, 5:00 P.M.

- I. Call to order
- II. Roll Call
- III. Approval of Minutes from March 9, 2022
- IV. Approve the following resolution regarding lease revenue bonds:

**BOND RESOLUTION OF THE
DELAWARE COUNTY VOCATIONAL-TECHNICAL SCHOOL AUTHORITY
DELAWARE COUNTY, PENNSYLVANIA**

AUTHORIZING AND DIRECTING THE ISSUANCE OF DELAWARE COUNTY SCHOOL AUTHORITY LEASE REVENUE BONDS (DELAWARE COUNTY INTERMEDIATE UNIT NO. 25) IN AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$85,000,000 FOR THE PURPOSE OF DESIGN, CONSTRUCTION, RENOVATION AND IMPROVEMENTS TO THE FOLCROFT CENTER LOCATED IN FOLCROFT, PENNSYLVANIA; AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE SECURING SAID BONDS TO THE TRUSTEE; AUTHORIZING EXECUTION OF A SECOND AMENDMENT TO THE LEASE AGREEMENT WITH THE DELAWARE COUNTY INTERMEDIATE UNIT; AUTHORIZING THE SALE AND DELIVERY OF THE BONDS TO THE PURCHASER THEREOF; AUTHORIZING THE PLEDGE OF THE PLEDGED REVENUES TO BE RECEIVED FROM THE DELAWARE COUNTY INTERMEDIATE UNIT TO SECURE THE BONDS; APPROVING THE USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF THE BONDS; AND AUTHORIZING OTHER NECESSARY ACTION WITH REGARD TO THE BONDS.

WHEREAS, at the request of the Delaware County Intermediate Unit, Delaware County, Pennsylvania (the "Intermediate Unit"), the Delaware County Vocational-Technical School Authority (the "Authority") has determined to undertake a project (the "Project") for the purpose of financing: (a) the design, construction, renovation and improvements to the Folcroft Center located in Folcroft, Pennsylvania; and (b) the costs and expenses, including bond insurance, if any, of issuing bonds for the purpose of funding the costs of issuance of the Bonds (as defined herein); and

WHEREAS, the municipal governments which incorporated or joined in the incorporation of the Authority are the fifteen school districts (the "Member Districts") comprising the Intermediate Unit; and

WHEREAS, the Delaware County Area Vocational-Technical Schools (the "Vo-Tech Schools") were established under an agreement (the "Agreement") dated March 11, 1966, among the Delaware County Board of School Directors/Delaware County Area Vocational-Technical School Board (the "Vo-Tech Board") and the School Districts of Delaware County which were parties thereto (the "Member Districts"); and

WHEREAS, under the provisions of the Public School Code of 1949, Public Law 30, March 10, 1949, as amended (the "School Code"), the Vo-Tech Board is composed of the boards of the school directors for all of the Member Districts. The Agreement granted the Vo-Tech Board all the powers and responsibilities granted to area vocational-technical boards under the School Code. The powers and responsibilities of vocational-technical boards are set forth in the School Code; and

WHEREAS, the School Code subsequently transferred all powers and duties of county boards of school directors with respect to vocational-technical education to intermediate unit boards of directors. The intermediate unit for the Member Districts is Delaware County Intermediate Unit Number 25 (the "Intermediate Unit"). The Intermediate Unit in addition acts as an education services agency to the Member Districts, in a capacity unrelated to the provisions of vocational-technical school services; and

WHEREAS, in order to provide funds for the payment of the Costs (as such term is defined in the Indenture) of the Project, the Authority has determined to issue up to \$85,000,000 aggregate principal amount of its Lease Revenue Bonds (Delaware County Intermediate Unit No. 25 Project), in one or more series or subseries (the "Bonds") under a Second Supplemental Indenture, between the Authority and The Bank of New York Mellon Trust Company, N.A., as the trustee (the "Trustee"), dated as of the date of closing (the "Second Supplemental Indenture"), to the Trust Indenture, dated as of November 15, 2013 (the "Original Indenture"), as supplemented by a First Supplemental Indenture, dated as of December 15, 2021 (the "First Supplemental Indenture" and along with the Original Indenture, the "Existing Indenture", and collectively with the Second Supplemental Indenture, the "Indenture"); and

WHEREAS, in order to provide for the repayment of the Bonds, the Authority, as lessor, will enter into an amendment dated as of the date of closing (the "Second Lease Amendment") to the Lease Agreement dated as of November 15, 2013 (the "Original Lease Agreement"), as amended by the First Lease Amendment dated as of December 15, 2021 (the "First Lease Amendment", and together with the Original Lease, the "Existing Lease", and collectively with the Second Lease Amendment, the "Lease"), from the Intermediate Unit, as lessee and as operating agent of the Career and Technical Education building in Aston, the Marple Center and the Folcroft Center (together, the "Authority Facilities") providing for the payment of rentals by the Intermediate Unit to the Authority (which rentals have been assigned to the Trustee) in amounts sufficient to pay the principal of and interest on the Bonds pursuant to the Lease; and

WHEREAS, the leasing of the Authority Facilities by the Intermediate Unit from the Authority previously was approved by the Member Districts; and

WHEREAS, pursuant to the Lease, the Intermediate Unit will, as operating agent, make rental payments (the "Rentals") and certain other payments to the Authority, in the amounts and at the times set forth therein, which amounts will be sufficient for the payment by the Authority of, among other things, the principal of and interest on the Bonds; and

WHEREAS, the Authority and the Intermediate Unit acknowledge and agree in the Lease that the Rentals (and any other payments, sums or amounts due under the Lease) to be made by the Intermediate Unit shall be the general obligation of the Intermediate Unit, to which its full faith and credit is pledged, payable from any of its funds lawfully available to the Intermediate Unit for such purpose; and

WHEREAS, the Authority will assign to the Trustee all of its right, title and interest under the Lease (except certain rights retained therein) as security for the payment of the principal of and interest on the Bonds; and

WHEREAS, upon recommendation of the Intermediate Unit, the Authority shall request that it receive a proposal for the purchase of the Bonds from RBC Capital Markets, LLC (the "Underwriter"); and

WHEREAS, the Intermediate Unit, comprising all of the members of the boards of school directors of the Member Districts, previously has approved the location of the Authority Facilities as required by the School Code; and

WHEREAS, the Authority desires to authorize the issuance and sale of the Bonds, the execution of the Second Supplemental Indenture and the Lease Amendment and other necessary action;

NOW THEREFORE, THE BOARD OF THE DELAWARE COUNTY VOCATIONAL-TECHNICAL SCHOOL AUTHORITY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Authority hereby authorizes and approves the Project. Upon final approval by the Intermediate Unit and the Vo-Tech Board, the Authority shall finance the costs of the Project through the issuance of its Lease Revenue Bonds, on tax-exempt basis, in the aggregate principal amount not to exceed \$85,000,000 (the "Bonds"), exclusive of original issue discount, to provide funds for and toward the costs of the Project, including the expenses of the financing.

Section 2. The Bonds shall be dated as of the date of issue thereof or such other date as is requested by the Underwriter, shall be issued in denominations of or multiples thereof, and bear interest and mature, as set forth in a final version of the Bond Purchase Agreement approved in Section 4 hereof.

The Bonds shall be fully registered bonds and shall be substantially in the forms provided in the Second Supplemental Indenture hereinafter authorized. The form of the Bonds presented at this meeting as contained in the Second Supplemental Indenture is hereby approved, with such modifications as counsel to the Authority shall advise and are approved by the officers set forth in paragraph 5 hereof, such approval to be conclusively evidenced by the execution and delivery thereof. Interest on the Bonds is payable as set forth in the final Bond Purchase Agreement.

The principal of and interest on the Bonds shall be payable only from the Pledged Revenues (as such term is defined in the Indenture) and from other revenues and moneys of the Authority as provided in the Indenture. The Bonds are special limited obligations of the Authority and shall not be in any way a debt or liability of the Member Districts, the County of Delaware or of the Commonwealth of Pennsylvania, or of any other political subdivision thereof and neither the faith or credit of the Commonwealth of Pennsylvania, or of any political subdivision thereof as aforesaid will be pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The Bonds shall be subject to optional or mandatory redemption or purchase at the times, in the amounts, in the manner and from the funds set forth in the form of Bonds and the final Bond Purchase Agreement (as set forth below).

Section 3. The Bonds shall be issued pursuant to the terms of the Second Supplemental Indenture. This Board confirms the appointment of a Trustee under the Indenture and as registrar, paying agent and transfer agent for the Bonds as shall be provided in such Indenture. The Indenture, as supplemented, shall provide, among other things, for (a) the terms of the Bonds as set forth in this Resolution and the proposal to be received from the Underwriters, (b) the procedure for disbursement of the proceeds of the Bonds to pay the costs of the Project, (c) the payment of debt service on the Bonds, and covenants of the Authority for the benefit of the registered owners of the Bonds.

The Second Supplemental Indenture in the form submitted to this meeting is hereby approved, with such changes as are appropriate in connection with the Underwriter's proposal. The Chairman or Vice-Chairman and the Secretary or Assistant Secretary of the Authority are hereby authorized to execute, to attest, to seal and to acknowledge, as applicable, the Second Supplemental Indenture and to deliver the same to the Trustee with such changes therein as counsel to the Authority may advise and the Chairman or Vice-Chairman of the Authority executing the Second Supplemental Indenture may approve, such approval to be conclusively evidenced by the action of such officers in executing the Second Supplemental Indenture.

Section 4. The Authority hereby approves the Bond Purchase Agreement presented to this meeting and authorizes execution and delivery thereof as well as an addendum thereto or other form of final Bond Purchase Agreement by the Chairman or Vice-Chairman of the Authority, provided that the Intermediate Unit and Vo-Tech Board shall also have approved the Bond Purchase Agreement. The amount of the Bonds shall not exceed \$85,000,000 (except as adjusted upward to account for the effects of original issue discount upon the sale of the Bonds, if any); the average coupon interest rate shall not exceed 6.0000%; the underwriting discount shall not exceed 0.80%; the final maturity of the Bonds shall not exceed 35 years from the date of

issuance; provided however, prior to the execution of the final Bond Purchase Agreement, all necessary land use approvals required for the Project have been obtained.

Section 5. The Chairman or Vice-Chairman are hereby authorized to execute the Bonds and the Secretary or Assistant Secretary of the Authority are hereby authorized and directed to attest to such signatures and to cause an impression of the Authority seal to be made thereon, and to deliver the Bonds to the Trustee for authentication, and any Bond bearing the facsimile signature of the Chairman or Vice-Chairman and attested by the facsimile signature of the Secretary or Assistant Secretary and authenticated by the manual signature of an authorized officer of the Trustee shall be a validly executed Bond within the meaning of this Resolution.

Section 6. The Trustee is hereby requested and is authorized to authenticate the Bonds pursuant to the Indenture, and to deliver said Bonds upon instructions of the Chairman or Vice-Chairman of the Authority to the Underwriters upon receipt of the purchase price therefor, plus interest accrued, if any, to the date of delivery. Upon receipt of the balance of the purchase price for the Bonds, the Trustee shall deposit the same in the Settlement Account as authorized by the Indenture. From the Settlement Account, the Trustee shall pay, or establish reserves for payment of, the costs and expense of the financing and shall apply the balance as set forth in the Closing Statement signed by the Chairman or Vice-Chairman of the Authority.

Section 7. The Chairman or Vice-Chairman of the Authority is hereby authorized and directed, upon execution thereof by the Intermediate Unit, to execute the Lease Amendment in the form presented at this meeting and as may be approved by such Chairman or Vice-Chairman to effect the purposes of the Project. The execution of the Lease Amendment to be conclusive evidence of such approval, and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to affix thereto the corporate seal of the Authority and to attest the same. The Lease and the rentals payable under the terms thereof are assigned to the Trustee and all payments, which under the terms of the Lease are to be made to the Authority, are hereby assigned, transferred, pledged and set over unto the Trustee for the purposes and under the provisions of the Indenture and the Chairman or Vice-Chairman and the Secretary or the Assistant Secretary of the Authority be and they are hereby authorized and directed to execute and deliver such assignment on behalf of the Authority.

Section 8. The form of Preliminary Official Statement for the series of Bonds issued hereunder (the "Preliminary Official Statement") shall be presented to this Board (a copy of which shall be filed with the records of the Authority), prior to execution of the final Bond Purchase Agreement and is hereby authorized to be approved by the Chairman or Vice-Chairman of the Authority, upon consultation with the Board and the Authority's advisors, with such subsequent, necessary and appropriate additions or other changes as may be approved by the Chairman or Vice-Chairman of the Authority with the advice of counsel. The use and distribution of a Preliminary Official Statement by the Underwriter, and the distribution thereof on and after the date hereof, with such subsequent necessary and appropriate additions or other changes, upon approval by the Chairman or Vice-Chairman as aforesaid, is hereby authorized in connection with the public offering by the Underwriter of the Bonds. An Official Statement for the series of Bonds issued hereunder (the "Official Statement") in substantially the same form as a Preliminary Official Statement, with such necessary and appropriate additions and other changes, if any, as may be approved by the Chairman or Vice-Chairman executing the same with the advice of counsel, such approval to

be conclusively evidenced by the execution thereof, is hereby authorized and directed to be prepared and upon its preparation, to be executed by the Chairman or Vice Chairman of the Authority following such investigation as such officer deems necessary as to the contents thereof. The Authority hereby further approves the distribution and use of the Official Statement as so prepared and executed in connection with the sale of Bonds.

Section 9. The Intermediate Unit is hereby authorized and directed to instruct the Trustee, on behalf of the Authority, at the time of the closing and from time to time thereafter to invest in permitted securities under the Indenture, or to deposit in one or more secured, interest bearing time deposit accounts, as provided in the Indenture.

Section 10. The Authority hereby covenants with the registered owners of all Bonds that so long as any Bonds remain outstanding it will fix, charge and collect lease rentals for the use of the Authority Facilities so that its Pledged Revenues, together with available funds, if any, shall be sufficient in each year for the Authority: (a) to pay the administrative expenses of the Authority within the meaning of the Indenture; and (b) to provide additional amounts available for debt service in each such fiscal year as provided under the Indenture.

Section 11. The Authority hereby covenants with the registered owners of all Bonds that the Authority will make no use of the proceeds of the Bonds at any time during the term thereof which would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, or under any similar statutory provision or any regulation promulgated thereunder and applicable to the Bonds at the time of issuance thereof, with the effect that interest on the Bonds would be no longer excludable from gross income for federal income tax purposes and that it will comply with the requirements of such Section and any statutory provisions or regulations applicable thereto throughout the term of the Bonds.

Section 12. The Chairman or any Vice Chairman and the Secretary or Assistant Secretary of the Authority are hereby authorized and directed to deliver a Tax Compliance Certificate, a Continuing Disclosure Agreement and such further documents and to pay issuance costs and take such further action as may be necessary or expedient in order to carry out the terms of the Indenture and the intent and purpose of this Resolution.

Section 13. This Resolution sets forth the official intent of the Authority that the Project be financed through the issuance of tax-exempt debt obligations and to seek reimbursement for any expenditures for the Project made by the Authority out of its general funds prior to the issuance of such tax-exempt debt as permitted under Section 1.150-2 of the United States Treasury Regulations.

Section. 14. All resolutions or parts of resolutions inconsistent herewith are hereby repealed.

Section 15. This Resolution shall take effect immediately.

DULY ADOPTED this 11th day of May, 2022, by the Board of the Delaware County Vocational-Technical School Authority.

CERTIFICATE OF SECRETARY

The undersigned, Secretary of the Board of the Delaware County Vocational-Technical School Authority, **HEREBY CERTIFIES** that:

The foregoing Resolution was duly moved and seconded and adopted by a majority vote of the members of the Board of said Authority at a duly called and convened public meeting of said Board held on May 11, 2022, that public notice of said meeting was given as required by law; and that said Resolution has been duly recorded upon the minutes of the Board and has not been altered, amended, modified, or rescinded and is still in full force and effect as of the date of the delivery of this Certificate.

WITNESS my hand and seal of the Delaware County Vocational-Technical School Authority as of the _____ day of May, 2022.

[SEAL]

Secretary

V. Cavanaugh vs. Vo-Tech -- Update

VI. Other

VII. Adjournment