

**PART K: PROJECT REFINANCING
BOARD TRANSMITTAL**

DISTRICT/CTC: Warren County School District COUNTY: Warren
FINANCING NAME: General Obligation Note, Series A of 2015

ALL REF	PAGE #	
<u>X</u>	K02	Refinancing Transaction Explanation
<u>X</u>	K03	Summary of Sources and Uses of Funds
<u>X</u>		Signed Board Resolution Authorizing Financing Transaction (including the form of the Bond/Note)
<u>X</u>		Signed Bond/Note Purchase Contract <u>or</u> Completed and Signed Bid Form from Successful Bidder
<u>NA</u>		Signed Lease Agreement <u>or</u> Loan Agreement
<u>NA</u>		Signed Swap Transaction Confirmation, if applicable
<u>NA</u>		Unallocated Funds
<u>X</u>		Signed Verification Report for Advance Refunding/ Certification for Current Refunding from Paying Agent/Trustee
<u>NA</u>		Cash Flow Statement for Current Refunding Call Requirement (if call requirement <u>not</u> gross funded at settlement)
<u>X</u>		Payment Schedule for New Issue/Note
<u>X</u>		Payment Schedule for Original Issue/Note Refinanced
<u>NA</u>		Payment Schedule for Issue/Note Not Refinanced

The financial consultant for this refinancing is: Public Financial Management, Inc.
Name of Firm/Company

The person to be contacted if there are any questions about Series of 2015A is:
Jamie L. Doyle, Managing Director (717) 232-2723 (717) 232-8610
Financial Consultant's Name and Position Phone Number Fax Number

The financial consultant's address is: 1 Keystone Plaza, Suite 300, N. Front & Market, Harrisburg, PA 17101

The financial consultant's e-mail address is: doylej@pfm.com

The school administrator to be contacted if there are any questions about Part K is:
James Grosch, Director of Business Services (814) 723-6900 (814) 723-4224
District/CTC Administrator's Name and Position Phone Number Fax Number

The school administrator's e-mail address is: groschj@wcsdpa.org

This certifies that the attached materials were approved for submission to the Pennsylvania Department of Education by board action.

BOARD ACTION DATE: _____

VOTING: AYE _____ NAY _____ ABSTENTIONS _____ ABSENT _____

Signature, Board Secretary Board Secretary's Name Printed or Typed

6820 Market Street, Russell, PA 16345 _____
District/CTC Address Date

REFINANCING TRANSACTION EXPLANATION

District/UTC:

Warren County School District

Financing Name:

General Obligation Note, Series A of 2015

Complete a separate information block for each bond series included in this PlanCon Part K submission. Enter "Not Applicable" or "N/A" if the information doesn't apply.

Refunding Issues/Notes/Loans (ex. GOB, Refunding Series of 2005)	Issues/Notes Refunded, Refinanced or Restructured (ex. GOB, Series A of 2000)	PDE Lease Number	Partial or Full Refunding	Current or Advance Refunding	New Money ≥ \$10,000 (Indicate Yes or No)	PDE Project Number and Building Name Funded by New Money
G.O. Note, Series A of 2015	G.O. Bonds, Series of 2010		Full	Current	No	N/A

NOTES:

NOTES:

SUMMARY OF SOURCES AND USES OF FUNDS		
District/CTC: Warren County School District	Financing Name: General Obligation Note, Series A of 2015	Closing Date: 10/19/2015
REPORT TO THE PENNY - DO NOT ROUND		
	SERIES 2015A	SERIES _____
SOURCES:		
Bond Issue (Par)	\$6,698,000.00	
Original Issue Discount/Premium		
Accrued Interest		
Cash Contribution by District		
Unallocated Funds from Bond Issues Being Refunded		
Other Sources of Funds (Specify)		
1. _____		
2. _____		
3. _____		
4. _____		
TOTAL - Sources of Available Funds	\$6,698,000.00	
USES:		
Purchase of Investments/Escrow		
Cash for Current Refunding	6,638,422.82	
Issuance Costs:		
1. Underwriter Fees		
2. Bond Insurance		
3. Bond Counsel	16,500.00	
4. School Solicitor	8,500.00	
5. Financial Advisor	30,601.17	
5. Paying Agent/Trustee Fees and Expenses	500.00	
7. Printing		
8. Rating Fee		
9. Verification Report		
10. Computer Fees		
11. CUSIP		
12. Internet Auction Fee		
13. Escrow Agent		
14. Bank Counsel Fee	2,500.00	
15. _____		
Total - Issuance Costs	\$58,601.17	
Accrued Interest		
Capitalized Interest		
Surplus Monies or Cash to School District		
Other Uses of Funds (Specify)		
1. Sinking Fund Deposit	976.01	
2. _____		
TOTAL - USES OF AVAILABLE FUNDS	\$6,698,000.00	

**RECEIPTS AT CLOSING**

2015 Note Proceeds	6,698,000.00
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TOTAL RECEIPTS	<u>6,698,000.00</u>
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DISBURSEMENTS AT CLOSING

Knox McLaughlin Gornall & Sennett, P.C.		
Bond Counsel Fee	15,000.00	
Expenses	1,500.00	16,500.00
Stapleford & Byham, LLC		
Solicitor Fee	8,500.00	8,500.00
Public Financial Management, Inc.		
Financial Advisory Fee	30,000.00	
Expenses	601.17	30,601.17
Bank of New York		
Redemption Agent	500.00	500.00
First Niagara		
Bank Counsel Fee	2,500.00	<u>2,500.00</u>

TOTAL EXPENSES PAID AT CLOSING	58,601.17
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Amount to Call Bonds	6,638,422.82
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Sinking Fund	976.01
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TOTAL DISBURSEMENTS AT CLOSING	<u>6,698,000.00</u>
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client # 04.01543.004

District/AVTS Warren County School District Financing Name: General Obligation Note, Series A of 2015 Dated Date: 10/19/2015 Settlement Date: 10/19/2015					PDE LEASE # (PDE Use Only) Total Issue: 6,698,000 Original Issue Premium: 0.00	
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	6,698,000.00					
4/1/2016	6,698,000.00			58,172.13	58,172.13	58,172.13
10/1/2016	5,631,000.00	1,067,000.00	1.930	64,635.70	1,131,635.70	
4/1/2017	5,631,000.00			54,339.15	54,339.15	1,185,974.85
10/1/2017	4,513,000.00	1,118,000.00	1.930	54,339.15	1,172,339.15	
4/1/2018	4,513,000.00			43,550.45	43,550.45	1,215,889.60
10/1/2018	3,373,000.00	1,140,000.00	1.930	43,550.45	1,183,550.45	
4/1/2019	3,373,000.00			32,549.45	32,549.45	1,216,099.90
10/1/2019	2,721,000.00	652,000.00	1.930	32,549.45	684,549.45	
4/1/2020	2,721,000.00			26,257.65	26,257.65	710,807.10
10/1/2020	2,063,000.00	658,000.00	1.930	26,257.65	684,257.65	
4/1/2021	2,063,000.00			19,907.95	19,907.95	704,165.60
10/1/2021	1,390,000.00	673,000.00	1.930	19,907.95	692,907.95	
4/1/2022	1,390,000.00			13,413.50	13,413.50	706,321.45
10/1/2022	699,000.00	691,000.00	1.930	13,413.50	704,413.50	
4/1/2023	699,000.00			6,745.35	6,745.35	711,158.85
10/1/2023	0.00	699,000.00	1.930	6,745.35	705,745.35	
4/1/2024						705,745.35
TOTAL		6,698,000.00		516,334.83	7,214,334.83	7,214,334.83

District/AVTS Warren County School District Financing Name: General Obligation Bonds, Series of 2010 (Refunded)					PDE LEASE # (PDE Use Only) Total Issue: 6,630,000	
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	6,630,000.00					
4/1/2016	6,630,000.00			84,228.13	84,228.13	84,228.13
10/1/2016	5,555,000.00	1,075,000.00	2.000	84,228.13	1,159,228.13	
4/1/2017	5,555,000.00			73,478.13	73,478.13	1,232,706.26
10/1/2017	4,460,000.00	1,095,000.00	2.125	73,478.13	1,168,478.13	
4/1/2018	4,460,000.00			61,843.75	61,843.75	1,230,321.88
10/1/2018	3,340,000.00	1,120,000.00	2.375	61,843.75	1,181,843.75	
4/1/2019	3,340,000.00			48,543.75	48,543.75	1,230,387.50
10/1/2019	2,705,000.00	635,000.00	2.625	48,543.75	683,543.75	
4/1/2020	2,705,000.00			40,209.38	40,209.38	723,753.13
10/1/2020	2,060,000.00	645,000.00	2.750	40,209.38	685,209.38	
4/1/2021	2,060,000.00			31,340.63	31,340.63	716,550.01
10/1/2021	1,395,000.00	665,000.00	3.000	31,340.63	696,340.63	
4/1/2022	1,395,000.00			21,365.63	21,365.63	717,706.26
10/1/2022	705,000.00	690,000.00	3.000	21,365.63	711,365.63	
4/1/2023	705,000.00			11,015.63	11,015.63	722,381.26
10/1/2023	0.00	705,000.00	3.125	11,015.63	716,015.63	
4/1/2024						716,015.63
TOTAL		6,630,000.00		744,050.06	7,374,050.06	7,374,050.06



THE BANK OF NEW YORK MELLON

The Bank of New York Mellon Trust Company, N.A.

October 20, 2015

Ms. Jamie Doyle
Public Financial Management
One Keystone Plaza, Suite 300
N. Front & Market Streets
Harrisburg, PA 17101

Dear Ms. Doyle:

Per your request, we hereby confirm to you the requirements to pay the refunded outstanding principal due on the Warren County School District, Series of 2010 through the call date of October 19, 2015.

2010 Bonds Called October 19, 2015	\$6,630,000.00
Interest due October 19, 2015	\$8,422.82

If you have any additional questions or need additional information do not hesitate to contact me.

Sincerely,

Laurel Waller
Associate, Client Service Manager
BNY Mellon Corporate Trust
T 214-468-5016
F 214-468-6322
laurel.waller@bnymellon.com

RESOLUTION NO.: 15-09-01

**WARREN COUNTY SCHOOL DISTRICT
WARREN COUNTY, PENNSYLVANIA**

A RESOLUTION AUTHORIZING AN INCREASE IN THE NON-ELECTORAL DEBT OF THE WARREN COUNTY SCHOOL DISTRICT, WARREN COUNTY, PENNSYLVANIA, BY AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF GENERAL OBLIGATION NOTES, REFUNDING SERIES A OF 2015, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 (THE "NOTES"), FOR THE PURPOSE OF REFUNDING ON A CURRENT BASIS THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 2010, AND PAYING COSTS OF ISSUANCE OF THE NOTES; ACCEPTING A PROPOSAL FOR PURCHASE OF THE NOTES; SETTING FORTH THE PARAMETERS AND CONDITIONS FOR ISSUING THE NOTES; DIRECTING THE PRESIDENT AND OTHER OFFICERS OF THE BOARD OF SCHOOL DIRECTORS TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT AND TO TAKE ALL OTHER NECESSARY ACTION; COVENANTING THAT THE SCHOOL DISTRICT SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; PROVIDING FOR REGISTERED NOTES; PROVIDING FOR FACSIMILE SIGNATURES, SEAL AND AUTHENTICATION; APPROVING THE FORM OF THE NOTES, PAYING AGENT'S AUTHENTICATION CERTIFICATE, ENDORSEMENT AND REGISTRATION; CREATING A SINKING FUND; AUTHORIZING THE PROPER OFFICERS OF THE SCHOOL DISTRICT TO CONTRACT WITH A SINKING FUND DEPOSITORY AND PAYING AGENT; AUTHORIZING AND DIRECTING THE SECRETARY TO CERTIFY AND FILE WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; COVENANTING THAT THE PROCEEDS OF THE NOTES SHALL NOT BE USED IN SUCH MANNER AS TO CAUSE THE NOTES TO BE ARBITRAGE BONDS UNDER FEDERAL TAX LAW PROVISIONS; AUTHORIZING THE PROPER OFFICERS OF THE SCHOOL DISTRICT TO DO ALL THINGS NECESSARY TO CARRY OUT THE RESOLUTION; AND RESCINDING ALL INCONSISTENT RESOLUTIONS.

WHEREAS, the Board of School Directors of the Warren County School District (the "School District") proposes to issue the School District's General Obligation Notes, Refunding Series A of 2015, in an aggregate principal amount not to exceed \$8,000,000 (the "Notes"), to provide funds to be used by the School District to refund on a current basis the School District's outstanding General Obligation Bonds, Refunding Series of 2010, and to pay the costs of issuing the Notes (collectively, the "Project"); and

WHEREAS a "Proposal for the Purchase of Notes" dated September 14, 2015 (the "Proposal") has been received from Public Financial Management Inc. (the "Financial Advisor"), containing the financial parameters for, and conditions to, the issuance of the Notes (the "Note Parameters"), which will be supplemented by an addendum in the form of a written contract or invited bid form (the "Addendum") containing the final terms and identifying the purchaser of the Notes, consistent with the Note Parameters;

NOW, THEREFORE, be it resolved by the Board of School Directors of the School District as follows:

Section 1. 53 Pa. C.S.A. §8103, the Project, the Notes. The Board of School Directors of the School District does hereby authorize and direct the incurring of non-electoral debt through the issuance of the Notes for the purpose of paying the costs of the Project.

Section 2. 53 Pa. C.S.A. §8241, Refunding. The Project includes the current refunding of the School District's General Obligation Bonds, Refunding Series of 2010, issued on October 21, 2010 (the "Prior Bonds"), the proceeds of which were used for the current refunding of the School District's General Obligation Bonds, Series of 2003 (the "2003 Bonds") and the School District's General Obligation Bonds, Series of 2004 (the "2004 Bonds"). The 2003 Bonds were issued June 17, 2003 and the proceeds thereof were used to provide for capital additions and improvements to School District facilities (the "2003 Project"). The 2003 Project has a remaining useful life in excess of fifteen (15) years. The 2004 Bonds were issued April 15, 2004 and the proceeds thereof were used to refund on a current basis the School District's General Obligation Bonds, Series of 1998, and to provide for the acquisition and installation of technology equipment for School District facilities (the "2004 Project"). The improvements financed or refinanced with the 2004 Project have an average remaining useful life of at least ten (10) years. In accordance with Section 8241 of Act No. 177 approved December 19, 1996, the Local Government Unit Debt Act (the "Act"), the purpose of the Refunding is a reduction in total debt service over the life of the Prior Bonds. From and after the date of closing, assuming payment is made as set forth herein, the Prior Bonds will no longer be deemed outstanding pursuant to the provisions of Section 8250 of the Act.

Section 3. 53 Pa. C.S.A. §8110, Authorization to Prepare Debt Statement. The President or Vice-President and the Secretary of the Board of School Directors of the School District are hereby authorized and directed to prepare, certify and file a debt statement required by Section 8110 of the Act, to execute and deliver the Notes and to take all other necessary action.

Section 4. 53 Pa. C.S.A. §8104, Covenant. The Notes hereby authorized are general obligation notes of the School District. It is covenanted with the holders from time to time of the Notes that the School District shall (i) include the amount of the debt service on the Notes for each fiscal year in which such sums are payable in its budget for that year, (ii) appropriate such amounts from its general revenues for the payment of such debt service, and (iii) duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds, the principal of the Notes and the interest thereon at the dates and places and in the manner stated in the Notes according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the School District pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable. Nothing in this Section shall be construed to give the School District any taxing power not granted by another provision of law.

Section 5. 53 Pa. C.S.A. §8103, Schedule of Maturities; 53 Pa. C.S.A. §8142(b), Level Annual Debt Service. The Notes shall bear interest, each with a purchase price resulting in yields to maturity, and principal shall mature or be payable, in the maximum annual amount, and in the fiscal years set forth, in Schedule I of the Proposal. The Notes shall be issued in fully registered form. In accordance with Section 8142(b)(2) of the Act, the Notes will be amortized, together with other outstanding debt, on at least an approximately level annual debt service plan.

Section 6. 53 Pa. C.S.A. §8161, Private Sale by Negotiation. After due and sufficient deliberation, the School District hereby determines that a private sale of the Notes by negotiation in accordance with the Proposal is in the best financial interest of the School District.

The Board of School Directors hereby accepts the Proposal, and the President or Vice President of the Board is authorized to sign the Proposal on behalf of the School District. The School District's Director of Business Services and Superintendent are hereby authorized to approve the final terms and conditions of the Notes within the Note Parameters. The Addendum, so approved, shall be included as a part of the Proposal accepted by this Resolution.

Section 7. Payment; Authorization to Execute and Deliver Notes. The principal of the Notes shall be payable in lawful money of the United States of America at the designated trust office of a paying agent selected by the School District's Director of Business Services, or at the designated office of any additional or appointed alternate or successor paying agent or agents (the "Paying Agent"). Interest on the Notes shall be payable in the manner provided in the form of the Notes hereinafter set forth. The School District agrees without limitation to indemnify and hold the Paying Agent harmless from and against any and all claims, liabilities, losses or damages whatsoever, except for negligent, reckless or willful acts or omissions by the Paying Agent. The Paying Agent shall have no obligations with respect to this Resolution other than those duties specifically mentioned herein and shall have the right to act upon any document or written request believed by it to be genuine and shall have no duty to inquire into the authenticity of any signature. The Paying Agent shall also be entitled to consult and rely upon the advice of counsel if it deems such consultation to be necessary in the performance of its duties. The School District agrees to pay the Paying Agent from time to time reasonable compensation for all services rendered by it hereunder and agrees to reimburse the Paying Agent for all fees and expenses, including those of counsel, upon presentation of an invoice.

The Notes shall be executed by the manual or facsimile signature of the President or Vice President of the Board of School Directors, and shall have a facsimile of the corporate seal of the School District affixed thereto, duly attested by the manual or facsimile signature of the Secretary of the Board, and such officers are hereby authorized to execute the Notes in such manner. The President or Vice President of the Board of School Directors is authorized and directed to deliver or cause to be delivered the Notes to the purchaser thereof against receipt of the full balance of the purchase price therefor. The Notes shall be authenticated by a duly authorized officer of the Paying Agent.

Section 8. 53 Pa. C.S.A. §8103, Form of Note. The form of the Notes and the Paying Agent's authentication certificate shall be substantially as follows:

(FORM OF NOTE)

No. _____

WARREN COUNTY SCHOOL DISTRICT
COUNTY OF WARREN
COMMONWEALTH OF PENNSYLVANIA
GENERAL OBLIGATION NOTE, REFUNDING SERIES A OF 2015

INTEREST RATE

MATURITY DATE

ORIGINAL ISSUE DATE

REGISTERED OWNER: _____

PRINCIPAL SUM: _____ DOLLARS

The Warren County School District, Warren County, Pennsylvania, a municipal corporation and a School District of the Commonwealth of Pennsylvania (the "School District") for value received, hereby acknowledges itself indebted and promises to pay, as a General Obligation of the School District, to the registered owner hereof, on the maturity date stated above, unless this Note shall be redeemable and shall have been duly called for previous redemption and payment of the redemption price made or provided for, upon surrender hereof, the principal sum stated above and to pay interest thereon, as a General Obligation of the School District, from the date hereof at the interest rate per annum stated above, payable on the _____ day of _____ and _____ in each year, beginning _____, until the principal amount hereof shall have been fully paid and until maturity hereof to the registered owner hereof as herein provided.

The principal of, and the interest on this Note, shall be payable at the designated office of _____ (the "Paying Agent") or at the designated office of any successor paying agent and is payable, in any coin or currency of the United States of America which, at time of payment, is legal tender for payment of public and private debts. Interest on this Note will be paid by check or draft mailed to the person in whose name this Note is registered, at the close of business on the _____ day (whether or not a business day) next preceding each interest payment date, on the registration books of the School District maintained by the Paying Agent, as Note registrar, at the address appearing thereon.

This Note is one of an authorized issue fully registered as to principal and interest and designated as "Warren County School District General Obligation Notes, Refunding Series A of 2015" amounting in the aggregate to \$ _____ principal amount. The Notes are current interest Notes. The Notes are issued pursuant to a Resolution, dated as of September 14, 2015 (the "Resolution"), duly adopted by the School District. The Notes are issued in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act No. 177 of 1996, approved December 19, 1996, as amended (the "Act"). The Notes are issued to refund on a current basis the School District's outstanding General Obligation Bonds, Refunding Series of 2010, and to pay the costs of issuing the Notes.

The Notes are subject to redemption prior to maturity at the option of the School District as a whole on _____ or on any date thereafter, or from time in part (and if in part, in any order of maturity as selected by the School District and within a maturity by lot) at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon, to the date fixed for redemption. Notice of redemption, which may be conditional on receipt of funds, shall be given by first class mail, postage prepaid, no less than 15 days prior to the redemption date, to the registered owners of Notes to be redeemed, at the addresses on record with the Paying Agent. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Note will affect the validity of the proceedings for the redemption of any other Note. If the School District shall have duly given notice of redemption and shall have deposited with the Paying Agent funds for the payment of the redemption price of the Notes so called for redemption with accrued interest thereon to the date fixed for redemption, interest on such Notes will cease to accrue after such redemption date.

This Note is a General Obligation of the School District. The School District hereby covenants with the holders from time to time of this Note that the School District shall include the amount of the debt service payable on this Note, for each fiscal year in which such sums are payable, in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid the principal of this Note, and the interest thereon, at the dates and places and in the manner stated herein, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the School District pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable. Nothing in this paragraph shall be construed to give the School District any taxing power not granted by another provision of law.

This Note is payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the designated office of the Paying Agent, or at the designated office of any successor paying agent.

It is hereby certified that all acts, conditions and things required to be or be done, happen or be performed precedent to and in the issuance of the Notes or in the creation of the debt of which they are evidence have been done, happened and been performed in regular and due form and manner as required by law and that this Note together with all other indebtedness of the said School District is not in excess of any constitutional or statutory limitations.

Proceedings relating to the issuance of the Notes by the School District have been approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania under the provisions of the Act.

As declared by the Act and subject to the provisions for registration of the Notes endorsed hereon, the Notes have all the qualities and incidents of negotiable instruments under the laws of the Commonwealth of Pennsylvania, and are issued with the intent that the laws of said Commonwealth shall govern their construction.

In case of default by the School District in the payment of the principal of, or interest on the Notes, or in the performance of any of the covenants of the School District contained in the

Resolution, the owner of this Note shall have such remedies as are provided by the Resolution and the Constitution and laws of the Commonwealth of Pennsylvania.

This Note shall be registered as to principal and interest on the books of the School District to be kept for that purpose at the office of the Paying Agent and such registration shall be noted hereon. No transfer of this Note shall be valid unless made at said office by the registered owner in person or by his duly authorized attorney and similarly noted hereon. The School District and the Paying Agent may treat the registered owner as the absolute owner hereof for the payment of the principal, premium, if any, and interest on this Note and shall not be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal, or redemption price for, or the interest on the Notes or for any claim based hereon, against any past, present or future member, officer or employee of the School District, or of any predecessor or successor corporation, as such, either directly or otherwise whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof, and as a material part of the consideration for the issue hereof, expressly waived and released.

This Note shall not be entitled to any payment of principal or interest or become valid for any purpose until the certification of authentication hereon has been signed by the Paying Agent.

IN WITNESS WHEREOF, Warren County School District has caused this Note to be executed in its name by the facsimile signature of the President or Vice President of the Board of School Directors, its facsimile corporate seal to be affixed hereto and attested by the facsimile signature of the Secretary.

(SEAL)
ATTEST:

WARREN COUNTY SCHOOL DISTRICT


Secretary, Board of School Directors

BY: 
President, Board of School Directors

AUTHENTICATION CERTIFICATE

This is one of the Notes described in the within-mentioned Resolution.

Accompanying this Note is the complete text of the opinion of Bond Counsel, Knox McLaughlin Gornall & Sennett, P.C., of Erie, Pennsylvania, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Notes.

Paying Agent

Date of Authentication: _____

BY: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signatures must be guaranteed by a member of an approved Signature Guarantee Medallion Program.

NOTICE: The Signature(s) to this assignment must correspond with the name(s) as it appears on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

The Notes shall be executed in substantially the form as hereinabove set forth with such appropriate changes, additions or deletions as may be approved by the officers executing the Notes in the manner provided in Section 7 hereof; such execution shall constitute approval by such officers on behalf of the Board of School Directors. The opinion of Bond Counsel is authorized and directed to be issued contemporaneously therewith.

Section 9. 53 Pa. C.S.A. §8221, Sinking Fund Covenant. The School District covenants to establish and there is hereby established a sinking fund to be known as the Sinking Fund, General Obligation Notes, Refunding Series A of 2015, with the Paying Agent as Sinking Fund Depository. The Treasurer of the School District shall pay into the Sinking Fund, which shall be maintained until the Notes are paid in full, the amounts set forth in the Proposal as modified by the Addendum and as required pursuant to the covenant contained in Section 4 hereof.

Section 10. 53 Pa. C.S.A. §8106, Paying Agent, Sinking Fund Depository. Any proper officer of the School District is hereby authorized and directed to contract with the Sinking Fund Depository and Paying Agent selected by the Director of Business Services.

Section 11. The Notes may be subject to optional redemption prior to maturity, as determined in the manner set forth in Section 6.

Section 12. The Secretary of the Board of School Directors is hereby authorized and directed to certify to and file with the Department of Community and Economic Development, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement hereinabove referred to and pay the filing fees necessary in connection therewith.

Section 13. The School District covenants with the owners of the Notes that it will make no use of the proceeds of the Notes at any time during the term thereof which, if such use had been reasonably expected on the date of issue of the Notes, would have caused the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code, as interpreted by the regulations applicable to the Notes, as promulgated for such purpose by the United States Treasury Department.

The School District agrees to take all actions necessary to preserve and maintain the tax exempt status of the Notes and of the interest thereon, under all laws currently in effect and any that may become effective. The School District covenants that it will not intentionally use any portion of the proceeds of the Notes to acquire, or to replace funds used directly or indirectly to acquire, investment property with a yield materially higher than the yield on the Notes except as authorized by Section 148(a) of the Code and by the regulations promulgated thereunder. The School District covenants to expend the proceeds of the Notes within the temporary periods prescribed by Section 148(c) of the Code and the regulations thereunder. The School District covenants to rebate to the United States all arbitrage profits earned on the proceeds of the Notes as required by Section 148(f) of the Code, except for any arbitrage profits earned on funds held in the Sinking Fund so long as the annual earnings on the Sinking Fund are less than \$100,000, but only to the extent that Section 148(f) is applicable to the Notes. For purposes of this covenant, "arbitrage profits" means (i) the excess of (A) the amount earned on any proceeds of

the Notes invested in any investment property (excluding tax-exempt bonds) over (B) the amount which would have been earned if such investments were invested at a rate equal to the yield on the Notes, and (ii) any income attributable to such excess.

Section 14. The proper officers of the School District are hereby authorized and empowered on behalf of the School District to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of this Resolution.

Section 15. The School District hereby appoints Knox McLaughlin Gornall & Sennett, P.C., as its bond counsel, and authorizes and directs the Director of Business Services of the School District or any officer of the School District to execute an engagement letter with such firm on terms approved by the Director of Business Services, who is hereby authorized to approve the final terms and conditions of such letter.

Section 16. Bond counsel to the School District is hereby requested to prepare or review all documents necessary to the financing and the sale of the Notes and to issue to the purchaser of the Notes the legal opinion relating to the Notes.

Section 17. The School District hereby designates the Notes as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code. The School District reasonably anticipates that the total amount of "qualified tax-exempt obligations" to be issued by the School District and all subordinate entities thereof during calendar year 2015 will not exceed \$10,000,000 (except to the extent such obligations need not be counted against such limit pursuant to Section 265(b)(3)).

Section 18. The School District does hereby authorize the optional redemption of the Prior Bonds, within ninety (90) days of the issuance date of the Bonds (the "Redemption Date"), in accordance with the rights and privileges reserved to the School District in the Prior Bonds.

The proper officers of the School District are hereby authorized and directed to give instructions to the paying agent and bond registrar for the Prior Bonds to redeem the Prior Bonds in accordance with this election of the School Board, following the acceptance of the final terms and conditions of the Notes.

Section 19. Any reference in this Resolution to an officer or member of the School Board shall be deemed to refer to his or her duly qualified successor in office, or other authorized representative, if applicable.

Section 20. This Resolution shall be effective in accordance with the Debt Act.

Section 21. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of this School District that such remainder shall be and shall remain in full force and effect.

Section 22. All resolutions or parts of resolutions not in accord with this Resolution are hereby repealed insofar as they conflict herewith.

This Resolution was duly adopted by an affirmative vote of a majority of the members of the Board of School Directors of the Warren County School District, Warren County, Pennsylvania, at a meeting duly advertised and held in accordance with the provisions of law on the 14th day of September, 2015.

(SEAL)
ATTEST:

WARREN COUNTY SCHOOL DISTRICT


Secretary, Board of School Directors

BY: 
President, Board of School Directors

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution duly adopted by the affirmative vote of a majority of the members of the Board of School Directors of the Warren County School District, Warren County, Pennsylvania, at a meeting held on the 14th day of September, 2015; that proper notice of such meeting was duly given as required by law; and that said Resolution has been duly recorded upon the minutes of said Board of School Directors, showing how each member voted thereon.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said School District this 14th day of September, 2015.

(SEAL)


Secretary

1624186.v1

PROPOSAL FOR THE PURCHASE OF NOTES

In respect of
\$8,000,000
Maximum Aggregate Principal Amount
General Obligation Notes

September 14, 2015

Warren County Area School District
589 Hospital Dr.
Warren, PA 16365

To: The Honorable Members of the Board of School Directors:

Public Financial Management, Inc., further to the financial advice, consultation and professional services which it customarily renders to the Warren County School District (the "School District") in connection with the timing, terms, sale and/or purchase of municipal notes and other debt and investment instruments, **acting as an advisor and agent on behalf of the School District** (the "Financial Advisor"), **and not as an underwriter** (within the meaning of SEC Rule 15c2-12(f)(8)), investment banker or other person seeking to own, or acquire ownership rights in, the hereinafter-described Notes, either for its own account or for the account of its customers, **does hereby commit, undertake and agree**, employing all its best professional efforts and capabilities, **to cause, arrange for and otherwise complete the full sale, issuance and delivery of the School District's General Obligation Notes, Series of 2015 (or other appropriate series designation) -- in an aggregate principal amount not to exceed \$8,000,000, maturing, or subject to mandatory redemption, at least annually in such individual principal amounts as shall not exceed the principal amounts set out at the respective maturity, or mandatory redemption, dates (final maturity not later than October 1, 2023), bearing interest (or having yields) at one or several rates, not to exceed the individual and respective rates, at a price or prices (inclusive of original issue discount/premium and underwriters' discount) not less than 97% of the value, subject to optional redemption, if at all, and having all the other terms and characteristics as are set out and contained within Schedule I, attached hereto and incorporated as a part hereof (as so further described in Schedule I, the "Notes") -- to and by a qualified purchaser** (generally understood as a person possessing full legal competency and financial capacity to enter into, execute and perform its duties under, a binding contract for the purchase of the Notes and likely constituting a registered broker-dealer, or syndicate or selling compact of such firms (the "Purchaser"), **as soon as** (subject to sound financial practices), **and so long as** (but only in the event that), **such sale by the School District and purchase by the Purchaser will enable the School District to achieve and effectuate, in all substantial and necessary**

aspects, **the Project** authorized and defined in its Formal Action Constituting a Debt Ordinance fully and finally adopted by this Honorable Board on even date (the "Resolution").

The final terms for the purchase of the Notes (consistent with the objective of the Project and the terms of the Resolution and Schedule I hereto) **shall be set forth in a written contract or bid form** (the "Winning Bid"), to be executed and presented by the Purchaser who has been identified and proposed by the Financial Advisor, and also to be executed and accepted by the Designated Officer(s) of the School District pursuant to the directives and authority of the Resolution. Upon said bilateral execution of the Winning Bid, the specific duties of the Financial Advisor under this Proposal for the Purchase of the Notes (but not necessarily pursuant to the terms of its regular engagement) shall be deemed complete, fulfilled and discharged, and the terms and conditions of the Winning Bid, as between the Purchaser and the School District, shall govern all further aspects of the sale, purchase, issuance and delivery of the Notes.

The Purchaser and its Winning Bid shall be proposed by the Financial Advisor following identification of the same under either one of two methods, as selected by the Financial Advisor in its sole discretion, employing its best professional judgment regarding prevailing conditions and opportunities in the financial markets: (1) through a **direct negotiation** of terms with a single, or limited number of, persons qualified to act as Purchaser; or (2) through an **evaluation of bids (to determine lowest true interest cost)** received from such qualified persons following release of an invitation to bid under a sealed bidding or auction process, such as that process regularly conducted by the Financial Advisor in its ordinary course of business at the PFM auction internet site.

The Designated Officer(s) may accept and execute the Winning Bid only after its full and final text, as embodied in either a bond purchase agreement, term sheet or proposal letter, in the case of method (1) above, or an invitation to bid, notice and terms of sale or bond bid specifications, with accompanying bid form, in the case of method (2) above, have been completely reviewed and approved, as to form, by the School District's regular counsel and by Knox McLaughlin Gornall & Sennett, P.C., the School District's bond counsel, it being understood that said Winning Bid may contain or specify additional duties and/or liabilities of the School District relative to, among others, the sale of securities in the public markets. The Winning Bid shall also specify necessary terms and conditions of the closing and settlement of the purchase of the Notes, including the date therefor.

This Proposal for the Purchase of Notes may be cancelled and terminated by the School District at any time, upon payment of fair compensation to the Financial Advisor for its services rendered through the date of written notification of such termination.

This Proposal for the Purchase of Notes has been made and entered into by the parties with the intent and purpose to comply with the terms and provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 et seq. (the "Debt Act"), and its terms and provisions shall be read and interpreted in light of, and in a manner consistent with, the Debt Act and administrative and judicial rulings and determinations thereunder. In particular, it is agreed and understood that the primary right and correlative duty granted to or imposed on the Financial Advisor by the School District hereunder shall be the right to determine all the final terms of the Notes (consistent with the objective of the Project and the terms of the Resolution and Schedule I hereto) and the duty to arrange their final purchase, it being the intention of the parties that the

conveyance of such right and the assumption of such duty constitute the essential components of an acceptable proposal for the purchase of Notes, as such term and phraseology is used and understood under the Debt Act, particularly §8107 thereof.

Capitalized terms and phrases used herein and not defined shall have the meanings ascribed to such terms in the Resolution.


If any provision of this Proposal shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case, or in any particular jurisdiction, such provision shall be deemed severed and removed from the text of this Proposal, in order that the remainder of this Proposal shall be deemed to survive and to remain operative and in full force and effect.

This Proposal may be executed in several counterparts, each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were placed upon the same document) and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, this Proposal has been executed and delivered by the Financial Advisor, as of the date first above written.

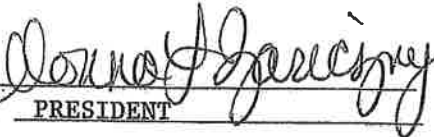
Very truly yours,

PUBLIC FINANCIAL
MANAGEMENT, INC.,
As Financial Advisor

By: 
Title: Managing Director

ACCEPTED AND AGREED TO, this 14th day of September, 2015.

WARREN COUNTY SCHOOL DISTRICT

By: 
Title: PRESIDENT



September 14, 2015

By email to:

Jamie Doyle, doylej@pfm.com
Melissa Hughes, hughesm@pfm.com
Public Financial Management, Inc.
One Keystone Plaza
Suite 300
Harrisburg, PA 17101-2044

Re:

**Warren County School District, Warren County, Pennsylvania
General Obligation Note, Series A of 2015**

First Niagara Bank, N.A. (the "Bank" and the "Lender") understands the terms of the issue to be:

Issuer:	The Warren County School District (the "District")
Debt:	General Obligation Note, Series A of 2015 issued as a bank loan (the "Note")
Principal Amount:	\$6,698,000
Fixed Rate Option:	Bank Qualified, Tax Exempt Rate: <u>1.93%</u> No Deposit Relationship.
Interest:	Calculated on a 30 day month /360 day year basis. Payable on April 1st and October 1st, commencing April 1, 2016.
Fees and Expenses:	The costs of the District's professionals (Financial Advisor, Note Counsel and Solicitor), shall be paid by the District out of the loan proceeds. The Lender's origination fee / legal fee is \$2,500, payable at closing.
Prepayment:	Pre-payment without penalty
Purpose:	Refinancing the outstanding Series of 2010 Bonds, and to pay costs of issuance.
Structure:	Principal payable starting October 1, 2016 and each October 1 st thereafter maturing October 1, 2023. Amortization in accordance with the Estimated Principal Amortization Schedule in the August 28, 2015 PFM RFP.
Security:	The Note will be a general obligation of the District, payable from its tax and other general revenues. The District will covenant in a debt authorizing resolution that it will provide in its budget for each year, and will appropriate from its general

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revenues in each such year, the amount of the debt service on the Note for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, or any other of its revenues or funds, the principal of the Note and the interest thereon at the dates and place and in the manner stated in the Note, and for such budgeting, appropriation and payment the District will irrevocably pledge its full faith, credit and available taxing power.

Settlement:

Funds advance on settlement, on or around October 19, 2015.

Documentation:

The District's Bond Counsel will draft all loan documentation that is customary for borrowings of this type and provide customary opinions including designation as qualified tax exempt and shall provide the Lender and its counsel with drafts for review at least one week prior to loan closing. Closing documentation shall include approved debt proceedings of the District under the Pennsylvania Local Government Unit Debt Act.

Continuing Compliance:

The District shall remit annual audited financial statements prepared in accordance with GAAP to the Lender via EMMA.

Commitment is valid through 90 days from the date of this proposal. Please contact me should you have any questions. I can be reached at 585-770-1695 or at scott.rose@fnfg.com. In my absence please contact Carol Martini at carol.martini@fnfg.com or 724-424-5606.

Sincerely,

Scott Rose

Scott Rose
Vice President Government Relationship Manager

Accepted by:
Warren County School District

Dorinda Przybylo 9/14/15
Authorized Officer Date

Cc: Kelli Arnold, First Niagara Bank (via e-mail to kelli.arnold@fnfg.com)
Cc: Carol Martini, First Niagara Bank (via e-mail to carol.martini@fnfg.com)

WARREN COUNTY SCHOOL DISTRICT

SERIES OF 2015

REFUNDS THE SERIES OF 2010

First Niagara Bank- No Depository Relationship

Settle 10/19/2015

Dated 10/19/2015

1	2	3	4	5	6	7	8	9	10
<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Proposed Local Effort</u>	<u>Existing Local Effort</u>	<u>Savings</u>
4/1/2016			58,172.13	58,172.13	58,172.13	13,883.24	44,288.89	64,126.42	19,837.53
10/1/2016	1,067,000	1.930	64,635.70	1,131,635.70					
4/1/2017			54,339.15	54,339.15	1,185,974.85	283,042.22	902,932.63	938,511.21	35,578.58
10/1/2017	1,118,000	1.930	54,339.15	1,172,339.15					
4/1/2018			43,550.45	43,550.45	1,215,889.60	290,181.61	925,707.99	936,695.89	10,987.90
10/1/2018	1,140,000	1.930	43,550.45	1,183,550.45					
4/1/2019			32,549.45	32,549.45	1,216,099.90	290,231.80	925,868.10	936,745.85	10,877.75
10/1/2019	652,000	1.930	32,549.45	684,549.45					
4/1/2020			26,257.65	26,257.65	710,807.10	169,639.70	541,167.40	551,023.75	9,856.35
10/1/2020	658,000	1.930	26,257.65	684,257.65					
4/1/2021			19,907.95	19,907.95	704,165.60	168,054.66	536,110.94	545,539.71	9,428.77
10/1/2021	673,000	1.930	19,907.95	692,907.95					
4/1/2022			13,413.50	13,413.50	706,321.45	168,569.17	537,752.28	546,420.01	8,667.73
10/1/2022	691,000	1.930	13,413.50	704,413.50					
4/1/2023			6,745.35	6,745.35	711,158.85	169,723.65	541,435.20	549,979.29	8,544.09
10/1/2023	699,000	1.930	6,745.35	705,745.35					
4/1/2024					705,745.35	168,431.67	537,313.68	545,132.87	7,819.19
10/1/2024									

TOTALS	6,698,000		516,334.83	7,214,334.83	7,214,334.83	1,721,757.71	5,492,577.12	5,614,175.01	121,597.89
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PE% 33.23% (Estimated)

AR% 71.82% (2014-2015)

Net 23.87% Effective Reimbursement

Savings Allocation	Amount	Percentage
School District's Share	121,597.89	1.83%
State's Share	<u>38,117.28</u>	<u>0.57%</u>
Total Savings	159,715.17	2.41%