

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 \$20,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES (THE "BONDS"), FOR THE PURPOSE OF PAYING COSTS OF RENOVATION, REPAIR, REHABILITATION AND EQUIPPING OF THE SCHOOL DISTRICT'S EISENHOWER MIDDLE SCHOOL/HIGH SCHOOL, BEATY-WARREN MIDDLE SCHOOL, SHEFFIELD MIDDLE SCHOOL/HIGH SCHOOL, AND OF OTHER SCHOOL DISTRICT CAPITAL IMPROVEMENTS, AND PAYING COSTS OF ISSUANCE OF THE BONDS; ACCEPTING A PROPOSAL FOR PURCHASE OF THE BONDS; SETTING FORTH THE PARAMETERS AND CONDITIONS FOR ISSUING THE BONDS; 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 BONDS; PROVIDING FOR FACSIMILE SIGNATURES, SEAL AND AUTHENTICATION; APPROVING THE FORM OF THE BONDS, PAYING AGENT'S AUTHENTICATION CERTIFICATE, ENDORSEMENT AND REGISTRATION; PROVIDING FOR TEMPORARY BONDS; 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 BONDS SHALL NOT BE USED IN SUCH MANNER AS TO CAUSE THE BONDS 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 \$20,000,000 maximum aggregate principal amount of General Obligation Bonds, in one or more series (the "Bonds"), to provide funds to be used by the School District: (1) to pay costs of renovation, repair, rehabilitation and equipping of the School District's Eisenhower Middle School, High School, Beaty-Warren Middle School, Sheffield Middle School High School, and other School District capital improvements, and (2) to pay the costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS a "Proposal for the Purchase of Bonds" dated December 3, 2012 (the "Proposal") has been received from the Financial Advisor, containing the financial parameters for, and conditions to, the underwriting and issuance of the Bonds (the "Bond Parameters"), which will be supplemented by one or more addenda to the Proposal (the "Addenda") containing the final terms of the Bonds of each series and identifying the underwriters of the Bonds, consistent with the Bond Parameters;

NOW, THEREFORE, be it resolved by the Board of School Directors of the School District pursuant to the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 et seq. (the “Act”) as follows:

Section 1. 53 Pa. C.S.A. §8103, the Project, the Bonds. The Board of School Directors of the School District does hereby authorize and direct the incurring of non-electoral debt through the issuance of \$20,000,000 maximum aggregate principal amount of the School District’s General Obligation Bonds (the “Bonds”) for the purpose of paying the costs of the Project. Realistic cost estimates of the Project have been obtained by the School District as required by Section 8006 of the Act and are hereby approved.

The School District hereby determines that the useful life of the Project is at least 25 years from the date hereof, which shall exceed the final maturity of the Bonds. Nothing in this Section shall be construed to limit the School District's authority hereafter to fix a useful life for the Project for a number of years greater than the number of years set forth in this Section so long as any future determination is not greater than the useful life of such Project.

Section 2. 53 Pa. C.S.A. §8142(b), Level Annual Debt Service. In accordance with Section 8142(b)(2) of the Act, the annual mandatory sinking fund installments of the principal amount of the Bonds have been fixed so that the principal of the Bonds will be amortized, together with other outstanding debt, on at least an approximately level annual debt service plan.

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 Bonds and to take all other necessary action.

Section 4. 53 Pa. C.S.A. §8104, Covenant. The Bonds hereby authorized are General Obligation Bonds of the School District. It is covenanted with the holders from time to time of the Bonds that the School District shall (i) include the amount of the debt service on the Bonds 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 Bonds and the interest thereon at the dates and places and in the manner stated in the Bonds 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. The Bonds shall bear interest and be sold at prices resulting in yields to maturity not in excess of the rate set forth in Exhibit A attached hereto and made a part hereof, and principal shall mature, or be payable upon mandatory sinking fund redemptions, in the maximum annual amounts for the fiscal years set forth in Exhibit A. The Bonds shall be issued in fully registered form in denominations as to principal of \$5,000.00 or integral multiples thereof.

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 Bonds by negotiation in accordance with the Proposal is in the best financial interest of the School District.

Section 7. Payment; Authorization to Execute and Deliver Bonds. The principal of the Bonds shall be payable in lawful money of the United States of America at the designated trust office of _____, or at the designated office of any additional or appointed alternate or successor paying agent or agents (the "Paying Agent"). Interest on the Bonds shall be payable in the manner provided in the form of the Bond 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 Bonds 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 Bonds 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 Bonds to the purchaser thereof against receipt of the full balance of the purchase price therefor. The Bonds shall be authenticated by a duly authorized officer of the Paying Agent.

Section 8. 53 Pa. C.S.A. §8103, Form of Bond. The form of the Bond, the Paying Agent's authentication certificates endorsement and registration thereto annexed shall be substantially as follows:

(FORM OF BOND)

No. _____

WARREN COUNTY SCHOOL DISTRICT
COUNTY OF WARREN
COMMONWEALTH OF PENNSYLVANIA
GENERAL OBLIGATION BOND, SERIES OF 20____

INTEREST RATE MATURITY DATE ORIGINAL ISSUE DATE CUSIP

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 Bond 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 semi-annually 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. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The principal of and the interest on this Bond 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 Bond will be paid by check or draft mailed to the person in whose name this Bond is registered, at the close of business on the fifteenth 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 Bond registrar, at the address appearing thereon.

The Bonds are an authorized issue (the "Bonds") fully registered as to principal and interest and designated as "Warren County School District General Obligation Bonds, Series of 20____," amounting in the aggregate to \$_____ principal amount of Bonds. The Bonds are current interest bonds. The Bonds are issued pursuant to a Resolution dated as of December 3, 2012 (the "Resolution"), duly adopted by the School District. The Bonds are issued in fully registered form in the denomination of \$5,000.00 or any integral multiple thereof, all of like date and tenor except as to dates of maturity, rates of interest and interest payment provisions. The Bonds 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 Bonds are issued for the purpose of paying costs of School District capital projects.

The Bonds maturing on or after _____ 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 to 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.

Extraordinary Mandatory Redemption

The Bonds are subject to extraordinary mandatory redemption, in whole or in part, within 90 days after the later of (a) the third anniversary of the delivery date of the Bonds or (b) the Extension Period Expiration Date (as defined herein), at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest and unpaid interest on the Bonds to be redeemed on the date of redemption, from unexpended proceeds of the Bonds. Such extraordinary mandatory redemption shall only occur to the extent that proceeds of the Bonds remain unexpended by the later of (a) the third anniversary of the delivery date of the Bonds or (b) the Extension Period Expiration Date.

The term "Extension Period Expiration Date" means the last day of any extension of time negotiated with the Internal Revenue Service (the "IRS"), as evidenced in writing from the IRS, that extends the date by which the proceeds of the Bonds must be expended.

Selection of Bonds to be Redeemed

Bonds of a series subject to redemption shall be redeemed from moneys deposited in the Sinking Fund for such purpose. In the event that less than all of the Bonds are to be redeemed any redemption will be allocated among the registered owners of such Bonds as nearly as practicable in proportion to the principal amount of Bonds owned by each registered owner. With respect to each registered owner, the principal amount of Bonds to be redeemed shall be calculated in the following manner: the principal amount of Bonds to be redeemed, multiplied by the principal amount of Bonds owned by the registered owner, and divided by the principal amount of Bonds outstanding; provided, however, that the principal amount of Bonds to be redeemed must be in the minimum principal amount of \$1,000 or an integral multiple thereof. The Paying Agent shall determine the particular Bonds to be redeemed by using such method as it deems fair and appropriate. The selection of the Bonds for redemption in the book entry only system of DTC is subject to DTC's practices and procedures as in effect at the time of any such partial redemption. The School District provides no assurance that DTC or its Participants or any other intermediaries will allocate redemptions in accordance with the proportional redemption provisions for the Bonds described in this paragraph.

Notice of Redemption

The Paying Agent shall cause any notice of redemption to be mailed at the expense of the School District by first class United States mail, postage prepaid, or by any other method of giving notice, which is acceptable to the Paying Agent and customarily used by fiduciaries for similar notices at the time such notice is given, addressed to the registered owners of all Bonds to

be redeemed at the registered addresses appearing in the Bond Register. Each such notice shall be given in the name of the School District and shall (i) be mailed not less than 30 nor more than 45 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the redemption price, and (iv) state that on the redemption date the Bonds called for redemption will be redeemable at the designated corporate trust office or corporate trust agency office of the Paying Agent, that interest will cease to accrue from the redemption date, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. No defect affecting any particular Bonds, whether in the notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for the redemption of any other Bonds.

No further interest shall accrue on any Bond called for redemption after the redemption date if payment of the redemption price has been duly provided for and the registered owners of such Bonds shall have no rights except to receive payment of the redemption price and the unpaid interest accrued on such Bond to the date fixed for redemption.

If at the time of mailing of any notice of optional redemption the School District shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional and subject to the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Paying Agent shall promptly notify, at the expense of the School District, the registered owners of all Bonds called for redemption of such fact.

This Bond is a General Obligation of the School District. The School District hereby covenants with the holders from time to time of this Bond that the School District shall include the amount of the debt service payable on this Bond, 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 Bond, 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 Bond 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 Bonds 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 Bond together with all other indebtedness of the said School District are not in excess of any constitutional or statutory limitations.

Proceedings relating to the issuance of the Bonds 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 Bonds endorsed hereon, the Bonds 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 Bonds, or in the performance of any of the covenants of the School District contained in the Resolution, the owner of this Bond shall have such remedies as are provided by the Resolution and the Constitution and laws of the Commonwealth of Pennsylvania.

This Bond 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 Bond 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 Bond 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 Bonds 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 Bond 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 Bond 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

BY: _____
President, Board of School Directors

AUTHENTICATION CERTIFICATE

This Bond is one of the Bonds designated herein, described in the within-mentioned Resolution.

Accompanying this Bond, or printed hereon, 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 Bonds.

Paying Agent

BY: _____
Authorized Officer

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney, to register the transfer of the within Bond 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 Bond in every particular, without alteration or enlargement or any change whatsoever.

The Bonds 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 Bonds 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.

The School District, solely for the convenience of the holders of Bonds, has caused CUSIP (Committee on Uniform Security Identification Procedures) numbers to be printed on the Bonds. No representation is made as to the accuracy of said numbers either as printed on such Bonds or as contained in any notice of redemption, and the School District shall have no liability of any sort with respect thereto. Reliance with respect to any redemption notice with respect to the Bonds may be placed only on the identification numbers printed thereon.

Section 9. Until the Bonds in definitive form are ready for delivery, the proper officers of the Board of School Directors may execute, and upon their request in writing, the Paying Agent shall authenticate and deliver in lieu of such Bonds in definitive form one or more printed or typewritten Bonds in temporary form, substantially of the tenor of the Bonds hereinbefore described, with appropriate omissions, variations and insertions. The Bonds in temporary form may be for the principal amount of Five Thousand (\$5,000.00) Dollars or any whole multiple or multiples thereof as such officers may determine. The aforesaid officers, without unnecessary delay, shall prepare, execute and deliver the Bonds in definitive form to the Paying Agent, and thereupon, upon presentation and surrender of the Bonds in temporary form, the Paying Agent shall authenticate and deliver, in exchange therefor, the Bonds in definitive form in authorized denominations of the same maturity and for the same aggregate principal amount as the Bonds in temporary form surrendered. When and as interest is paid upon the Bonds in temporary form, the fact of such payment shall be endorsed thereon. Until so exchanged, the temporary Bonds shall be in full force and effect according to their terms.

Section 10. The School District's Business Manager and Superintendent are each hereby authorized to approve the final terms and conditions of the Bonds, and the Addenda to be presented by the Financial Advisor, within the Bond Parameters and at such time as the Bonds are finally priced. The Addenda so approved shall be executed and delivered by the President or Vice President of the School Board and deemed to be a part of the Proposal accepted by this Resolution.

Section 11. 53 Pa. C.S.A. §8221, Sinking Fund Covenant. The School District covenants to establish and there is hereby established with the Paying Agent as Sinking Fund Depository a sinking fund for each series of Bonds. The Treasurer of the School District shall pay into each Sinking Fund, which shall be maintained until the Bonds of the series are paid in full, the amounts set forth in the Addenda to the Proposal and as required pursuant to the covenant contained in Section 4 hereof.

Section 12. 53 Pa. C.S.A. §8106, Paying Agent, Sinking Fund Depository.
_____ is hereby appointed Sinking Fund Depository and Paying Agent for the Bonds. The proper officers of the School District are hereby authorized

and directed to contract with the Sinking Fund Depository and Paying Agent for its services with respect to the Bonds.

Section 13. The Bonds may be subject to optional redemption by the School District prior to maturity, on such date or dates and under such terms as may be determined in the manner described in Section 10 hereof. The Bonds may be subject to mandatory redemption prior to maturity, determined in the manner described in Section 10 hereof, not in excess of any annual specified principal payment amount.

Section 14. 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 15. The School District covenants with the owners of the Bonds that it will make no use of the proceeds of the Bonds at any time during the term thereof which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, as interpreted by the regulations applicable to the Bonds, 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 Bonds 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 Bonds to acquire, or to replace funds used directly or indirectly to acquire, investment property with a yield materially higher than the yield on the Bonds 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 Bonds 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 Bonds 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 Bonds. For purposes of this covenant, "arbitrage profits" means (i) the excess of (A) the amount earned on any proceeds of the Bonds 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 Bonds, and (ii) any income attributable to such excess.

Section 16. 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 17. Bond counsel to the School District, Knox McLaughlin Gornall & Sennett, P.C., is hereby requested to prepare or review all documents necessary to the financing and the

sale of the Bonds and to issue to the purchaser of the Bonds the legal opinion relating to the Bonds.

Section 18. The School District hereby authorizes the preparation of a Preliminary Official Statement for use in the marketing of each series of Bonds and authorizes the Superintendent of the School District to approve the form of such Preliminary Official Statement and a final Official Statement with respect to the Bonds, with such insertions and amendments as shall be necessary or appropriate to reflect the final terms and provisions of the Bonds, the Addenda to the Proposal and this Resolution. The President of the School Board shall affix his or her signature to the Official Statement, as such officer, and such execution of the Official Statement shall constitute conclusive evidence of the approval of the Official Statement by the School District.

Section 19. The School District hereby designates the Bonds 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 during each of calendar years 2013 and 2014 will not exceed \$10,000,000.

Section 20. Rule 15c2-12 Continuing Disclosure Undertaking. The President, Vice President and Treasurer of the School District are each fully authorized to execute and deliver a Continuing Disclosure Certificate or Agreement in form and substance acceptable to such officer upon advice of the School District's Bond Counsel and Solicitor, such approval to be conclusively evidenced by the officer's execution thereof

Section 21. The School District hereby appoints Knox McLaughlin Gornall & Sennett, P.C., as its bond counsel, and authorizes and directs the Superintendent, Business Manager or any officer of the School District to execute any engagement letters with such firm and with the School District's Solicitor, Christopher M. Byham, Esq. on terms approved by such signatory, each of whom is hereby authorized to approve the final terms and conditions of such letter.

Section 22. The Bonds shall be made available for purchase under a book-entry only system available through The Depository Trust Company, a New York corporation (“DTC”). If applicable, at or prior to settlement for the Bonds, this School District and the Paying Agent shall execute or signify their approval of a Representation Letter in substantially the form on file with DTC (the “Representation Letter”). The appropriate officers of this School District and the Paying Agent shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter, and any successor paying agent for the Bonds, in its written acceptance of its duties under this Resolution, shall agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

Section 23. Notwithstanding the foregoing provisions of this Resolution, the Bonds of each series may initially be issued in the form of one fully-registered bond for the aggregate principal amount of the bonds of each maturity of the series, and the following provisions shall apply with respect to the registration, transfer and payment of the Bonds:

(a) Except as provided in subparagraph (g) below, all of the Bonds shall be registered in the name of the Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds of the same series, interest rate and maturity registered in the name of such nominee or nominees of DTC.

(b) No person other than DTC or its nominee shall be entitled to receive from this School District or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books (the "register") maintained by the Paying Agent in connection with discontinuing the book-entry system as provided in subparagraph (g) below or otherwise.

(c) So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Resolution. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of this School District or the Paying Agent with respect to the principal or redemption prices of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds outstanding of any maturity, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

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

(e) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the holders of such Bonds under this Resolution shall be given to DTC as provided in the Representation Letter.

(f) In connection with any notice or other communication to be provided to holders of Bonds pursuant to this Resolution by this School District or the Paying Agent with respect to any consent or other action to be taken by holders of Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that this School District or the Paying Agent may establish a special record date for such consent or other action. This School District or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) The book entry only system for registration of the ownership of the Bonds may be discontinued at any time if either (1) after notice to this School District and the Paying Agent, DTC determines to resign as securities depository for the Bonds, or (2) after notice to DTC and the Paying Agent, this School District determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interests of this School District. In either of such events (unless in the case described in clause (2) above, this School District appoints a successor securities depository), the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of this School District or the Paying Agent for the accuracy of such designation. Whenever DTC requests this School District and the Paying Agent to do so, this School District and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 24. If applicable, as determined from the Addenda, the School Board authorizes and directs the purchase of municipal bond guaranty insurance with respect to the Bonds. The officers and agents of this School District are authorized and directed to take all required, necessary and/or appropriate action with respect to such insurance, as contemplated in the Addenda, including the payment of the premium for such insurance.

Section 25. 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 26. This Resolution shall be effective in accordance with the Act.

Section 27. 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 28. 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 3rd day of December, 2012.

(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 3rd day of December, 2012; 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 3rd day of December, 2012.

(SEAL)

Secretary

1329574.v1

EXHIBIT A

WARREN COUNTY SCHOOL DISTRICT SERIES OF 2013 / SERIES OF 2014 NEW MONEY					
MAXIMUM PARAMETERS SCHEDULE					

	1	2	3	4	5	6
						Proposed Fiscal Year
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>
11/15/2013			880,000.00	880,000.00		
5/15/2014			600,000.00	600,000.00		1,480,000.00
11/15/2014	105,000	6.000	600,000.00	705,000.00		
5/15/2015			596,850.00	596,850.00		1,301,850.00
11/15/2015	110,000	6.000	596,850.00	706,850.00		
5/15/2016			593,550.00	593,550.00		1,300,400.00
11/15/2016	110,000	6.000	593,550.00	703,550.00		
5/15/2017			590,250.00	590,250.00		1,293,800.00
11/15/2017	110,000	6.000	590,250.00	700,250.00		
5/15/2018			586,950.00	586,950.00		1,287,200.00
11/15/2018	110,000	6.000	586,950.00	696,950.00		
5/15/2019			583,650.00	583,650.00		1,280,600.00
11/15/2019	110,000	6.000	583,650.00	693,650.00		
5/15/2020			580,350.00	580,350.00		1,274,000.00
11/15/2020	110,000	6.000	580,350.00	690,350.00		
5/15/2021			577,050.00	577,050.00		1,267,400.00
11/15/2021	110,000	6.000	577,050.00	687,050.00		
5/15/2022			573,750.00	573,750.00		1,260,800.00
11/15/2022	110,000	6.000	573,750.00	683,750.00		
5/15/2023			570,450.00	570,450.00		1,254,200.00
11/15/2023	110,000	6.000	570,450.00	680,450.00		
5/15/2024			567,150.00	567,150.00		1,247,600.00
11/15/2024	110,000	6.000	567,150.00	677,150.00		
5/15/2025			563,850.00	563,850.00		1,241,000.00
11/15/2025	790,000	6.000	563,850.00	1,353,850.00		
5/15/2026			540,150.00	540,150.00		1,894,000.00
11/15/2026	2,120,000	6.000	540,150.00	2,660,150.00		
5/15/2027			476,550.00	476,550.00		3,136,700.00
11/15/2027	2,220,000	6.000	476,550.00	2,696,550.00		
5/15/2028			409,950.00	409,950.00		3,106,500.00
11/15/2028	2,325,000	6.000	409,950.00	2,734,950.00		
5/15/2029			340,200.00	340,200.00		3,075,150.00
11/15/2029	2,435,000	6.000	340,200.00	2,775,200.00		
5/15/2030			267,150.00	267,150.00		3,042,350.00
11/15/2030	2,320,000	6.000	267,150.00	2,587,150.00		
5/15/2031			197,550.00	197,550.00		2,784,700.00
11/15/2031	2,195,000	6.000	197,550.00	2,392,550.00		
5/15/2032			131,700.00	131,700.00		2,524,250.00
11/15/2032	2,195,000	6.000	131,700.00	2,326,700.00		
5/15/2033			65,850.00	65,850.00		2,392,550.00
11/15/2033	2,195,000	6.000	65,850.00	2,260,850.00		
5/15/2034			0.00	0.00		2,260,850.00
TOTALS	20,000,000		19,705,900.00	39,705,900.00		39,705,900.00

* ASSUMES A MAXIMUM INTEREST RATE OF 6.00%

Public Financial Management, Inc. 11/26/2012