



**The PFM Group**

Public Financial Management, Inc  
PFM Asset Management LLC  
PFM Advisors

One Keystone Plaza  
Suite 300  
North Front & Market Streets  
Harrisburg, PA 17101-2044

717-232-2723  
717-233-6073 fax  
www.pfm.com

January 10, 2014

Mr. Norbert Kennerknecht  
Warren County School District  
185 Hospital Drive, Curwen Building  
Warren, PA 16365-4885

Dear Norbert,

Enclosed please find a copy of the PlanCon H documents for the General Obligation Bonds, Series of 2014 for the Sheffield Renovations and Additions (K-12), Project #3753.

The Microfilm of Final Drawings and Specifications as well as the Certification on H04 have been previously completed by your architect and were submitted for this project.

The PlanCon page H01 needs to be executed for the project and the enclosed PlanCon H packet can then be forwarded to the following address:

Ms. Joanne Van Tassel  
Division of School Facilities  
Pennsylvania Dept. of Education  
333 Market Street, 4th Floor  
Harrisburg, PA 17126-0333

Please fax or email a copy of the fully executed H01 page to my attention for my records. If you have any questions, please do not hesitate to call.

Sincerely,

Jamie L. Doyle  
Director

JLD/gw

**PART H: PROJECT FINANCING  
BOARD TRANSMITTAL**

DISTRICT/CTC: Warren County School District COUNTY: Warren  
PRJT BLDG NAME: Sheffield Renovations and Additions (K-12) PROJECT #: 3753

ALL PRJTS	CTC	PAGE #	
<u>X</u>		H02	Project Financing
<u>X</u>		H03	Summary of Sources and Uses of Funds
<u>X</u>	<i>Previously Submitted</i>	H04	Microfilm Certification By Architect
<u>X</u>			Payment Schedule for Issue/Note
<u>X</u>			Signed Board Resolution Authorizing Financial Transaction (including the Form of Bond/Note)
<u>X</u>			Signed Bond/Note Purchase Contract <u>or</u> Completed and Signed Form of Bid from Successful Bidder
<u>n/a</u>			Signed Lease Agreement <u>or</u> Loan Agreement
<u>n/a</u>			Signed Swap Transaction Confirmation, if applicable
<u>X</u>	<i>Previously Submitted</i>		Microfilm of Final Drawings and Specifications
<u>n/a</u>			Documentation on Quarterly/Semi-Annual Payments (For Variable Rate Issues Only)
<u>n/a</u>			CTC Articles of Agreement

The financial consultant for financing method #1 is: Public Financial Management, Inc.  
Name of Company or Firm

The person to be contacted if there are any questions about Series of 2014 is:  
Jamie Doyle, 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, North Front & Market Sts., Harrisburg, PA 17110

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

The financial consultant for financing method #2 is: \_\_\_\_\_  
Name of Company or Firm

The person to be contacted if there are any questions about Series of \_\_\_\_\_ is:  
\_\_\_\_\_  
Financial Consultant's Name and Position Phone Number Fax Number

The financial consultant's address is: \_\_\_\_\_

The financial consultant's e-mail address is: \_\_\_\_\_

The architectural firm for this project is: Hallgren, Restifo, Loop & Coughlin

The architect for this project is:  
Christopher D. Coughlin, Partner (814) 838-6586 (814) 838-6588  
Architect's Name and Position Phone Number Fax Number

The architect's address is: 4380 West 12th Street, Erie, PA 16505

The architect's e-mail address is: ccoughlin@hrlcarchitects.com

The school administrator to be contacted if there are any questions about Part H is:  
Norbert J. Kennerknecht, PhD, Dire Bldgs & Grounds (814) 723-6900 (814) 723-4244  
District/CTC Administrator's Name and Position Phone Number Fax Number

The school administrator's e-mail address is: kennerknecht@wcdpa.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 \_\_\_\_\_

Ruth A. Huck

\_\_\_\_\_  
Signature, Board Secretary

\_\_\_\_\_  
Board Secretary's Name, Printed or Typed

185 Hospital Drive, Warren, PA 16365-4885

\_\_\_\_\_  
District/CTC Address

\_\_\_\_\_  
Date

**PROJECT FINANCING**

District/CTC: Warren County School District	Project Name: Sheffield Renovations and Additions (K-12)	Project #: 3753
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**PERMANENT FINANCING ONLY**

<b>FINANCING METHOD</b> (i.e., GENERAL OBLIGATION BONDS, SCHOOL REVENUE BONDS, CASH, ETC.)	<b>YEAR ISSUED</b>	<b>TOTAL ISSUE</b>	<b>NUMBER OF YEARS</b>	<b>LIST THE OTHER REIMBURSABLE PLANCON PROJECTS FINANCED BY THIS METHOD BY PROJECT NUMBER OR PROJECT BUILDING NAME</b>
#1: General Obligation Bonds	2014	\$9,980,000	19	None
#2:				
#3:				
#4:				
<b>TOTAL:</b>	<b>X X X</b>	\$9,980,000	<b>X X X</b>	<b>X X</b>

NOTES:

# SUMMARY OF SOURCES AND USES OF FUNDS

District/CTC: Warren County School District		Financing Name: Sheffield Renovations and Additions (K-12)	
REPORT TO THE PENNY - DO NOT ROUND			
	SERIES: 2014 CLOSING DATE: 1/9/2014	SERIES: _____ CLOSING DATE: _____	SERIES: _____ CLOSING DATE: _____
<b>SOURCES:</b>			
Bond Issue (Par)	9,980,000.00		
Net Original Issue Discount/Premium	19,758.35		
Accrued Interest			
Other Sources of Funds (Specify) (Exclude Anticipated Interest Earnings)			
1. _____			
2. _____			
3. _____			
4. _____			
TOTAL - Sources of Available Funds	9,999,758.35		
<b>USES:</b>			
Deposit to Construction Fund	9,770,968.24		
Issuance Costs:			
1. Underwriter Fees	139,720.00		
2. Bond Insurance			
3. Bond Counsel	18,000.00		
4. School Solicitor	8,000.00		
5. Financial Advisor	38,577.11		
6. Paying Agent/Trustee Fees and Expenses	1,500.00		
7. Capitalized Interest			
8. Printing	9,690.00		
9. Rating Fees	10,000.00		
10. Computer Fees			
11. CUSIP	553.00		
12. Internet Auction Administrator	2,750.00		
13. _____			
14. _____			
Total - Issuance Costs	228,790.11		
Accrued Interest			
Other Uses of Funds (Specify)			
1. _____			
2. _____			
3. _____			
4. _____			
TOTAL - USES OF AVAILABLE FUNDS	9,999,758.35		



# Previously Submitted

## MICROFILM CERTIFICATION BY ARCHITECT

District/CTC: Warren County School District County: Warren

School Name: Sheffield Renovations and Additions (K-12) Project #: 3753

As the architect of record for the above named school district/career and technical school for said project, I certify to the best of my knowledge and belief that the enclosed microfilm of the final drawings and specifications include all construction drawings and related documents for the general, electrical, plumbing, HVAC and other prime contracts, except asbestos abatement, awarded for this project.

\_\_\_\_\_  
Signature, Architect

Christopher D. Coughlin, Partner

\_\_\_\_\_  
Architect's Name, Printed or Typed

Hallgren, Restifo, Loop & Coughlin, 4380 West 12th Street, Erie, PA 16505

\_\_\_\_\_  
Architectural Firm's Name and Address

\_\_\_\_\_  
Date

-----  
**COMPLETE THIS SECTION FOR ASBESTOS ABATEMENT (IF APPLICABLE)**

As the architect/engineer for the above named school district/career and technical school for said project, I certify to the best of my knowledge and belief that the enclosed microfilm of the final drawings and specifications include all construction drawings and related documents for the asbestos abatement prime contract awarded for this project.

\_\_\_\_\_  
Signature, Architect/Engineer

\_\_\_\_\_  
Architect/Engineer's Name, Printed or Typed

\_\_\_\_\_  
Architectural Firm's Name and Address

\_\_\_\_\_  
Date

<p align="center"><b>WARREN COUNTY SCHOOL DISTRICT</b></p> <p align="center">\$9,980,000 GENERAL OBLIGATION BONDS, SERIES OF 2014</p> <p align="center"><b><u>DISPOSITION OF FUNDS 1/9/2014</u></b></p>
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Memo Sent \_\_\_\_\_

Draft Sent \_\_\_\_\_

Invoices Sent \_\_\_\_\_

Verify Amts \_\_\_\_\_

#s Match \_\_\_\_\_

Drop FA Prj. \_\_\_\_\_

Notify PLGIT \_\_\_\_\_

**RECEIPTS AT CLOSING**

Par Amount	9,980,000.00
Net Original Issue Premium	19,758.35
Good Faith Deposit	(99,950.00)
Underwriter's Discount	(139,720.00)

<b>Wire from BNY Mellon Capital Markets, LLC</b>	<b>9,760,088.35</b>	<input checked="" type="checkbox"/>
Good Faith Deposit	99,950.00	

**TOTAL RECEIPTS**
**9,860,038.35**
**DISBURSEMENTS AT CLOSING**

Knox, McLaughlin Gornall & Sennett, P.C.			
Bond Counsel Fee	16,000.00		
Expenses	2,000.00	18,000.00	<input checked="" type="checkbox"/>
Stapleford & Byham, LLC			
Solicitor Fee	8,000.00	8,000.00	<input checked="" type="checkbox"/>
Public Financial Management, Inc.			
Financial Advisory Fee	30,000.00		
MSRB/PDE Compliance	7,500.00		
Word Processing & Formatting	7,800.00		
Expenses	1,077.11	46,377.11	<input checked="" type="checkbox"/>
Moody's Investor Services			
Rating Fee	10,000.00	10,000.00	<input checked="" type="checkbox"/>
Image Master			
Official Statement Printing	1,890.00	1,890.00	<input checked="" type="checkbox"/>
Grant Street Group			
Internet Auction Administrator	2,750.00	2,750.00	<input checked="" type="checkbox"/>
Wells Fargo Bank, N.A.			
Paying Agent	1,500.00	1,500.00	<input checked="" type="checkbox"/>
Standard & Poor's Corporation			
Standard & Poor's - CUSIP	553.00	553.00	<input checked="" type="checkbox"/>

**TOTAL EXPENSES PAID AT CLOSING**
**89,070.11**

Deposit to Construction Fund*	9,770,968.24	<input checked="" type="checkbox"/>
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Wells Fargo Bank, N.A.  
ABA Number: 121000248  
Account Number: 6355060501  
Account Name: Paying Agent Clearing Account  
Ref: Warren County SD Ser 2014  
Attn: Belinda Coleman

**TOTAL DISBURSEMENTS AT CLOSING**
**9,860,038.35**

\*Deposit at closing \$9,671,018.24 plus good faith \$99,950.00 equals total Construction Fund of \$9,770,968.24.

District/AVTS      Warren County School District					PDE LEASE # (PDE Use Only)	
Financing Name:                      General Obligation Bonds, Series of 2014 Dated Date:                      9-Jan-2014 Settlement Date:                      9-Jan-2014					Total Bond Issue:	9,980,000
					Original Issue Premium:	19,758.35
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	9,980,000.00					
5/15/2014	9,980,000.00			140,694.75	140,694.75	140,694.75
11/15/2014	9,980,000.00			200,992.50	200,992.50	
5/15/2015	9,980,000.00			200,992.50	200,992.50	401,985.00
11/15/2015	9,975,000.00	5,000.00	1.800	200,992.50	205,992.50	
5/15/2016	9,975,000.00			200,947.50	200,947.50	406,940.00
11/15/2016	9,970,000.00	5,000.00	1.800	200,947.50	205,947.50	
5/15/2017	9,970,000.00			200,902.50	200,902.50	406,850.00
11/15/2017	9,965,000.00	5,000.00	1.800	200,902.50	205,902.50	
5/15/2018	9,965,000.00			200,857.50	200,857.50	406,760.00
11/15/2018	9,960,000.00	5,000.00	1.800	200,857.50	205,857.50	
5/15/2019	9,960,000.00			200,812.50	200,812.50	406,670.00
11/15/2019	9,955,000.00	5,000.00	1.800	200,812.50	205,812.50	
5/15/2020	9,955,000.00			200,767.50	200,767.50	406,580.00
11/15/2020	9,950,000.00	5,000.00	3.000	200,767.50	205,767.50	
5/15/2021	9,950,000.00			200,692.50	200,692.50	406,460.00
11/15/2021	9,945,000.00	5,000.00	3.000	200,692.50	205,692.50	
5/15/2022	9,945,000.00			200,617.50	200,617.50	406,310.00
11/15/2022	9,940,000.00	5,000.00	3.000	200,617.50	205,617.50	
5/15/2023	9,940,000.00			200,542.50	200,542.50	406,160.00
11/15/2023	9,915,000.00	25,000.00	3.000	200,542.50	225,542.50	
5/15/2024	9,915,000.00			200,167.50	200,167.50	425,710.00
11/15/2024	9,865,000.00	50,000.00	3.200	200,167.50	250,167.50	
5/15/2025	9,865,000.00			199,367.50	199,367.50	449,535.00
11/15/2025	9,775,000.00	90,000.00	3.250	199,367.50	289,367.50	
5/15/2026	9,775,000.00			197,905.00	197,905.00	487,272.50
11/15/2026	9,095,000.00	680,000.00	4.000	197,905.00	877,905.00	
5/15/2027	9,095,000.00			184,305.00	184,305.00	1,062,210.00
11/15/2027	8,315,000.00	780,000.00	4.000	184,305.00	964,305.00	
5/15/2028	8,315,000.00			168,705.00	168,705.00	1,133,010.00
11/15/2028	7,440,000.00	875,000.00	4.000	168,705.00	1,043,705.00	
5/15/2029	7,440,000.00			151,205.00	151,205.00	1,194,910.00
11/15/2029	6,455,000.00	985,000.00	4.000	151,205.00	1,136,205.00	
5/15/2030	6,455,000.00			131,505.00	131,505.00	1,267,710.00
11/15/2030	4,910,000.00	1,545,000.00	4.000	131,505.00	1,676,505.00	
5/15/2031	4,910,000.00			100,605.00	100,605.00	1,777,110.00
11/15/2031	3,250,000.00	1,660,000.00	4.050	100,605.00	1,760,605.00	
5/15/2032	3,250,000.00			66,990.00	66,990.00	1,827,595.00
11/15/2032	1,460,000.00	1,790,000.00	4.100	66,990.00	1,856,990.00	
5/15/2033	1,460,000.00			30,295.00	30,295.00	1,887,285.00
11/15/2033	0.00	1,460,000.00	4.150	30,295.00	1,490,295.00	
5/15/2034	0.00			0.00	0.00	1,490,295.00
TOTAL		9,980,000.00		6,818,052.25	16,798,052.25	16,798,052.25

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 \$25,500,000 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 (INCLUDING CONSTRUCTION OF AN ELEMENTARY ADDITION), BEATY-WARREN MIDDLE SCHOOL, SHEFFIELD MIDDLE SCHOOL/HIGH SCHOOL (INCLUDING CONSTRUCTION OF AN ELEMENTARY ADDITION), WARREN AREA HIGH SCHOOL, AND WARREN COUNTY CAREER AND TECHNICAL CENTER, AND FOR 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 \$25,500,000 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 for (1) paying costs of renovation, repair, rehabilitation and equipping of the School District's Eisenhower Middle School/High School (including construction of an elementary addition), Beaty-Warren Middle School, Sheffield Middle School/High School including construction of an elementary addition), Warren Area High School, and Warren County Career and Technical Center, and for other School District capital improvements; and (2) paying costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS a "Proposal for the Purchase of Bonds" dated November 11, 2013 (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 \$25,500,000 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 Wells Fargo Bank, National Association, 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 Paying Agent, as Sinking Fund Depository for the School District, is directed to make demand upon the Secretary of Education of the Commonwealth, if there is a deficiency or a sinking fund deposit date for any Bonds, in order to cause the implementation of the provisions of Section 633 of the School Code in advance of an actual debt service payment on the Bonds.

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

January 9, 2014

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 Wells Fargo Bank, National Association (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 (the "Record Date"), on the registration books of the School District maintained by the Paying Agent, as Bond registrar, at the address appearing thereon, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of such Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name such Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

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 November 11, 2013 (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

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. Wells Fargo Bank, National Association 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. Any officer of the School District is hereby authorized and empowered on behalf of the School District and upon advice of counsel 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, including without limitation, acts and things relating to the investment of the proceeds of the Bonds as permitted by applicable law.

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. To the fullest extent permissible under applicable law, 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 2014 and 2015 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 11th day of November, 2013.

(SEAL)

ATTEST:



Secretary, Board of School Directors

WARREN COUNTY SCHOOL DISTRICT

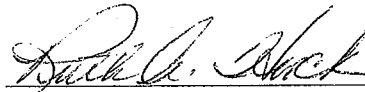
BY: 

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 11th day of November, 2013; 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 11th day of November, 2013.

(SEAL)



Secretary

# 1427840.v1



# **PROPOSAL FOR THE PURCHASE OF BONDS**

**Re: \$25,500,000 Maximum Aggregate Principal Amount**

**WARREN COUNTY SCHOOL DISTRICT  
Warren County, Pennsylvania  
General Obligation Bonds, Series of 2014/Series of 2015**

November 11, 2013

District Board of School Directors  
Warren County School District  
589 Hospital Drive  
Warren, PA 16365-4875

Ladies and Gentlemen:

Public Financial Management Inc. (the "Financial Advisor") agrees, under the terms of this Proposal for the Purchase of Bonds (the "Proposal"), to serve as financial advisor to the Warren County School District, located in Warren County, Pennsylvania (the "District") in connection with the ultimate purchase of the District's General Obligation Bonds (or similar designation) in the maximum aggregate principal amount of \$25,500,000 (the "Bonds"), to be issued under and secured by a Resolution of the District adopted by its Board on November 11, 2013 (the "Resolution"). Capitalized terms and phrases used herein shall have the meanings ascribed thereto in the Resolution to the extent not otherwise defined herein, which is incorporated herein by this reference.

## **1. Purchase and Sale of the Bonds.**

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Financial Advisor hereby agrees to assist the District, in the manner hereinafter described, as financial advisor (and not as underwriter within the meaning of SEC Rule 15c2-12(f)(8)), and the District hereby agrees to sell and deliver to the Underwriter (hereinafter defined) all Bonds issued under the Resolution and representing nonelectoral debt incurred by the District under the provisions of the Pennsylvania Local Government Unit Debt Act (the "Debt Act"). The Bonds shall be issued under the terms and financial parameters described in the Resolution, including the minimum refunding savings amount, and the maximum purchase price, interest rates and annual principal payment amounts illustrated in the Schedules attached hereto and incorporated herein (the "Bond Parameters"), and as may be permitted by the Debt Act.

The final purchase price for the Bonds, including underwriting discount and net original discount or original issue premium, if any, final interest rates, mandatory redemption provisions and annual and aggregate principal amounts shall be specified in a Winning Bid Form (the "Bid"), which shall constitute an assignment of the applicable rights and interests hereunder to a qualified municipal bond underwriting firm (the

“Underwriter”), for resale of the Bonds to the public, and specifying the final terms of the Bonds, within the Bond Parameters, substantially in the form attached to the IVB (hereinafter defined). The Underwriter shall be selected utilizing one of the following methods, as determined by the Financial Advisor: (1) through direct negotiations between the Financial Advisor and the Underwriter, to reflect market conditions prevailing at the time, or (2) through an invited, competitive sale process orchestrated by the Financial Advisor under which the Bonds would be awarded to the Underwriter having submitted the lowest true interest cost (“TIC”) for the Bonds, calculated from electronic bids submitted on the PFMauktion internet site on a date and time selected by the Financial Advisor, in accordance with an Invitation to Bid (collectively, the “IVB”) substantially in the form attached hereto as Exhibit “A”, with appropriate amendments and insertions, which is incorporated as a part of this Proposal. The Bonds shall be subject to optional redemption prior to maturity, and may contain mandatory sinking fund redemptions, as described in the final IVB and the Bid. The calculation of the TIC and other conditions for submitting competitive bids for the Bonds are set forth in the IVB. The Bonds may be issued and delivered by the District to the Underwriter from time to time, in more than one series, on such dates and in such aggregate principal amounts as may be authorized by the District and acceptable to the Financial Advisor, and the Financial Advisor shall, at the time of such determination, obtain an executed Bid from an Underwriter each time a series of Bonds will be offered for resale under the terms of the Resolution and this Proposal. The appropriate purchase price (net of any good faith deposit previously tendered), determined as set forth above, including accrued interest, if any, from the dated date of such Bonds to each date of the delivery thereof, shall be paid by the Underwriter at the time of the issuance and delivery of any of the Bonds (“Closing”).

The District shall prepare, or cause to be prepared, a Preliminary Official Statement containing appropriate descriptions of the District, the Bonds and other material information with respect to the District and the Bonds (the “Preliminary Official Statement”) prior to any marketing or public offering of the Bonds by the Underwriter. The District also shall prepare or cause to be prepared a final Official Statement, substantially in the form and with the content of the Preliminary Official Statement, but with such amendments and supplements to a date not more than seven (7) business days after the Bid has been signed by all parties, or otherwise as may be mutually agreed to by the District and the Underwriter (the “Official Statement”).

This Proposal may be terminated at any time after the date six (6) months from the date hereof, at the option of the District or the Financial Advisor, if the Bond Parameters have not been achieved and a Bid has not been executed by such date. In no event shall the Financial Advisor have any obligation to purchase or market the Bonds directly, which shall be the role of the Underwriter, as described herein.

In the case of a competitive sale of the Bonds, any conflict between the language or terms in the body of this Proposal and the terms of the IVB, the terms of the IVB shall control.



## **2. The Bonds.**

The Bonds shall be as described in the attached schedules, the Resolution, the IVB and the Official Statement, and shall be authorized, issued and secured pursuant to the Resolution, which shall comply in all respects with the Debt Act. The paying agent for the Bonds (the "Paying Agent") and the qualified bond counsel retained by the District in connection with the issuance of the Bonds ("Bond Counsel"), are named in the Resolution or the IVB. The intended uses of the proceeds of the Bonds are described in Resolution or the IVB.

As a condition to the acceptance of the Bonds by the Underwriter, under the terms described in the IVB and the Bid, the Underwriter may request the District to procure and cause to be delivered to the Paying Agent a municipal bond guaranty insurance policy (the "Bond Insurance Policy"), dated the date of original issuance of the Bonds, issued by municipal bond insurance company which is satisfactory to the Underwriter (the "Insurer"), insuring payment of the principal of and interest on the Bonds when due. The Financial Advisor shall certify to the District that the present value of the expected interest savings resulting from the purchase of such Bond Insurance Policy exceeds the premium to be paid.

If required under the terms of the IVB and the Bid, the District shall designate the Bonds as "qualified tax-exempt obligations" under Section 265 of the Internal Revenue Code, to the extent permitted by law and the circumstances of the District and confirmed by Bond Counsel in its opinion.

## **3. Use of Documents; Certain Covenants and Agreements of the District.**

(a) The District hereby authorizes the use by the Financial Advisor of the Resolution and the Preliminary Official Statement, including any supplements or amendments thereto, and the information therein contained, in connection with the selection of the Underwriter, and the use thereof by the Underwriter in the marketing and sale of the Bonds.

(b) The District covenants and agrees:

(i) To cause to be made available to the Underwriter such reasonable quantities of the Resolution as the Underwriter may reasonably request for use in connection with the offering and sale of the Bonds and to cause copies of the final Official Statement to be delivered to the Underwriter in sufficient quantity as may reasonably be requested by the Underwriter in order to comply with Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board ("MSRB"), to the extent applicable and appropriate, without charge, not less than fifteen (15) days prior to the scheduled issue date of the Bonds acceptable to the District, the Financial Advisor and the Underwriter (the "Closing Date"), and in any event in sufficient time to accompany any confirmation requesting payment for Bonds from any customers of the Underwriter;

(ii) To notify the Financial Advisor and the Underwriter in writing of any event which occurs prior to the Closing Date or within 25 days following the Closing Date that may cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, and if, in the opinion of the Underwriter, it is necessary to amend

or supplement the Official Statement in order to make the statements therein, in light of the circumstances when the Official Statement is delivered to a purchaser, not misleading, to prepare and furnish promptly and at its own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of appropriate amendments or supplements to the Official Statement in form and content satisfactory to the Underwriter so that the statements in the Official Statement as so amended and supplemented will not be misleading or so that the Official Statement will comply with applicable law;

(iii) To advise the Financial Advisor and the Underwriter immediately of receipt by the District of any written notification with respect to (A) the suspension of the qualification of the Bonds for sale in any jurisdiction or (B) the initiation or threat of any proceeding for that purpose;

(iv) To notify the Financial Advisor and the Underwriter in writing of any event that constitutes or may constitute a Change in Law (as herein defined) or casts doubt upon, or questions, the ability of the District to issue or deliver the Bonds on the Closing Date as provided in this Proposal, promptly upon the District becoming aware of such event;

(v) To deliver not less than ten (10) days prior to the Closing Date a written notice either (i) stating that no event has occurred that would cause the Official Statement, as of the Closing Date, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading (other than as to certain legal matters and summaries of provisions of the Bonds and related documents covered by a supplemental opinion of Bond Counsel), or (ii) setting forth all information necessary to ensure that the Official Statement can be amended or supplemented in a manner that will permit the District to make and deliver the certification required by Section 6(g)(3) on and as of the Closing Date. If it is necessary to amend or supplement the Official Statement to permit the delivery of such certification, the District shall cooperate in amending or supplementing the Official Statement to permit such certification on the Closing Date;

(vi) To notify the Financial Advisor and the Underwriter of the proposed issuance of any other bonds or notes or the incurrence of any other indebtedness prior to, or projected to be issued in the same calendar year as, the Closing Date;

(vii) To obtain, and maintain in full force and effect, all consents of any governmental or regulatory authority that are required to be obtained by it with respect to



this Proposal and the authorization, sale, issuance, execution or delivery of the Bonds or the execution and delivery of any other agreements or documents contemplated by the Resolution, this Proposal or the Official Statement to be executed and delivered by or on behalf of the District in connection with the authorization, sale, issuance and delivery of the Bonds (the "Bond Documents"), and shall use reasonable efforts to obtain any that may become necessary in the future;

(viii) To comply in all material respects with all applicable laws and orders to which it may be subject if failure to comply would impair its ability to perform its obligations under this Proposal, the Bonds or the Bond Documents; and

(ix) If a Bond Insurance Policy is used, to comply with the terms and conditions of the commitment of the Insurer for the issuance of the Bond Insurance Policy in order that the Bond Insurance Policy will be issued and effective on the Closing Date.

#### **4. Representations and Warranties of the District.**

The District hereby represents and warrants to the Financial Advisor, which representations and warranties may be relied upon by the Underwriter and shall survive the offering, sale and purchase of the Bonds, as follows:

(a) The information contained in any Preliminary Official Statement as of its date, and the information contained in the final Official Statement as of the Closing Date, will be true and correct in all material respects, and any such Preliminary Official Statement as of its date, and the Official Statement as of the Closing Date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein contained, in light of the circumstances under which they were made, not misleading.

(b) The District is a District duly organized and existing under the laws of the Commonwealth of Pennsylvania and, as such, has the power to issue the Bonds for the purposes described in the Preliminary Official Statement and to consummate the transactions contemplated by this Proposal, the IVB, the Bid, the Bonds and the Official Statement.

(c) Prior to the Closing, the District will have duly authorized all necessary action to be taken by it for: (a) the adoption of the Resolution, (b) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, and (c) the approval, execution and delivery or receipt, as appropriate, by it of the Bonds, the Official Statement, this Proposal, the tax compliance agreement or certificate to be prepared by Bond Counsel and executed by the District as of the Closing Date (the "Tax Certificate"), the Resolution and the Bond Documents.

(d) The Bonds, when issued, delivered and paid for, as provided herein and in the Bond Documents, will have been duly authorized and issued and will constitute legal, valid and binding general obligations of the District entitled to the benefits and security of the Resolution and will be enforceable in accordance with their terms, except to the

extent that the enforcement of remedies contained therein may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally.

(e) The execution and delivery by the District of the Bond Documents do not, and compliance with the provisions thereof will not, conflict with or constitute on the part of the District a breach of or a default under any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage or lease by which the District is or may be bound.

(f) The District has complied with, and as of the Closing Date will be in compliance with, the Act in all material respects.

(g) As of the Closing Date, the Bond Documents to which the District is a party will have been duly executed and delivered by the District and will constitute legal, valid, and binding obligations of the District, and the Official Statement will have been duly executed and delivered by the District.

(h) All approvals and consents of any governmental authority, board, agency or commission including without limitation the Pennsylvania Department of Community and Economic Development, to the extent required precedent to the adoption of the Resolution, issuance of the Bonds or performance by the District of its obligations under the Act or the Resolution will have been obtained prior to the Closing Date.

(i) The District has disclosed to the Financial Advisor as of the date hereof, and as of the Closing Date will have disclosed to the Financial Advisor and the Underwriter, all material information requested by the Financial Advisor and the Underwriter about the District and the application of the proceeds of the Bonds.

(j) The District as of the date hereof is not, and upon issuance and delivery of the Bonds will not be, in breach of or in default under any agreement or other instrument to which the District is a party or by or to which it or its revenues, properties, assets or operations are bound or subject, or any administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties, assets or operations are bound or subject, except breaches or defaults that are not material to the legal or financial standing of the District or the transactions contemplated hereby and by the Resolution, the Official Statement and the Bonds; and as of the date hereof no event has occurred and is continuing, and upon issuance and delivery of the Bonds no event will have occurred and be continuing, that, with the passage of time or the giving of notice, or both, constitutes or will constitute, any such breach or default.

(k) Except as specifically set forth in any Preliminary Official Statement, as of its date, and, except as specifically set forth in the Official Statement, as of the Closing Date, no action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is or will be pending or, to the best knowledge of the District, threatened (i) that reasonably might result in material liability on the part of the District or materially and adversely affect the use of the proceeds of the Bonds; or (ii) wherein an adverse decision, ruling or finding might adversely affect (A) the transactions



contemplated by this Proposal, the Resolution or, as applicable, the Official Statement, (B) the validity or enforceability of any agreement or instrument to which the District is a party and which is used or is contemplated for use in the consummation of the transactions contemplated hereby and by the Resolution, the Official Statement, as applicable, and the Bonds, or (C) the issuance of the Bonds.

(l) Since the date of the District's most recent financial statements summarized in the Preliminary Official Statement, no material adverse change has occurred in the financial position of the District or in its results of operations, except as may be set forth in or contemplated by the Official Statement, nor has the District, since such date, incurred any material liabilities other than in the ordinary course of business or as may be set forth or contemplated in the Official Statement.

(m) Except as otherwise specifically set forth in the Preliminary Official Statement, as of its date, and, except as set forth in the Official Statement as of the Closing Date, there will be and are no pledges, liens, charges or encumbrances of any nature whatsoever on any property of the District, and the District has not entered into and will not have entered into any contract or arrangement of any kind with respect thereto and there is and will be no existing, pending, threatened or anticipated event or circumstance that might give rise to any such pledge, lien, charge or encumbrance.

(n) The District will not take or omit to take any action within its control which in any way will cause or result in the proceeds of the sale of the Bonds being applied in a manner other than as provided in the Resolution or as will be described in the Official Statement.

(o) The District will not take or omit to take any action within its control, which action or omission might in any way cause the interest on the Bonds to be includable in gross income of the holders thereof for federal income tax purposes.

(p) The District does not currently contemplate taking any action that would adversely affect its ability to issue and deliver the Bonds as contemplated by this Proposal or that would have a material adverse effect on either the market price or marketability of the Bonds.

## **5. Closing.**

(a) At approximately 10:00 a.m. Eastern Standard Time, on the Closing Date as shall have been mutually agreed upon by the District and the Underwriter, the District will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof and of the Bid, accept such delivery and pay the purchase price of the Bonds as set forth in the Bid in federal funds, or in other immediately available funds, by wire transfer to the Paying Agent for the account of the District (payment for the Bonds and the mutual delivery of the Bonds and the other documents, certificates and opinions required by this Proposal to be made on the Closing Date is herein referred to as the "Closing" and, if the Bonds are issued and delivered to the Underwriter from time to time as permitted under Section 1 hereof, each delivery of

Bonds and the other documents, certificates and opinions required by this Proposal to be made on the related Closing Date is herein referred to as a "Closing").

(b) Delivery of the Bonds shall be made to the Underwriter through the book-entry system of The Depository Trust Company ("DTC"), New York, New York. The Bonds shall be issued and delivered to DTC or its agent in fully registered form, without coupons, and shall bear assigned CUSIP numbers. One Bond (or such number of Bonds as may then be required by DTC in accordance with its operational guidelines and procedures) shall be issued for each maturity of the Bonds and shall be registered in the name of CEDE & CO. or such other nominee of DTC as DTC shall require. Upon the Underwriter's prior written request, the Bonds shall be made available for inspection by the Underwriter at least one business day before the Closing Date. Nothing in this subsection (b) shall prohibit the District from using some other method for delivery of the Bonds, including DTC's "FAST" System.

(c) Delivery of all documents required to be delivered as of the Closing Date shall be made at the offices of Bond Counsel (as defined herein) or at such other place as shall have been mutually agreed upon by the District and the Underwriter.

#### **6. Closing Conditions.**

The Underwriter's obligation to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the District of all its obligations to be performed hereunder, including the IVB (if applicable) at or prior to the Closing Date, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the District contained herein shall be true and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date.

(b) As of the Closing Date, this Proposal, the Resolution and the Bond Insurance Policy, if applicable, shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Financial Advisor and, if applicable, the Insurer and the District.

(c) As of the Closing Date, all official action of the District relating to this Proposal, the Bonds, the Resolution and the Bond Insurance Policy, if applicable, shall be in full force and effect and shall not have been amended, modified or supplemented.

(d) As of the Closing Date, there shall not have occurred any change, or any development involving a prospective change, in the status of construction, required permits and approvals, or arrangements for the use of the proceeds of the Bonds, or in the condition, financial or otherwise, or in the earnings or operations, of the District, from that set forth in the Official Statement which, in the judgment of the Financial Advisor or the Underwriter, is material and adverse and makes it, in the judgment of the Financial Advisor or the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement.



(e) The Bond Insurance Policy, if applicable, shall have been delivered to the Paying Agent.

(f) The issuance of the Bonds and the incurring of the related nonelectoral indebtedness by the District under the Resolution shall have been approved by the Pennsylvania Department of Community and Economic Development in accordance with the Debt Act of the Commonwealth of Pennsylvania.

(g) At or prior to the Closing, the Financial Advisor and the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment, if any, thereto, executed on behalf of the District;

(2) The Resolution, certified by an appropriate officer of the District as having been duly adopted by the District Board of School Directors of the District and as being in full force and effect as of the Closing Date, with only such supplements or amendments as may have been agreed to by the Underwriter and, if applicable, the Insurer;

(3) A certificate, dated the Closing Date, of an Authorized Representative of the District, in form and substance satisfactory to the Underwriter stating, among other things, that the Official Statement as of its date did not, and as of the Closing Date does not, contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading;

(4) An opinion, dated the Closing Date, of the duly appointed Solicitor to the District as of the Closing Date, addressed to the District and the Underwriter, in form and substance satisfactory to the Financial Advisor;

(5) An opinion, dated the Closing Date, of Bond Counsel, to the effect that the Bonds have been duly authorized, issued, sold and delivered and are valid and binding general obligations of the District, that interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and that the Bonds and the interest thereon are exempt from the Pennsylvania personal income tax and corporate net income tax;

(6) A copy of the Bond Insurance Policy, if applicable;

(7) An opinion dated the Closing Date addressed to the District, Bond Counsel and the Underwriter from counsel to the Insurer, if applicable, in form and substance satisfactory to the Bond Counsel and the Underwriter;

(8) If a Bond Insurance Policy is utilized, a certificate of an authorized officer of the Insurer in form and substance satisfactory to the Underwriter;

(9) A certificate of an authorized officer of the Paying Agent in form and substance satisfactory to the Underwriter and Bond Counsel;

(10) A copy of a rating letter described in the IVB;

(11) A non-arbitrage and tax compliance certificate or agreement signed by an authorized officer of the District in form and substance satisfactory to the Underwriter and Bond Counsel;

(12) A certificate or certificates of the Paying Agent with respect to the due authorization, execution and delivery of the agreements relating to the Bonds to which the Paying Agent is a party, and with respect to the incumbency and signatures of the officers of the Paying Agent authenticating the Bonds and executing such agreements;

(13) A copy of an accepted Letter of Representations or Blanket Issuer Letter of Representations, as may be appropriate, from the District to The Depository Trust Company with respect to the applicability of the book-entry-only system to the Bonds;

(14) A Continuing Disclosure Agreement or Certificate in form and substance satisfactory to Bond Counsel and the Underwriter (the "Continuing Disclosure Agreement");

(15) Written evidence satisfactory to the Underwriter that the Department of Community and Economic Development of the Commonwealth of Pennsylvania has approved the issuance of the Bonds and the District's incurrence of the related nonelectoral indebtedness in an amount not less than the principal amount of the Bonds in accordance with the Act, together with copies of the related proceedings filed by the District with said Department under the Act; and

(16) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the District's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the District on or prior to the Closing Date of all the respective agreements then to be performed and conditions then to be satisfied by the District.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Proposal, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Proposal, this Proposal shall terminate, and the Financial Advisor, Underwriter and District shall be under any further obligation hereunder, except that the respective obligations of the District and the Underwriter set forth in Section 8 hereof shall continue in full force and effect.



The Underwriter may be relieved of its obligation to pay the purchase price of the Bonds terminate by notifying, in writing, the District and the Financial Advisor if at any time at or prior to the Closing: (i) legislation having an effective date or dates at or prior to the Closing Date shall be enacted by the Congress of the United States or adopted by either House thereof or a decision by a Court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made with respect to federal taxation upon interest received on bonds or notes of the general character of the Bonds or which would have the effect of changing directly or indirectly the federal income tax consequences of interest on bonds of the general character of the Bonds in the hands of the owners thereof, and which in the reasonable judgment of the Underwriter materially and adversely affects the marketability of the Bonds; or (ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any governmental agency having jurisdiction shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds is in violation of any provisions of the Securities Act of 1933, as amended; or (iii) there shall have occurred any other Change in Law; or (iv) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis, or a default with respect to the debt obligations of, or the institution of proceedings under any bankruptcy law by or against, any state of the United States or agency thereof or any District in the United States having a population of over one million, the effect of which on the financial markets in the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds; or (v) there shall be in force a general suspension of trading on the New York Stock Exchange; or (vi) a general banking moratorium shall have been declared by federal, New York or Pennsylvania authorities having jurisdiction and be in force; or (vii) an adverse event described in Section 3(b)(ii) hereof occurs which requires or has required a supplement or amendment to the Official Statement and which, in the reasonable judgment of the Underwriter, even if the Official Statement were so supplemented, would materially and adversely affect the marketability of the Bonds; or (viii) the Underwriter has not received, at or prior to the delivery of the Bonds, in form and substance reasonably satisfactory to the Underwriter, evidence that the District has entered into the Continuing Disclosure Agreement, if required.

## **7. Expenses.**

The Financial Advisor and Underwriter shall be under no obligation to pay any expenses incident to the performance of the District's obligations hereunder, including, but not limited to the cost of preparation, printing and delivery of a sufficient number of copies of the Official Statement and copies of any supplement or amendments to the Official Statement, the cost of preparation and printing of the Bonds, the fees and disbursements of Bond Counsel and Solicitor, the premiums and fees of the Insurer or its counsel, if applicable, the fees and disbursements of the Paying Agent, and any engineers, accountants, financial advisors and other experts, consultants or advisers retained by the District, if any; and the fees, if any, for bond ratings. The District shall

pay the fees and expenses of the Financial Advisor in amounts not to exceed those illustrated in the schedules presented to the District this date.

The Underwriter shall pay any costs required of it in the IVB.

#### **8. Blue Sky.**

The Underwriter shall, in its sole discretion, determine the jurisdictions in which the Bonds shall be offered and sold. The District shall cooperate with the Underwriter in its efforts to qualify the Bonds for such offer, sale and delivery under the securities or blue sky laws of such jurisdictions as the Underwriter may require, but neither the District nor the Financial Advisor shall not be required to pay any related fees or expenses or to consent to service of process in any jurisdiction.

#### **9. Notices.**

Any notice or other communication to be given to the District under this Proposal may be given by delivering the same in writing to the District at the address set forth above Attention: Business Manager. Any notice or other communication to be given to the Financial Advisor under this Proposal may be given by delivering the same in writing to the address set forth in the IVB. Any notice to the Underwriter shall be delivered to the address set forth in the Bid.

#### **10. Parties in Interest.**

This Proposal, including exhibits and attachments, as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the District, the Financial Advisor and the Underwriter, as the assignee hereof under the Bid, and no other person shall acquire or have any right hereunder or by virtue hereof.

#### **11. Effectiveness.**

This Proposal shall become effective upon the acceptance hereof by the District and shall be valid and enforceable at the time of such acceptance.

All of the District's representations, warranties and agreements contained in this Proposal shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Financial Advisor or the Underwriter; (ii) delivery of and payment for the Bonds; and (iii) any termination of this Proposal.

#### **12. Choice of Law.**

This Proposal shall be governed by and construed in accordance with the law of the Commonwealth of Pennsylvania.



### **13. Severability.**

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 in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Proposal invalid, inoperative or unenforceable to any extent whatsoever.

### **14. Business Day.**

For purposes of this Proposal, “business day” means any day on which commercial banks in Philadelphia, Pennsylvania, are not required or authorized to be closed, and the New York Stock Exchange is not closed.

### **15. Change in Law.**

For purposes of this Proposal, “Change in Law” means any event between the date of this Proposal and the Closing Date which occurs as a result of the passage, promulgation, issuance or rendering of any legislation, regulation, ruling, order, release, court decision or judgment or other action by a governmental body, regulatory agency or court the effect of which is any of the following:

(i) Bond Counsel is or will be unable to deliver to the Underwriter at Closing an approving opinion of bond counsel with the content required by this Proposal;

(ii) The District does not have the power to levy an annual ad valorem tax on all taxable property located within the District for the purpose of paying the principal of and interest on the Bonds;

(iii) The offering or sale of the Bonds is subject to registration under Pennsylvania or Federal securities laws, or the Bonds or any document executed in connection therewith is subject to registration under Pennsylvania or Federal securities laws; or

(iv) In the reasonable judgment of the Underwriter, the offering or sale of the Bonds would be or result in a violation of applicable Pennsylvania or Federal securities laws.

### **16. Section Headings.**

Section and paragraph headings have been inserted in this Proposal as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Proposal and will not be used in the interpretation of any provisions of this Proposal.


**17. Counterparts.**

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 upon the same document) and all of which shall constitute one and the same document. The District may approve this Proposal by delivering to the Financial Advisor by the time and date herein provided a signed counterpart of this Proposal.

When signed and accepted, this Proposal has been executed and delivered the day and year first above written.

Very truly yours,


PUBLIC FINANCIAL  
MANAGEMENT, INC.,  
as Financial Advisor

By:   
Authorized Representative

Accepted and agreed to this 11<sup>th</sup> day of November, 2013.

WARREN COUNTY SCHOOL DISTRICT,

Warren County, Pennsylvania

By:   
President, Board President

Attest:   
Secretary

**SCHEDULE I  
TO  
PROPOSAL FOR THE PURCHASE OF BONDS**

Re: Warren County School District  
Warren County, Pennsylvania  
\$25,500,000 Maximum Aggregate Principal Amount  
General Obligation Bonds

Summary

Maximum Aggregate Principal Amount: \$25,500,000

<u>District Fiscal Year</u> <u>(Ending June 30)</u>	<u>Maximum Interest Rate</u> <u>and Yield to Maturity (%)</u>	<u>Principal Maturity or</u> <u>Mandatory Sinking Fund</u> <u>Payment Amount (\$)</u>
2015	6.00%	\$30,000
2016	6.00%	\$30,000
2017	6.00%	\$30,000
2018	6.00%	\$30,000
2019	6.00%	\$30,000
2020	6.00%	\$30,000
2021	6.00%	\$30,000
2022	6.00%	\$30,000
2023	6.00%	\$85,000
2024	6.00%	\$110,000
2025	6.00%	\$150,000
2026	6.00%	\$1,165,000
2027	6.00%	\$1,275,000
2028	6.00%	\$1,385,000
2029	6.00%	\$1,510,000
2030	6.00%	\$2,025,000
2031	6.00%	\$2,150,000
2032	6.00%	\$2,290,000
2033	6.00%	\$2,360,000
2034	6.00%	\$3,575,000
2035	6.00%	\$3,740,000
2036	6.00%	\$3,410,000

December 3, 2013

**EXHIBIT A  
WINNING BID FORM**

**WARREN COUNTY SCHOOL DISTRICT  
Warren County, Pennsylvania  
\$9,995,000\* GENERAL OBLIGATION BONDS, SERIES OF 2014**

Board of School Directors  
Warren County School District  
c/o Public Financial Management, Inc.  
One Keystone Plaza, Suite 300  
North Front & Market Streets  
Harrisburg, PA 17101 (P. O. Box 11813, Harrisburg, PA 17108)  
Fax #: (717) 232-8610

Ladies and Gentlemen:

Subject to the provisions of and in accordance with the terms of the Invitation to Bid, dated November 25, 2013 of the Warren County School District (the "School District") for its General Obligation Bonds, Series of 2014 (the "Bonds"), which is incorporated herein and hereby made a part hereof:

We hereby confirm that we have agreed to purchase all, but not less than all, of the \$9,995,000\* aggregate principal amount of the Bonds described in the Invitation to Bid and to pay therefor the amount of \$9,876,000.00 constituting 98.809405% of the par value of the Bonds, plus the interest accrued, if any, on the Bonds from January 9, 2014 to the date of their delivery. This offer is for the Bonds bearing interest at the rates and in the form of serial Bonds and term Bonds as follows:

Nov. 15	Principal Amount <sup>(1)</sup>	Interest Rate	Reoffering Price	Reoffering Yield	Term Maturity Date
2015	\$5,000	%			
2016	5,000	%			
2017	5,000	%			
2018	5,000	%			
2019	5,000	1.800 %	99.723	1.850	2019
2020	5,000	%			
2021	5,000	%			
2022	5,000	%			
2023	25,000	3.000 %	100.000	3.000	2023
2024	50,000	3.200 %	99.543	3.250	
2025	90,000	3.250 %	99.510	3.300	
2026	680,000	4.000 %	102.662	3.450	
2027	785,000	4.000 %	102.171	3.550	
2028	895,000	4.000 %	101.197	3.750	
2029	1,010,000	4.000 %	100.715	3.850	
2030	1,585,000	4.000 %	100.008	4.000	
2031	1,720,000	4.050 %	99.367	4.100	
2032	1,870,000	4.100 %	99.346	4.150	
2033	1,245,000	4.150 %	99.326	4.200	

<sup>(1)</sup>Aggregate principal amount and principal amortization amounts may be adjusted as set forth in the Invitation to Bid.

\*Preliminary; subject to adjustment.

We acknowledge and have agreed that after we submit this proposal, the School District may modify the aggregate principal amount of the Bonds and/or the principal amounts of each maturity of the Bonds, subject to the limitations set forth in the Invitation to Bid.

We further acknowledge and have agreed that in the event that any adjustments are made to the principal amount of the Bonds, we will purchase all of the Bonds, taking into account such adjustments on the above specified terms of this proposal for the Bonds.

As the winning bidder, we confirm that we have agreed to wire \$99,950 to the School District, as security against any loss of the School District resulting from failure of the undersigned bidder to comply with terms of the bid.



As the winning bidder, we confirm that we have agreed to immediately furnish the additional information described under the caption "Information Required From Winning Bidder; Reoffering Price" in the Invitation to Bid.

As the winning bidder, we confirm that we have agreed to provide to the School District as soon as possible after the sale of the Bonds a complete list of syndicate members, if any, upon request, the actual allocation of the Bonds and the orders placed by the syndicate members.

We have noted that payment of the purchase price is to be made in immediately available Federal Funds at the time of delivery of the Bonds.

In the event we have bid on behalf of a bidding syndicate, we represent that we have full and complete authority to submit the bid on behalf of our bidding syndicate and that the undersigned will serve as the lead manager for the group.

We desire \_\_\_\_\_ copies (not exceeding 200) of the Official Statement for the Bonds (as provided in the Invitation to Bid). We understand that we may obtain additional copies at our own expense.

We further certify (or declare) under penalty of perjury under the laws of the Commonwealth of Pennsylvania that our bid and this proposal is genuine, and not a sham or collusive, nor made in the interest of or on behalf of any person not herein named, and that the bidder has not directly or indirectly induced or solicited any other bidder to put in a sham bid or any other person, firm or corporation to refrain from bidding, and that the bidder has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

Respectfully submitted,

BNYMellon Capital Mkts  
Name of Bidder

By: Attilio DePasqua  
Name and Title: VP

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

The above Bid is hereby accepted by the Board of School Directors of the Warren County School District, with Final Maturity Schedule as shown on the attached Exhibit A.

WARREN COUNTY SCHOOL DISTRICT  
Warren County, Pennsylvania

Attest

By [Signature]  
(Vice) President  
[Signature]  
(Assistant) Secretary