

WARREN COUNTY SCHOOL DISTRICT  
WARREN COUNTY, PENNSYLVANIA

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(FORM OF NOTE)

No. \_\_\_\_\_

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

INTEREST RATE

MATURITY DATE

ORIGINAL ISSUE DATE

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(SEAL)  
ATTEST:

WARREN COUNTY SCHOOL DISTRICT

\_\_\_\_\_  
Secretary, Board of School Directors

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

AUTHENTICATION CERTIFICATE

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

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

\_\_\_\_\_  
Paying Agent

Date of Authentication: \_\_\_\_\_

BY: \_\_\_\_\_  
Authorized Officer

ASSIGNMENT

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

Dated: \_\_\_\_\_

Signature Guaranteed:

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(SEAL)  
ATTEST:

WARREN COUNTY SCHOOL DISTRICT

\_\_\_\_\_  
Secretary, Board of School Directors

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

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

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

(SEAL)

\_\_\_\_\_  
Secretary

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