

**PART H: PROJECT FINANCING
BOARD TRANSMITTAL**

DISTRICT/CTC: Warren County School District COUNTY: Warren
PRJT BLDG NAME: Warren Area High School Alterations & Additions PROJECT #: 3811

<u>ALL PRJTS</u>	<u>CTC</u>	<u>PAGE #</u>	
<u>X</u>		H02	Project Financing
<u>X</u>		H03	Summary of Sources and Uses of Funds
<u>X</u>	Previously Submitted	H04	Microfilm Certification By Architect
<u>X</u>			Payment Schedule for Issue/Note
<u>X</u>			Signed Board Resolution Authorizing Financial Transaction (<u>including</u> 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>	Previously Submitted		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: PFM Financial Advisors LLC
Name of Company or Firm

The person to be contacted if there are any questions about Series of 2017A is:
Jamie Doyle, Managing Director (717) 232-2723 (717) 232-8610
Financial Consultant's Name and Position Phone Number Fax Number

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

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: Buchart Horn, Inc. / BASCO Associates

The architect for this project is:
E. Joseph Mracna, Senior Project Architect (412) 261-5059 (412) 261-4168
Architect's Name and Position Phone Number Fax Number

The architect's address is: 445 West Philadelphia Street, York, PA 17401

The architect's e-mail address is: bmracna@bucharthorn.com

The school administrator to be contacted if there are any questions about Part H is:
Dr. Norbert Kennerknecht, Director of Bldgs & Grouds (814) 723-6903 (814) 723-5238
District/CTC Administrator's Name and Position Phone Number Fax Number

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

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

BOARD ACTION DATE: _____

VOTING: AYE _____ NAY _____ ABSTENTIONS _____ ABSENT _____

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

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

	PROJECT	FINANCING
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District/CTC:
Warren County School District

Project Name:	Warren Area High School Alterations & Additions
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Project #: 3811

PERMANENT FINANCING ONLY	
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NOTES :	
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SUMMARY OF SOURCES AND USES OF FUNDS

District/CTC: Warren County School District		Financing Name: Warren Area High School Alterations & Additions	
REPORT TO THE PENNY - DO NOT ROUND			
	SERIES: 2017A CLOSING DATE: 12/18/2017	SERIES: _____ CLOSING DATE: _____	SERIES: _____ CLOSING DATE: _____
SOURCES:			
Bond Issue (Par)	2,478,000.00		
Net Original Issue Discount/Premium			
Accrued Interest			
Other Sources of Funds (Specify) (Exclude Anticipated Interest Earnings)			
1. _____			
2. _____			
3. _____			
4. _____			
TOTAL - Sources of Available Funds	2,478,000.00		
USES:			
Deposit to Construction Fund	2,085,983.54		
Issuance Costs:			
1. Underwriter Fees			
2. Bond Insurance			
3. Bond Counsel	7,297.30		
4. School Solicitor	4,540.54		
5. Financial Advisor	15,138.62		
6. Paying Agent/Trustee Fees and Expenses			
7. Capitalized Interest			
8. Printing			
9. Rating Fees			
10. Computer Fees			
11. CUSIP			
12. Internet Auction Administrator			
13. Bank Counsel Fees	3,750.00		
14. _____			
Total - Issuance Costs	30,726.46		
Accrued Interest			
Other Uses of Funds (Specify)			
1. NEF Cyberlearning Invoice	361,290.00		
2. _____			
3. _____			
4. _____			
TOTAL - USES OF AVAILABLE FUNDS	2,478,000.00		

WARREN COUNTY SCHOOL DISTRICT

QUALIFIED ZONE ACADEMY BOND PROGRAM

\$2,478,000 SERIES A OF 2017

\$5,000,000 SERIES B OF 2017

DISPOSITION OF FUNDS 12/18/2017

RECEIPTS AT CLOSING	SERIES A of 2017	SERIES B of 2017	TOTAL	
Bonds	2,478,000.00	5,000,000.00	7,478,000.00	
TOTAL RECEIPTS	2,478,000.00	5,000,000.00		<u>7,478,000.00</u>
DISBURSEMENTS AT CLOSING				
Knox McLaughlin Gornall & Sennett, P.C.				
<i>Bond Counsel Fee</i>	6,810.81	14,189.19	21,000.00	
<i>Expenses</i>	486.49	1,013.51	1,500.00	22,500.00
Stapleford & Byham LLC				
<i>Solicitor Fee</i>	4,540.54	9,459.46	14,000.00	14,000.00
PFM Financial Advisors LLC				
<i>Financial Advisory Fee</i>	15,000.00	30,000.00	45,000.00	
<i>Expenses</i>	138.62	279.71	418.33	45,418.33
Eckert, Seamens, Cherin & Mellott, LLC				
<i>Bank Counsel Fee</i>	<u>3,750.00</u>	<u>3,750.00</u>	7,500.00	7,500.00
TOTAL EXPENSES PAID AT CLOSING	30,726.46	58,691.87	68,418.33	89,418.33
NEF CyberLearning Invoice # 12121702	361,290.00	0.00	361,290.00	361,290.00
NEF CyberLearning Invoice # 1212701	0.00	440,000.00	440,000.00	440,000.00
Deposit to Construction Fund	2,085,983.54	4,501,308.13	6,587,291.67	6,587,291.67
Wells Fargo Bank, N.A.				
San Francisco, CA				
ABA #: 121000248				
Bank Account #: 2000027336564				
Bank Account Name: PLGIT/ARM				
Reference: Warren County School District				
Account # (See specific account #'s for each Series)				
Sinking Fund	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS AT CLOSING	2,478,000.00	5,000,000.00	7,478,000.00	<u>7,478,000.00</u>

**Previously Submitted
MICROFILM CERTIFICATION BY ARCHITECT**

District/CTC: Warren County School District County: Warren

School Name: Warren Area High School Alterations & Additions Project #: 3811

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

E. Joseph Mracna, Senior Project Architect
Architect's Name, Printed or Typed

Buchart Horn, Inc. / BASCO Associates, 445 West Philadelphia Street, York, PA 17401
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

District/AVTS Warren County School District					PDE LEASE # (PDE Use Only)	
Financing Name: General Obligation Bonds, Series A of 2017 Dated Date: 18-Dec-2017 Settlement Date: 18-Dec-2017					Total Issue:	2,478,000
					Original Issue Premium:	0.00
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	2,478,000.00					
3/1/2018	2,408,000.00	70,000.00	0.00	0.00	70,000.00	70,000.00
9/1/2018	2,408,000.00			0.00	0.00	
3/1/2019	2,236,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2019	2,236,000.00			0.00	0.00	
3/1/2020	2,064,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2020	2,064,000.00			0.00	0.00	
3/1/2021	1,892,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2021	1,892,000.00			0.00	0.00	
3/1/2022	1,720,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2022	1,720,000.00			0.00	0.00	
3/1/2023	1,548,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2023	1,548,000.00			0.00	0.00	
3/1/2024	1,376,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2024	1,376,000.00			0.00	0.00	
3/1/2025	1,204,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2025	1,204,000.00			0.00	0.00	
3/1/2026	1,032,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2026	1,032,000.00			0.00	0.00	
3/1/2027	860,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2027	860,000.00			0.00	0.00	
3/1/2028	688,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2028	688,000.00			0.00	0.00	
3/1/2029	516,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2029	516,000.00			0.00	0.00	
3/1/2030	344,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2030	344,000.00			0.00	0.00	
3/1/2031	172,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2031	172,000.00			0.00	0.00	
3/1/2032	0.00	172,000.00	0.00	0.00	172,000.00	172,000.00
TOTAL		2,478,000.00		0.00	2,478,000.00	2,478,000.00

Interest Rates are a fixed 0.000%. No Additional Coupon Rates Required. No Sinking Fund.

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 \$2,478,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF FEDERALLY TAXABLE QUALIFIED ZONE ACADEMY GENERAL OBLIGATION BONDS (TAX CREDIT BONDS), SERIES A OF 2017 (WARREN AREA HIGH SCHOOL) (THE "2017A BONDS"), FOR THE PURPOSE OF PAYING COSTS OF ADDITIONS AND RENOVATIONS TO THE SCHOOL DISTRICT'S WARREN AREA HIGH SCHOOL AND COSTS OF ISSUANCE OF THE BONDS, AND \$5,000,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF FEDERALLY TAXABLE QUALIFIED ZONE ACADEMY GENERAL OBLIGATION BONDS (TAX CREDIT BONDS), SERIES B OF 2017 (WARREN COUNTY CAREER CENTER) (THE "2017B BONDS"; TOGETHER WITH THE 2017A BONDS, "THE BONDS"); ACCEPTING A PROPOSAL FOR PURCHASE OF THE BONDS; SETTING FORTH THE TERMS 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 SINKING FUNDS; APPOINTING 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; 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 \$2,478,000 maximum aggregate principal amount of Federally Taxable Qualified Zone Academy General Obligation Bonds (Tax Credit Bonds), Series A of 2017 (Warren Area High School) (the "2017A Bonds"), to provide funds to be used by the School District: (1) to pay and/or reimburse costs of additions and renovations to the School District's Warren Area High School (the "WAHS Capital Project"); and (2) to pay costs of issuing the Bonds (collectively, the "WAHS Project"); and

WHEREAS, the WAHS Capital Project has been approved by the Pennsylvania Department of Education; and

WHEREAS, the Board of School Directors of the Warren County School District (the "School District") proposes to issue \$5,000,000 maximum aggregate principal amount of Federally Taxable Qualified Zone Academy General Obligation Bonds (Tax Credit Bonds),

Series B of 2017 (Warren County Career Center) (the "2017B Bonds"; together with the 2017A Bonds, the "Bonds" and each a "Series of Bonds"), to provide funds to be used by the School District: (1) to pay and/or reimburse costs of additions and renovations to the School District's Warren County Career and Technical Center (the "WCCC Capital Project"); and (2) to pay costs of issuing the Bonds (collectively, the "WCCC Project"); and

WHEREAS, the WCCC Capital Project has been approved by the Pennsylvania Department of Education; and

WHEREAS bond purchase proposals (the "Proposals") have been received from Branch Banking and Trust Company (the "Purchaser"), containing the financial terms for, and conditions to, the purchase and issuance of each Series Bonds;

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 \$2,478,000 maximum aggregate principal amount of 2017A Bonds for the purpose of paying the costs of the WAHS Project and \$5,000,000 maximum aggregate principal amount of 2017B Bonds for the purpose of paying the costs of the WCCC Project. Realistic cost estimates of the WAHS Capital Project and the WCCC Capital Project (together, the "Capital Projects" and each a "Capital Project") have been obtained by the School District from qualified persons as required by Section 8006 of the Act and are hereby approved.

The School District hereby determines that the useful life of each Capital Project is at least twenty-five (25) years from the date hereof, which shall exceed the final maturity of the applicable Series of Bonds. Nothing in this Section shall be construed to limit the School District's authority hereafter to fix useful lives for either or both of the Capital Projects 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 actual useful life of the applicable Capital Project.

The School District hereby reserves the right to undertake components of each of the Capital Projects in such order and at such time or times as it shall determine and to allocate the proceeds of the Bonds and other available moneys to the final costs of each of the Capital Projects in such amounts and order of priority as it shall determine; but the proceeds of the Bonds shall be used solely to pay the "costs," as defined in the Act, of the WAHS Project and WCCC Project (together, the "Projects") described herein or, upon appropriate amendment hereto, to pay the costs of other capital projects for which the School District is authorized to incur indebtedness.

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 amounts of each Series of Bonds have been fixed so that the principal of each Series of Bonds will be amortized on 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 funds 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 principal of the Bonds shall mature, or be payable upon mandatory sinking fund redemptions, in the maximum annual amounts and in the fiscal years set forth in Exhibits A-1 and A-2 attached hereto and made a part hereof. The Bonds shall be issued in fully registered form in denominations as to principal of \$1,000.00 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 Proposals is in the best financial interest of the School District. The Board of School Directors hereby accepts the Proposals, and the President or Vice President of the Board is authorized to sign the Proposals on behalf 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 Branch Banking and Trust Company, 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 forms of the Bonds 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 on 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 sinking fund deposit dates for the Bonds are each February 15 preceding the March 1 principal payment date 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, Forms of Bonds. The forms of the Bonds and the Paying Agent's authentication certificates shall be substantially as follows:

(FORM OF BOND)

No. _____

WARREN COUNTY SCHOOL DISTRICT
(WARREN COUNTY, PENNSYLVANIA)
FEDERALLY TAXABLE QUALIFIED ZONE ACADEMY
GENERAL OBLIGATION BOND (TAX CREDIT BOND), SERIES A OF 2017
(WARREN AREA HIGH SCHOOL)

INTEREST RATE

MATURITY DATE

ORIGINAL ISSUE DATE

December 18, 2017

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, without interest, in the following installments:

March 1

Principal

This Bond is designated by the School District as a "qualified zone academy bond," as defined in Section 1397E of the Internal Revenue code of 1986, as amended (the "Code"). In addition to the interest payable hereon, an eligible taxpayer (as defined in such Section) who holds this Bond shall be allowed a tax credit in accordance with such Section of the Code.

In accordance with the regulations promulgated under Section 1397E of the Code, the applicable tax credit rate for this Bond, and all other "qualified zone academy bonds" for which a binding, written contract for the sale of this Bond is made on _____, 2017, is ____%. If, prior to the Maturity Date, the School District or the registered owner of this Bond receives a written ruling or other final written determination from the Internal Revenue Service, or the Internal Revenue Service issues a regulation, ruling, or other guidance which is applicable to taxpayers generally and is effective with respect to this Bond, to the effect that due to (i) the breach or inaccuracy of any covenant or representation of the School District made in this Bond, in the Resolution (hereinafter defined) or in any agreement or certificate delivered to the initial registered owner of this Bond in connection with the original issuance and delivery of this Bond, or (ii) an act or omission of the School District, including without limitation a failure to satisfy the expenditure requirement set forth in Section 1397E(d)(1)(A) of the Code or a failure to satisfy the private business contribution requirement set forth in Section 1397E(d)(2) of the Code, or (iii) any actual or deemed prepayment of this Bond to the registered owner, the tax

credit to which the registered owner is entitled under Section 1397E of the Code is less than the credit to which registered owner would have been entitled in the absence of such breach, inaccuracy, act, omission, or prepayment, then the School District shall pay to the registered owner on each tax credit allowance date, as set forth in Section 1397E of the Code, after such ruling, other final determination or issuance, as additional payments (each an "Additional Payment") under this Bond, the amount, taking into account any penalties, fines, interest and additions to tax that are imposed on the registered owner as a result of the loss or reduction of the credit, that is required to maintain the yield on this Bond that the registered owner would have realized had such loss or reduction of the credit not occurred. Furthermore, in the event the School District fails to pay the principal amount on the Maturity Date, in accordance with the terms and provisions of this Bond, the School District will pay an Additional Payment on such principal amount to the registered owner in an amount sufficient to maintain the yield on this Bond equal to the applicable tax credit rate through and including the date on which the principal amount of this Bond is paid or sufficient funds for the payment of such principal amount have been deposited for the purpose with the Paying Agent, as sinking fund depository.

The principal of this Bond shall be payable at the designated office of Branch Banking and Trust Company (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.

The Bonds are an authorized issue (the "Bonds") fully registered as to principal and interest and designated as "Warren County School District Federally Taxable Qualified Zone Academy General Obligation Bonds (Tax Credit Bonds), Series A of 2017 (Warren Area High School)", amounting in the aggregate to \$2,478,000 principal amount of Bonds. The Bonds are current interest bonds. The Bonds are issued pursuant to a Resolution, dated as of November 6, 2017 (the "Resolution"), duly adopted by the School District. The Bonds are issued in fully registered form in the denomination of \$1,000.00 or any integral multiple thereof. 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 additions and renovations to the School District's Warren Area High School and costs of issuance of the Bonds.

The Bonds are subject to extraordinary mandatory redemption upon thirty (30) days' notice by lot to the extent of "available project proceeds" remaining unexpended three (3) years from the date the Bonds are delivered, in accordance with Section 54A(d)(2)(B) of the Internal Revenue Code of 1986 as amended (the "Code"), such redemption will be effected within ninety (90) days from the end of such three (3) year period at the face amount, plus accrued interest, without redemption premium.

Except as set forth in the preceding paragraph, this Bond is not subject to prepayment prior to the Maturity Date.

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 have 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.

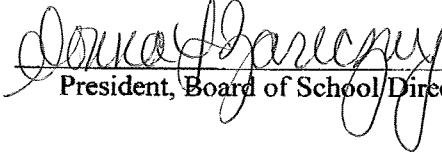
[SIGNATURE PAGE FOLLOWS]

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:


Secretary

WARREN COUNTY SCHOOL DISTRICT

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 One Thousand Dollars (\$1,000.00) 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, acting by and through the Board, does hereby make the following representations, certifications and covenants for the benefit of the Purchaser and any and all subsequent holders of the Bonds:

(a) The School District, as issuer of the Bonds, is a "local education agency," as defined in Section 1901 of the federal Elementary and Secondary Education Act of 1965;

(b) Warren Area High School (the "High School") is a public school located within, under the jurisdiction of, and owned and operated by, the School District and qualifies as a "qualified zone academy," within the meaning of Section 1397E(d)(4) of the federal Internal Revenue Code of 1986, as amended (the "Code");

(c) At least ninety-five percent (95%) of the proceeds of the 2017A Bonds will be used to rehabilitate or repair the School or provide equipment for use at the High School;

(d) The School District has designated, and hereby designates, the 2017A Bonds as "qualified zone academy bonds" for purposes of Section 1397E of the Code;

(e) The School District has received written assurances from a private entity or entities to make a "qualified contribution," as that phrase is defined in Section 1397E(d)(2) of the

Code, with respect to the School that has or will have (as of the date of issuance of the Bonds) a present value of not less than ten percent (10%) of the proceeds of the 2017A Bonds;

(f) Warren County Career and Technical Center (the "Career Center") is a public school located within, under the jurisdiction of, and owned and operated by, the School District and qualifies as a "qualified zone academy," within the meaning of Section 1397E(d)(4) of the federal Internal Revenue Code of 1986, as amended (the "Code");

(g) At least ninety-five percent (95%) of the proceeds of the 2017B Bonds will be used to rehabilitate or repair the Career Center or provide equipment for use at the Career Center;

(h) The School District has designated, and hereby designates, the 2017B Bonds as "qualified zone academy bonds" for purposes of Section 1397E of the Code;

(i) The School District has received written assurances from a private entity or entities to make a "qualified contribution," as that phrase is defined in Section 1397E(d)(2) of the Code, with respect to the School that has or will have (as of the date of issuance of the Bonds) a present value of not less than ten percent (10%) of the proceeds of the 2017B Bonds;

(j) The term of each Series of Bonds shall not exceed the maximum term permitted under Section 1397E(d)(3) of the Code with respect to qualified zone academy bonds issued in the calendar month in which such Bonds are issued and delivered to the Purchaser;

(k) The School District has received, or prior to the issuance and delivery of each Series of Bonds to the Purchaser will receive, an allocation from the Pennsylvania Department of Education of a portion of the national zone academy bonds limitation allocated to the Commonwealth in an amount not less than the face amount of such Series of Bonds and valid with respect to the issuance of such Series of Bonds in the appropriate calendar years;

(l) The School District will make no use of the proceeds of the Bonds that will cause the Bonds to cease to be "qualified zone academy bonds" within the meaning of Section 1397E of the Code and the regulations implementing said Section that have been duly published in the Federal Register or any other regulations implementing such Section, and the School District will comply with all other requirements of the Code if and to the extent applicable to maintain continuously the status of the Bonds as such "qualified zone academy bonds."

Section 11. 53 Pa. C.S.A. §8221, Sinking Fund Covenant. The School District covenants to establish and there are hereby established sinking funds to be known as the Sinking Funds, Federally Taxable Qualified Zone Academy General Obligation Bonds (Tax Credit Bonds), Series A of 2017 (Warren Area High School) and Federally Taxable Qualified Zone Academy General Obligation Bonds (Tax Credit Bonds), Series B of 2017 (Warren County Career Center) (together, the "Sinking Funds" and each a "Sinking Fund"), with the Paying Agent as Sinking Fund Depository. The Treasurer of the School District shall pay into the Sinking Funds, which shall be maintained until the applicable Series of Bonds are paid in full, the amounts as required pursuant to the covenant contained in Section 4 hereof.

All moneys in either Sinking Fund not required for prompt expenditure may, in accordance with written or telephonic (if subsequently confirmed in writing according to the

reasonable practices and requests of the Sinking Fund Depository) instructions of a Designated Officer (as hereinafter defined), be invested in Authorized Investments (as hereinafter defined).

Authorized Investments must mature or must be subject to redemption, withdrawal or collection in their full amount at the option of the Sinking Fund Depository not later than the date upon which moneys are required to be paid to owners of the Bonds. All moneys in each Sinking Fund must be applied exclusively to the payment of the related Series of Bonds as they become due and payable. All moneys deposited into the Sinking Funds and all investments and proceeds thereof will be subject to a perfected security interest for the benefit of the owners of the related Series of Bonds. Income received from any deposit or investment within the Sinking Funds must remain within and be a part of the Sinking Funds and all such amounts may be applied in reduction or completion of any amount covenanted under Section 4 hereof to be deposited therein; provided, however, that the obligation of the School District to pay each Series of Bonds is, and will remain, absolute, and may not be satisfied or reduced merely by the deposit of moneys into the applicable Sinking Fund or from the expectation of earnings thereon.

“Authorized Investments” means: (1) **as to the proceeds of the Bonds:** (i) United States Treasury bills; (ii) short-term obligations of the United States Government or its agencies or instrumentalities; (iii) deposits in savings accounts or time deposits or share accounts of institutions (including the Sinking Fund Depository) insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefor shall be pledged by the depository (including collateral pooled in accordance with the Act of August 6, 1971, P.L. 281, No. 72, relating to pledges of assets to secure deposits of public funds); (iv) obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision; and (v) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 provided, that the following are met: (a) the only investments of the company are in the authorized investments for school district funds listed in clauses (i) through (iv), and repurchase agreements fully collateralized by such investments; (b) the investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds); and (c) the investment company is rated in the highest category by a nationally recognized rating agency; and (2) **as to moneys at any time on deposit in the Sinking Funds:** (i) obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America, (ii) direct general obligations of the Commonwealth of Pennsylvania, or any securities in which the Commonwealth may, at such time, invest its moneys, or (iii) deposits at interest in time accounts, certificates of deposit or other interest bearing accounts of any bank, bank and trust company (including the Sinking Fund Depository), savings bank, savings and loan association or building and loan association. The authorization set forth above for investment in obligations of the United States of America shall include money market funds invested solely in such obligations, including any such funds maintained by the Sinking Fund Depository. To the extent that any such deposits described in (b)(iii) above are insured by the Federal Deposit Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such

deposits shall be secured as public deposits or as trust funds; provided in all events that such investments shall be made in a manner consistent with sound business practice and, if required for prompt expenditure, shall be held in demand deposits. In the event, from time to time, and to the extent such investments may periodically require valuation, their value shall be determined on the following bases (and if more than one basis applies, according to the lowest of them): (a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal - the arithmetic mean of the bid and asked prices for such investments so published on or immediately prior to such time of determination; (b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal - the average bid price established for such investments by any three nationally recognized government securities dealers at the time making a market in such investments or the average bid price published by a nationally recognized pricing service; and (c) as to time deposits, certificates of deposit and bankers' acceptances - the face amount thereof, plus accrued interest.

"Designated Officer(s)" means and includes, individually or jointly, the President and Vice President of the Board of School Directors and the Director of Business Services and Treasurer of the School District.

Section 12. 53 Pa. C.S.A. §8106, Paying Agent, Sinking Fund Depository. Branch Banking and Trust Company is hereby appointed Sinking Fund Depository and Paying Agent for the Bonds.

Section 13. 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; to prepare and to file with the Department any statements required by the Act that are necessary to qualify all or any portion of the debt of the School District that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit of this School District as self-liquidating or subsidized debt; to pay the filing fees necessary in connection with the foregoing; and to take other required necessary and/or appropriate action.

Section 14. Any officer of the School District is 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. 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 16. The Board of School Directors of the School District hereby authorizes the creation of a separate fund or account within each Sinking Fund to be designated as the "Series A of 2017 Capital Project Account" or "Series B of 2017 Capital Project Account", as the case may be (each a "Project Account"). Upon issuance and delivery of the Bonds, the proceeds of sale of the Bonds, net of amounts required to be applied to payment of the costs and expenses of issuance of the Bonds payable at settlement for the Bonds, shall be deposited into the applicable

Project Account and held therein pending requisition, order or other authorization for payment of costs of the applicable Capital Project or for transfer to other accounts or funds of this School District, all as the Board may specify.

Section 17. Rule 15c2-12 Continuing Disclosure Undertaking. The President, Vice President and Treasurer of the School District are each fully authorized to execute and deliver one or more Continuing Disclosure Certificates or Agreements 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 18. 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 engagement letters with such firm and with the School District's Solicitor, Christopher M. Byham, Esquire, Stapleford & Byham, LLC, on terms approved by the Director of Business Services, who is hereby authorized to approve the final terms and conditions of such letters.

Section 19. If directed by the Purchaser, 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 20. Notwithstanding the foregoing provisions of this Resolution, the Bonds shall initially be issued in the form of one fully-registered Bond for the aggregate principal amount of the Bonds of each maturity, 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 or except as requested by the Purchaser, 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 fifteen (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 21. 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 22. This Resolution shall be effective in accordance with the Debt Act.

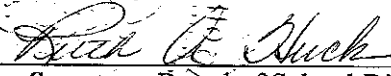
Section 23. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of this School District that such remainder shall be and shall remain in full force and effect.

Section 24. All resolutions or parts of resolutions not in accord with this Resolution are hereby repealed insofar as they conflict herewith.

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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 6th day of November, 2017.

(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 6th day of November, 2017; 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 6th day of November, 2017.

(SEAL)

1860695.x1



Secretary

EXHIBIT A-1
WARREN COUNTY SCHOOL DISTRICT
FEDERALLY TAXABLE QUALIFIED ZONE ACADEMY
GENERAL OBLIGATION BONDS, SERIES A OF 2017
(WARREN AREA HIGH SCHOOL)

Payment Date	Principal	Interest Rate	Interest
3/1/2018	\$ 70,000	0%	0.00
3/1/2019	172,000	0%	0.00
3/1/2020	172,000	0%	0.00
3/1/2021	172,000	0%	0.00
3/1/2022	172,000	0%	0.00
3/1/2023	172,000	0%	0.00
3/1/2024	172,000	0%	0.00
3/1/2025	172,000	0%	0.00
3/1/2026	172,000	0%	0.00
3/1/2027	172,000	0%	0.00
3/1/2028	172,000	0%	0.00
3/1/2029	172,000	0%	0.00
3/1/2030	172,000	0%	0.00
3/1/2031	172,000	0%	0.00
3/1/3032	172,000	0%	0.00

352 State Route 34
Hurricane, WV 25526
(304) 353-1635
Fax (304) 757-2768

October 26, 2017

Dr. Norbert J. Kennerknecht
Director of Buildings and Grounds
Warren County School District
6820 Market Street
Russell, PA 16345

RE: Warren County School District, PA, Qualified Zone Academy Bonds, 2017A

Dear Mr. Kennerknecht:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the Qualified Zone Academy Bond ("QZAB") requested by the Warren County School District, Pennsylvania ("DISTRICT").

- (1) **Project:** QZAB for Warren County High School Upgrades
- (2) **Amount To Be Financed:** not to exceed \$2,478,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

Financing	Maturity	Current Tax Credit Rate
QZAB	March 1, 2032	4.20%

The general obligation financing shall constitute a QZAB for federal tax purposes with 100% of the tax credit accruing to the benefit of BB&T. All principal payments will be paid by the District directly to BB&T. Principal will be due in annual installments according to the amortization schedule included in the financing request dated October 12, 2017 for a maturity of March 1, 2032 (subject to the maximum QZAB maturity published periodically by the U.S. Treasury Department). The federal treasury tax credit rate for QZABs is published by the U.S. Treasury Department and is subject to change. This rate is currently 4.20%. The actual tax credit rate for the term of the lease financing will be locked in on the first day on which there is a binding, written contract for the sale of the QZAB. Subject to approval of counsel to the District, the tax credit rate may be locked upon execution of the commitment letter attached hereto by the District. BB&T shall require a minimum tax credit of 4.00%. BB&T reserves the right to cancel this offer at its discretion.

If the tax credit is reduced or eliminated, then the QZAB shall convert to an interest bearing financing bearing interest at a rate determined by BB&T to be an equivalent rate for taxable bonds of similar amount and term as of the date of such determination. Such interest rate shall apply retroactively to the date of the reduction or elimination of the tax credit (but offset by any tax credit received by BB&T if the tax credit has been reduced but not eliminated). In the event that the QZAB begins bearing interest, the QZAB may be prepaid by the School District in whole, but not in part, at par plus accrued interest to the date of repayment.

This offer is valid for a closing not later than December 18, 2017. Closing of the financing is contingent upon completing documentation acceptable to BB&T and closing shall be in a manner acceptable to BB&T.

All applicable taxes, legal fees (including counsel for the District and BB&T), other professional fees (including placement fees due to PFM Financial Advisors LLC, as placement agent/financial advisor), and any other costs of issuance shall be the District's responsibility. The District shall pay the cost of lender counsel on behalf of BB&T for the review of the documentation. Please note that not more than 2% of the proceeds of the financing can be used to pay these costs, and if the aggregate closing costs exceed that amount, the District will be required to pay the excess from sources other than financing proceeds.

Other than a one-time partial prepayment within the first three years and 90 days of the term, the financing shall be non-callable by the District prior to maturity, excluding required QZAB refunding rules, due to the nature of the QZAB tax credit that serves as BB&T's consideration for providing this financing.

The applicable tax credit rate assumes that the District shall comply with all applicable federal tax requirements in order for the financing to remain a QZAB throughout its term, and if the financing shall become interest-bearing, the District shall comply with all applicable requirements in order for interest on the financing to be exempt from federal income taxation.

If it is determined at any time prior to closing that the financing will not qualify as a QZAB, BB&T reserves the right to terminate this offer, whether or not executed by the District, and to re-negotiate mutually acceptable terms for this financing.

(4) Security:

The QZAB shall be secured by the general obligation pledge of the Warren County School District, thus backed by its full faith, credit and taxing authority.

(5) Financing Documents:

It shall be the responsibility of the District to retain and compensate counsel to appropriately structure the general obligation financing according to Federal and Pennsylvania Statutes. BB&T shall also require the District's Bond Counsel to provide an unqualified legal opinion. BB&T reserves the right to review the documents and it must be mutually accepted by BB&T and the District.

BB&T agrees to serve as sinking fund depository for the obligation(s) anticipated to be issued in connection with this financing; provided, however, that BB&T shall not, and shall not be obligated by any provision to the contrary, to create, establish or hold a sinking fund account for the benefit of the District. Upon settlement, any miscellaneous or rounding amount balance remaining with respect to the unused proceeds of the obligation(s) will be returned to the District for application thereof to the first payment of principal and interest thereon.

(6) Disbursement of Proceeds:

The financing proceeds shall be disbursed to the District at closing.

* * * * *

BB&T appreciates the opportunity to provide this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the District of its election to do so (whether or not this offer has previously been accepted by the District) if at any time prior to the closing there is a material adverse change in the District's financial condition, if we discover adverse

circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the District or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to terminate our interest in this transaction at any time should we not be the successful proposer.

Please call me at (304) 353-1635 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY


A handwritten signature in black ink, reading "Russell R. Akers, II". The signature is written in a cursive style with a large initial "R" and a stylized "A".

Russell R. Akers, II
Vice President

On behalf of the Warren County School, the undersigned Manager hereby accepts the foregoing proposal as of the date indicated below. The closing of the financing described above is subject to completion of acceptable documentation. The District and BB&T intend that the acceptance of the proposal on the date indicated below will establish the first date there is a written agreement between the parties to complete the financing, in order to establish "the first date on which there is a binding, written contract for the sale or exchange" of the QZAB within the meaning of Section 54A(b)(3) of the Internal Revenue Code.

Accepted and approved by the undersigned on behalf of the Warren County School District of Pennsylvania.

Date: NOVEMBER 6, 2017.

Signature: 
Authorized Signor

ATTEST:


BOARD SECRETARY

**WARREN COUNTY SCHOOL DISTRICT
QUALIFIED ZONE ACADEMY BOND PROGRAM
SERIES A OF 2017 (High School)**

Estimated:

Dated: 12/18/2017
Settlement: 12/18/2017
Maximum Maturity: 33 years
Actual Final Maturity: 3/1/2032
Par Amount: \$2,478,000
Bid Price: 100.0000%
Proceeds: \$2,478,000
First Interest Payment: 3/1/2018
Principal Due: March 1
Est. Taxable Coupon: 0.000%
Est. Tax Credit Rate: 4.190%

AR% 70.95% (2017-18)
PE% 19.51% Estimated
1 Mill = \$420,000 Estimated

1	2	3	4	5	6	7	8	9
	BANK TAX CREDIT		ISSUER NET PAYMENT STRUCTURE				TOTAL LOCAL EFFORT	
Loan Payment Date	Bondholder Tax Credit Rate	Principal	Semi-Annual Net Payments	Annual Net Payments	Less: State Aid	Annual Estimated Local Effort	Existing Local Effort	Total Local Effort
3/1/2018	4.190	70,000	70,000.00	70,000.00	(9,689.64)	60,310.36	3,433,374.34	3,493,684.70
9/1/2018								
3/1/2019	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,526,428.90	3,674,620.07
9/1/2019								
3/1/2020	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,629,214.95	3,777,406.11
9/1/2020								
3/1/2021	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,701,470.85	3,849,662.02
9/1/2021								
3/1/2022	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,681,508.17	3,829,699.34
9/1/2022								
3/1/2023	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,667,658.13	3,815,849.30
9/1/2023								
3/1/2024	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,662,877.52	3,811,068.69
9/1/2024								
3/1/2025	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,752,016.03	3,900,207.20
9/1/2025								
3/1/2026	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,745,745.73	3,893,936.89
9/1/2026								
3/1/2027	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,631,735.20	3,779,926.36
9/1/2027								
3/1/2028	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,620,038.82	3,768,229.99
9/1/2028								
3/1/2029	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,600,487.30	3,748,678.47
9/1/2029								
3/1/2030	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,587,499.65	3,735,690.82
9/1/2030								
3/1/2031	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,537,009.38	3,685,200.55
9/1/2031								
3/1/2032	4.190	172,000	172,000.00	172,000.00	(23,808.83)	148,191.17	3,524,867.78	3,673,058.95
9/1/2032								
3/1/2033							3,371,033.77	3,371,033.77
9/1/2033								
3/1/2034							3,094,780.72	3,094,780.72
9/1/2034								
3/1/2035							3,048,082.80	3,048,082.80
9/1/2035								
3/1/2036							3,051,112.95	3,051,112.95
9/1/2036								
3/1/2037							3,051,367.28	3,051,367.28
9/1/2037								
3/1/2038							2,434,395.25	2,434,395.25
9/1/2038								
3/1/2039							2,439,024.66	2,439,024.66
9/1/2039								
3/1/2040							2,436,573.18	2,436,573.18
TOTALS		2,478,000	2,478,000.00	2,478,000.00	(343,013.31)	2,134,986.69	77,228,303.35	79,363,290.04