

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

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE BOARD OF SCHOOL DIRECTORS  
OF THE WARREN COUNTY SCHOOL DISTRICT  
AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION  
NOTE, SERIES OF 2009, IN THE PRINCIPAL AMOUNT OF \$5,000,000;  
ESTABLISHING THE TERMS, CONDITIONS AND FORM OF SUCH NOTE;  
ACCEPTING A PROPOSAL TO PURCHASE THE NOTE; PROVIDING  
SECURITY FOR THE NOTE; AUTHORIZING CERTAIN OFFICERS AND  
EMPLOYEES TO EXECUTE AND DELIVER THE NOTE AND TO PREPARE  
AND FILE CERTAIN CERTIFICATES AND OTHER PROCEEDINGS; MAKING  
CERTAIN COVENANTS WITH REGARD TO THE INTERNAL REVENUE CODE  
OF 1986 AND DESIGNATING THE NOTE AS A "QUALIFIED TAX-EXEMPT  
OBLIGATION"; AND AUTHORIZING OTHER NECESSARY ACTION.**

**WHEREAS**, the Warren County School District, of Warren County, Pennsylvania, (hereinafter called the "District"), anticipates current revenues as yet uncollected; and

**WHEREAS**, the District has inadequate funds for current expenditures; and

**WHEREAS**, the District has determined that it is necessary to borrow for the purpose of meeting current expenses by issuing a Note to be repaid from said anticipated revenues; and

**WHEREAS**, Northwest Savings Bank (hereinafter sometimes referred to as the "Lender") has submitted to the District a proposal to purchase a Tax and Revenue Anticipation Note of the District, and the District desires by the adoption of this Resolution to accept such proposal and authorize the issuance and sale of its Tax and Revenue Anticipation Note .

**NOW THEREFORE, BE IT RESOLVED** by the Board of School Directors of the Warren County School District that:

(1) The District hereby authorizes the issuance of a Tax and Revenue Anticipation Note in the amount of \$5,000,000 (which amount does not exceed 85% of the taxes levied and the revenues pledged by the District - see Exhibit D attached hereto) in anticipation of the receipt of current taxes and revenues to be sold at private sale.

(2) The Note shall be in the denomination of \$5,000,000, shall be redeemable at any time at the option of the officers of the District without penalty or premium, shall be fully registered without coupons, shall be dated August 26, 2009, shall bear interest at the rate of 2.625 percent per annum, shall mature February 26, 2010, shall be payable at the

office of Northwest Savings Bank (100 Liberty Street, Warren, PA 16365), and shall be substantially in the form attached to this Resolution as Exhibit A, which is hereby made a part of the Resolution.

(3) In compliance with Section 8161 of the Act, the Board of School Directors has determined that a private sale by negotiation rather than public sale is in the best financial interest of the District. Therefore, the proposal of Northwest Savings Bank to purchase the Note dated August 24, 2009, is hereby accepted and shall be incorporated into the minutes of this meeting. A true and correct copy of said proposal is attached hereto as Exhibit B (which is hereby made a part of the Resolution), and the Board President and Board Secretary of the District are hereby authorized and directed to execute and deliver a duplicate original of the acceptance of said proposal to the Lender.

(4) The District hereby pledges to the Lender and grants to the Lender a first lien and charge on its taxes and revenues to be received during the period when the Note is outstanding to secure the payment of the indebtedness evidenced hereby and the interest thereon.

(5) Payment of principal and interest shall be made in the amounts and on the dates indicated on the attached Exhibit C, which is hereby made a part of this Resolution.

(6) The Board President is hereby authorized and directed to execute and deliver in the name of, on behalf of, and under the seal of, the District, the Tax and Revenue Anticipation Note in the form and containing terms described above, and the Secretary of the District is hereby authorized and directed to attest the same.

(7) The Business Administrator is hereby is authorized and directed to prepare or cause to be prepared and to file a Certificate as to Taxes and Revenues to be Collected as required by Section 8128 of the Local Government Unit Debt Act. A true and correct copy of said Certificate is attached hereto as Exhibit D, which is hereby made a part of the Resolution.

(8) The Board President, Board Secretary, Business Administrator, and Solicitor of the District are hereby authorized and directed to perform all acts which are necessary and proper for the valid issuance and securing of the Note.

(9) The District hereby covenants with Northwest Savings Bank that no part of the proceeds of the Note shall at any time be used directly or indirectly to acquire securities or obligations the acquisition of which would cause the Note to be an "arbitrage bond," as that term is defined under Section 103(b)(2) and of Section 148 of the Internal Revenue Code of 1986, as amended, and rules and regulations issued pursuant thereto (the "Code"), throughout the term of the Note.

(10) The District designates the Note as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code. For the purposes of complying with Section 265(b)(3) of the Code, the District represents that it has not issued as of the date hereof and does not

reasonably anticipate issuing more than \$30,000,000 of tax-exempt obligations during calendar year 2009 (with said amount being increased from the previous amount of \$10,000,000 under Section 265(b)(3)(G)(i)).

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the Warren County School District, this 24<sup>th</sup> day of August, 2009.

ATTEST: (SEAL)

WARREN COUNTY SCHOOL DISTRICT

\_\_\_\_\_  
Ruth Huck, Board Secretary

\_\_\_\_\_(SEAL)  
By: Kimberly J. Angove  
President, Board of School Directors



**TAX AND REVENUE ANTICIPATION NOTE****WARREN COUNTY SCHOOL DISTRICT  
WARREN COUNTY, PENNSYLVANIA****TAX AND REVENUE ANTICIPATION NOTE  
SERIES OF 2009**

<u>Amount</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>
\$5,000,000	August 26, 2009	February 26, 2010	2.625 % per annum

The Warren County School District, Warren County, Pennsylvania (hereinafter referred to as the "District"), intending to be legally bound, promises to pay to the order of Northwest Savings Bank (hereinafter sometimes referred to as the "Lender") at its office at 100 Liberty Street, Warren, Pennsylvania, on or before February 26, 2010, \$5,000,000, in such coin or currency as at the place and time of payment is legal tender for the payment of public and private debts, with interest thereon from the date hereof on the unpaid principal balance from time to time outstanding at the rate of 2.625 % per annum.

At the option of the District, payment of the indebtedness evidenced hereby may be anticipated and paid/redeemed prior to maturity in whole or in part and without penalty or premium.

The indebtedness evidenced hereby is a borrowing in anticipation of current taxes and other current revenues to be received during the fiscal year ending June 30, 2010, and is to be repaid from revenues received by the District during said fiscal year.

The District hereby pledges to the Lender and grants to the Lender a first lien and charge on its taxes and revenues to be received during the period when the Note is outstanding to secure the payment of the indebtedness evidenced hereby and the interest thereon.

Payment of principal and interest shall be made in the amounts and on the dates indicated on the attached Exhibit A, which is hereby made a part of this Note.

This Tax and Revenue Anticipation Note is executed and delivered pursuant to a Resolution adopted by the District upon the affirmative vote of at least a majority of its members at a meeting held on August 24, 2009, and after filing with the Department of Community and Economic Development of the Commonwealth of Pennsylvania the documents required by Section 8128 of the Local Government Unit Debt Act.

The District covenants that it will not make any use of the proceeds of this Note which would cause this Note to be an "arbitrage bond" as such term is defined in Section 103(b)(2) of the Internal Revenue Code of 1986, as amended, and applicable regulations





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100 LIBERTY STREET - P.O. BOX 786 - WARREN, PENNSYLVANIA 16365 - (814) 728-7543  
FAX: (814) 728-7706

August 24, 2009

Mr. J. Petter Turnquist, CPA  
Business Administrator  
Warren County School District  
185 Hospital Drive  
Warren, PA. 16365

Dear Mr. Turnquist:

It is a pleasure to inform you that Northwest Savings Bank, hereinafter called "Lender," has approved a loan (a Tax and Revenue Anticipation Note) to

Warren County School District

hereinafter called "Borrower". The loan will be used to provide short term working cash funds due to the Pennsylvania State Budget Impasse.

1. **LOAN AMOUNT:** The principal amount of the Note shall be \$5,000,000.00.
2. **LOAN TERM:** The term of the Loan shall not exceed 6 months.
3. **INTEREST RATE:** The interest rate of the Loan shall be a fixed rate of 2.625% per annum, conditioned upon the Loan qualifying as a tax-exempt loan to the Lender.
4. **REPAYMENT:** The entire principal balance of the Loan, together with all unpaid and accrued interest shall be due in full by February 26, 2010.
5. **ORIGINATION FEE:** A \$1,000.00 Loan Origination Fee shall be payable to the Lender at the time of closing.
6. **CLOSING TERM:** This loan shall be closed on or before August 31, 2009. Any extension of closing date to be agreed upon by the parties hereof.



7. **SECURITY:** The security for this Loan shall consist of a pledge, assignment, and security interest in, the full faith, credit and taxing authority of the Warren County School District.

The Tax and Revenue Anticipation Note and Security Agreement shall carry the standard covenants permissible in the State of Pennsylvania, together with the covenants provided for herein and other covenants reasonably required by the Lender.

8. **USE OF FUNDS:** The loan proceeds shall be used to provide short term funds due to the Pennsylvania State Budget Impasse.
9. **LEGAL OPINION:** Borrower shall provide Lender with a written legal opinion from an attorney acceptable to Lender and located in the State of Pennsylvania, including, but not necessarily limited to, a certification that (a) the Borrower is duly organized, validly existing and in good standing under the laws of the State of Pennsylvania; (b) Borrower is duly authorized and legally permissible to enter into this transaction and to undertake such project; (c) the Loan is not usurious or otherwise illegal under applicable laws; (d) if applicable, the Note is exempt from personal property taxes in the Commonwealth of Pennsylvania and the interest on the Note is exempt from the Commonwealth of Pennsylvania Personal Income Tax and the Commonwealth of Pennsylvania Corporate Net Income Tax; (e) the Note is not an arbitrage bond or note as described in Section 103 (b) (2) and Section 148 of the Code; (f) if applicable, the Note is a "qualified tax-exempt obligation" for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions); (g) if applicable, interest on the Note is excluded from gross income for purposes of federal income tax imposed on individuals and corporations; (h) if applicable, the borrowing complies with the Local Government Unit Debt Act established in 1972 together with later amendments, and administered by the Pennsylvania Department of Community and Economic Development, and; (i) such further opinions relating to such matters as Lender and its counsel shall reasonably require.
10. **ASSIGNMENT OF COMMITMENT:** Neither the Commitment nor the loan proceeds shall be assignable by the Borrower without the Lender's prior written consent.
11. **PREPAYMENT PRIVILEGE:** The Loan may be prepaid in full or in part at any time prior to maturity without payment of premium or penalty.
12. **DOCUMENTATION PREPARATION:** All documentation, instruments, opinions and agreements and any further items required by Lender shall be prepared by the Borrower's Solicitor and/or Bond Counsel, subject to satisfactory review and acceptance by the Bank.
13. **COSTS:** Borrower agrees that any legal or other expenses incurred by the Lender in connection with the origination, servicing, or collection of the Loan shall be paid by the Borrower.
14. **ASSUMABILITY:** The Loan shall not be assumable.

15. **CONFIDENTIALITY:** This letter is for the Borrower's confidential use only. It may not be disclosed by the Borrower without the Lender's prior written consent to any person (including any financial institution) other than your accountants, attorneys and other advisors, and then only in connection with the transactions contemplated by this letter and on a confidential basis. The Borrower authorizes the Lender to obtain information regarding the Borrower from, and to share such information among, affiliates of the Lender.
16. **PROPER AUTHORITY:** Borrower shall furnish Lender with a certified copy of the Warren County School District's Resolution passed by their Board of Directors stating they are authorized to enter into the loan transaction and shall set forth the names of all authorized individuals empowered to execute documents in connection with this Loan.
17. **ADDITIONAL DOCUMENTS:** Borrower shall furnish such other instruments, documents, opinion, and assurances as Lender may require.
18. **DOCUMENTATION REVIEW:** All loan-related material and legal documents will be subject to prior review and approval by Lender and/or Lender's counsel and any costs reasonably incurred because of the foregoing review are to be borne by the Borrower. Borrower shall review and approve the terms contained herein in consultation with Borrower's legal counsel and shall not rely on the judgment or opinion of Lender or Lender's legal counsel.
19. **SURVIVAL OF COMMITMENT:** All representations, warranties and covenants by the Borrower and all conditions and terms of the commitment shall apply to and be binding upon the parties hereto, their successors and assigns.
20. **EXPIRATION DATE:** This Commitment is open for acceptance until August 31, 2009. It may be extended only at the option of the Lender.

Please acknowledge your acceptance of this Commitment, if found satisfactory, by having the appropriate duly authorized individual or individuals sign the enclosed copy and returning it to the undersigned.

Sincerely,

NORTHWEST SAVINGS BANK

By:   
James B. Steffan  
Senior Vice President  
Commercial Lending Officer

JBS/rmf  
Enclosure

WITH THE INTENT TO BE LEGALLY BOUND HEREBY, ACCEPTED AND AGREED TO  
THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2009.

**BORROWER:**

**Warren County School District**

By: \_\_\_\_\_  
Name/Title:

By: \_\_\_\_\_  
Name/Title:

By: \_\_\_\_\_  
Name/Title:

By: \_\_\_\_\_  
Name/Title:



**AMORTIZATION SCHEDULE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	08-26-2009	02-26-2010	000000000	410 / 57	WARRENC500	SJ5	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** WARREN COUNTY SCHOOL DISTRICT  
185 HOSPITAL DR STE F  
WARREN, PA 16365

**Lender:** NORTHWEST SAVINGS BANK  
Warren Main Office  
Liberty & Second Streets  
PO Box 96  
Warren, PA 16365

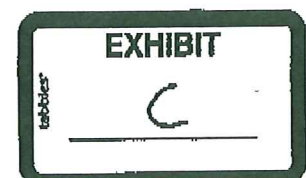
Disbursement Date: August 26, 2009  
Interest Rate: 2.625

Repayment Schedule: Single Pay  
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	02-26-2010	5,067,083.33	67,083.33	5,000,000.00	0.00
<b>TOTALS:</b>		<b>5,067,083.33</b>	<b>67,083.33</b>	<b>5,000,000.00</b>	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

LABER PRO Lending, Inc. 1145 10000 6000 Highland Financial Solutions, Inc. 1997, 2002. All Rights Reserved. PA 16 710 P90



**AMORTIZATION SCHEDULE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	08-26-2009	09-26-2009	000000000	410 / 57	WARRENC00	SJ5	
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**Borrower:** WARREN COUNTY SCHOOL DISTRICT  
185 HOSPITAL DR STE F  
WARREN, PA 16365

**Lender:** NORTHWEST SAVINGS BANK  
Warren Main Office  
Liberty & Second Streets  
PO Box 96  
Warren, PA 16365

Disbursement Date: August 26, 2009  
Interest Rate: 2.625

Repayment Schedule: Single Pay  
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	09-26 2009	5,011,302.08	11,302.08	5,000,000.00	0.00
<b>TOTALS:</b>		5,011,302.08	11,302.08	5,000,000.00	

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**AMORTIZATION SCHEDULE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	08-26-2009	10-26-2009	000000000	410 / 57	WARRENC00	SJ5	
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185 HOSPITAL DR STE F  
WARREN, PA 16365

**Lender:** NORTHWEST SAVINGS BANK  
Warren Main Office  
Liberty & Second Streets  
PO Box 96  
Warren, PA 16365

Disbursement Date: August 26, 2009  
Interest Rate: 2.625

Repayment Schedule: Single Pay  
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	10-26-2009	5,022,239.58	22,239.58	5,000,000.00	0.00
<b>TOTALS:</b>		5,022,239.58	22,239.58	5,000,000.00	

**NOTICE:** This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.



**AMORTIZATION SCHEDULE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	08-26-2009	11-26-2009	000000000	410 / 57	WARRENC00	SJ5	
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**Borrower:** WARREN COUNTY SCHOOL DISTRICT  
185 HOSPITAL DR STE F  
WARREN, PA 16365

**Lender:** NORTHWEST SAVINGS BANK  
Warren Main Office  
Liberty & Second Streets  
PO Box 96  
Warren, PA 16365

Disbursement Date: August 26, 2009  
Interest Rate: 2.625

Repayment Schedule: Single Pay  
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	11-26-2009	5,033,541.67	33,541.67	5,000,000.00	0.00
<b>TOTAL\$:</b>		<b>5,033,541.67</b>	<b>33,541.67</b>	<b>5,000,000.00</b>	

**NOTICE:** This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

**AMORTIZATION SCHEDULE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	08-26-2009	12-26-2009	000000000	410 / 57	WARRENC00	SJ5	
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**Borrower:** WARREN COUNTY SCHOOL DISTRICT  
185 HOSPITAL DR STE F  
WARREN, PA 16365

**Lender:** NORTHWEST SAVINGS BANK  
Warren Main Office  
Liberty & Second Streets  
PO Box 96  
Warren, PA 16365

Disbursement Date: August 26, 2009  
Interest Rate: 2.625

Repayment Schedule: Single Pay  
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	12-26-2009	5,044,479.17	44,479.17	5,000,000.00	0.00
<b>TOTALS:</b>		<b>5,044,479.17</b>	<b>44,479.17</b>	<b>5,000,000.00</b>	

**NOTICE:** This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

**AMORTIZATION SCHEDULE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	08-26-2009	01-26-2010	000000000	410 / 57	WARRENC00	SJ5	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing " * * *" has been omitted due to text length limitations.							

**Borrower:** WARREN COUNTY SCHOOL DISTRICT  
185 HOSPITAL DR STE F  
WARREN, PA 16365

**Lender:** NORTHWEST SAVINGS BANK  
Warren Main Office  
Liberty & Second Streets  
PO Box 96  
Warren, PA 16365

**Disbursement Date:** August 26, 2009  
**Interest Rate:** 2.625

**Repayment Schedule:** Single Pay  
**Calculation Method:** 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	01-26-2010	5,055,781.25	55,781.25	5,000,000.00	0.00
<b>TOTALS:</b>		<b>5,055,781.25</b>	<b>55,781.25</b>	<b>5,000,000.00</b>	

**NOTICE:** This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.



**CERTIFICATE OF TAXES AND REVENUES TO BE COLLECTED**

Pursuant to Section 8126 of the Local Government Unit Debt Act, the Business Administrator of the Warren County School District, Warren County, Pennsylvania (hereinafter the "Local Government Unit") hereby certify that:

1. The undersigned have carefully estimated that the following amounts of moneys will be received from taxes levied and assessed, and other revenues to be received (including subsidies and reimbursements during the following months in the fiscal year ending June 30, 2010. (Note: only months during which the note will be outstanding)

Sept 2009	\$	4,650,000
Oct 2009	\$	16,900,000
Nov 2009	\$	3,200,000
Dec 2009	\$	6,975,000
Jan 2010	\$	2,100,000
Feb 2010	\$	3,950,000
Total	\$	37,775,000

2. In making the foregoing estimate, the undersigned have considered the past anticipated collection experience of the Local Government Unit and current economic conditions:

3. The amount of the borrowing pursuant to tax and revenue anticipation notes in the above mentioned fiscal year, including current obligations, does not exceed 85% of the sum of the revenues.

**IN WITNESS WHEREOF**, The undersigned have set their hands this 24th day of August, 2009.

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**J Petter Turnquist CPA**  
**Business Administrator**

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**Ruth Huck**  
**Secretary**

**EXHIBIT**

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CERTIFICATION

I, Ruth Huck, Secretary of the Board of School Directors of the Warren County School District, hereby certify that the foregoing is a true and correct copy of a Resolution, duly adopted by the majority vote of the Board of School Directors, at a meeting duly held on the 24<sup>th</sup> day of August, 2009, and that the minutes of said meeting showing how each member voted have been duly recorded in the official minutes of the District.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 24<sup>th</sup> day of August, 2009.

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Secretary