

RESOLUTION OF THE BOARD OF SCHOOL DIRECTORS  
OF THE  
WILKES-BARRE AREA SCHOOL DISTRICT  
LUZERNE COUNTY, PENNSYLVANIA

A RESOLUTION OF WILKES-BARRE AREA SCHOOL DISTRICT, LUZERNE COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE ONE OR MORE SERIES OF FEDERALLY TAXABLE AND/OR TAX EXEMPT GENERAL OBLIGATION BONDS OR NOTES OF THE SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THIRTY-NINE MILLION DOLLARS (\$39,000,000) (THE "BONDS") PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, P.A.C.S. 53, CHAPTERS 80-82, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE SCHOOL DISTRICT; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE SCHOOL DISTRICT; SPECIFYING THAT SUCH INDEBTEDNESS TO BE INCURRED TO PROVIDE FUNDS FOR A CERTAIN PROJECT OF THE SCHOOL DISTRICT CONSISTING OF ALL OR ANY OF THE FOLLOWING: (1) REFUNDING THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION NOTE, SERIES OF 2015; (2) REFUNDING A PORTION OF THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 2015; (3) PLANNING, DESIGNING, ENGINEERING, ACQUIRING, CONSTRUCTING, INSTALLING, FURNISHING AND EQUIPPING OF ALTERATIONS, REPLACEMENTS, RENOVATIONS, IMPROVEMENTS AND ADDITIONS TO THE SCHOOL DISTRICT'S FACILITIES, INCLUDING BUT NOT LIMITED TO THE HIGH SCHOOL RENOVATION/REPLACEMENT PROJECT; (4) PURCHASING CAPITAL EQUIPMENT FOR USE BY THE SCHOOL DISTRICT; (5) ADDITIONAL CAPITAL PROJECTS OF THE SCHOOL DISTRICT TO THE EXTENT APPROVED BY THE BOARD OF SCHOOL DIRECTORS OF THE SCHOOL DISTRICT; AND (6) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; SETTING FORTH THE REASONABLE ESTIMATED USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE FINANCED AND REFINANCED BY THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE SCHOOL DISTRICT; FIXING THE DENOMINATIONS, SERIES DESIGNATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES, REDEMPTION PROVISIONS, OPTIONAL AND MANDATORY REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE SCHOOL DISTRICT TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE SCHOOL DISTRICT IN SUPPORT THEREOF; CREATING A SINKING FUND FOR EACH SERIES OF BONDS IN CONNECTION WITH

SUCH SERIES OF BONDS, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE SCHOOL DISTRICT (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE PROJECT AND THE REFUNDING OF THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION NOTE, SERIES OF 2015 AND THE REFUNDING OF A PORTION OF THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 2015; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE SCHOOL DISTRICT TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE BONDS, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE SCHOOL DISTRICT, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE SCHOOL DISTRICT TO DELIVER THE BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; IF APPLICABLE, SETTING FORTH CERTAIN COVENANTS PRECLUDING THE SCHOOL DISTRICT FROM TAKING ACTIONS WHICH WOULD CAUSE THE BONDS TO BECOME "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY BONDS," AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF, IF APPLICABLE; APPROVING THE PREPARATION, USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT BY THE PURCHASER IN CONNECTION WITH THE MARKETING OF THE BONDS; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING WHEN THIS RESOLUTION SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS INsofar AS THE SAME SHALL BE INCONSISTENT HERewith.

WHEREAS, the Wilkes-Barre Area School District, Luzerne County, Pennsylvania (the "School District"), is a school district of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, the School District, in contemplation of the issuance and sale of one or more series of its federally taxable and/or tax-exempt general obligation bonds or notes in an aggregate principal amount not to exceed Thirty-Nine Million Dollars (\$39,000,000), to provide

funds for and towards certain projects of the School District, has determined that the Bonds (hereinafter defined) shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act") and has determined that a private sale by negotiation is in the best financial interest of the School District; and

WHEREAS, the School District for purposes of this Resolution has determined that each such series of Bonds, issued as either bonds or notes and either federally taxable or tax-exempt will be issued and designated generally as "Wilkes-Barre Area School District, Luzerne County, Pennsylvania, General Obligation [Bonds/Notes], Series of 2016" (collectively, the "Bonds") or such other name or designation including the appropriate designation of the series and year such Bonds are issued as shall be selected by the President of the Board of School Directors of the School District (the "Board") upon delivery of the definitive Bonds in accordance with this Resolution; and

WHEREAS, the Bonds in one or more series shall be issued in the aggregate principal amount not to exceed Thirty-Nine Million Dollars (\$39,000,000); and

WHEREAS, the School District has heretofore issued its \$9,500,000 original principal amount General Obligation Note, Series of 2015, a portion of which remains outstanding (the "2015 Note"); and

WHEREAS, the School District desires to authorize the refunding of the 2015 Note for the purpose of substituting a bonds for a note; and

WHEREAS, the Bonds which are being issued to refund the 2015 Note will not be outstanding through a maturity date that could not have been included in the issue of the 2015 Note; and

WHEREAS, the School District has heretofore issued \$14,945,000 original aggregate principal amount General Obligation Bonds, Series of 2015, a portion of which remains outstanding (the "2015 Bonds"); and

WHEREAS, the School District desires to authorize the refunding of the 2015 Bonds maturing on April 1, 2017 and April 1, 2018, which are currently outstanding in the principal amounts of \$120,000 and \$2,530,000, respectively, and certain interest on the 2015 Bonds, as shown on the attached Schedule 1 (the "Refunded 2015 Bonds"), for the purpose of substituting notes for bonds; and

WHEREAS, the Bonds which are being issued to refund the Refunded 2015 Bonds will not be outstanding through a maturity date that could not have been included in the issue of the 2015 Bonds; and

WHEREAS, the School District has determined to accept the proposal of PNC Capital Markets LLC, Pittsburgh, Pennsylvania, as purchaser of the Bonds (the "Purchaser"), for the purchase of the Bonds, such sale to be conditioned upon, among other things, the receipt of approval from the Department of Community and Economic Development of the

Commonwealth ("DCED" or the "Department") relating to the incurring of the indebtedness to be evidenced by the Bonds; and

WHEREAS, the School District has determined to and desires to accept the proposal of the Purchaser, which proposal is subject to assignment at the direction of the School District as provided therein, and to incur nonelectoral debt in the aggregate principal amount not to exceed Thirty-Nine Million Dollars (\$39,000,000) to fund a certain project (hereinafter described) of the School District pursuant to the provisions of the Act; and

NOW, THEREFORE, BE IT RESOLVED by the Board of School Directors of the Wilkes-Barre Area School District, Luzerne County, Pennsylvania, in lawful session duly assembled, as follows:

Section 1. Pursuant to the provisions of this Resolution, the School District hereby authorizes and directs the issuance of one or more series of the Bonds in the aggregate principal amount not to exceed Thirty-Nine Million Dollars (\$39,000,000), each such series to be designated generally as the "Wilkes-Barre Area School District, Luzerne County, Pennsylvania, General Obligation [Bonds/Notes], Series of 2016" or such other name or appropriate designation of the series and year such Bonds are issued as shall be selected by the President of Board upon delivery of each series of the definitive Bonds in accordance with this Resolution. The Bonds shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation. In connection therewith, the School District hereby finds and determines that a private sale by negotiation is in the best financial interests of the School District.

Section 2. The School District determines that the debt to be incurred pursuant to this Resolution, and which will be evidenced by the Bonds, shall be nonelectoral debt of the School District.

Section 3. The project (the "Project") to be funded with, among other things, the proceeds of the Bonds consists of financing, refinancing and/or reimbursing all or any of the following: (1) refunding the outstanding 2015 Note; (2) refunding the Refunded 2015 Bonds; (3) planning, designing, engineering, acquiring, constructing, installing, furnishing and equipping of alterations, replacements, renovations, improvements and additions to the School District's facilities, including but not limited to the High School Renovation/Replacement Project; (4) purchasing capital equipment for use by the School District; (5) additional capital projects of the School District to the extent approved by the Board; and (6) paying the costs and expenses of issuance of the Bonds.

The remaining realistic estimated useful lives of the projects originally financed by the 2015 Note which are to be refinanced by a portion of the proceeds of the Bonds are at least 30 years. The remaining realistic estimated useful lives of the projects refinanced by the Refunded 2015 Bonds which are to be refinanced by a portion of the proceeds of the Bonds are at least 15 years. The realistic estimated useful lives of the capital projects that are to be financed by a portion of the proceeds of the Bonds are at least 40 years.

It is hereby certified that an aggregate principal amount of the Bonds at least equal to the realistic estimated cost of each such project shall mature prior to the end of the useful life of such project.

Stated installments or maturities of principal of the Bonds will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project, if any, or two years from the date of issue of the Bonds.

The School District hereby finds and certifies that realistic cost estimates have been obtained for the costs of the Project from financial analysts, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

The Board hereby authorizes and directs its proper officers, agents and employees to execute and to submit to the Pennsylvania Department of Education, at the appropriate time, the appropriate application and other documents and information necessary to obtain state reimbursement with respect to the debt service on the Bonds (including the filing of PLANCON Parts, as and if applicable).

Section 4. In connection with the issuance and sale of the Bonds, the School District, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the refunding of the 2015 Note is to substitute bonds for a note; and (b) that the refunding of the 2015 Note is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The School District further finds and determines that the final maturity date of the Bonds issued to effect the refunding of the Refunded 2015 Note does not extend to a date that could not have been included in the 2015 Note issue.

The Board of the School District hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the refunding of the outstanding 2015 Note, including, but not limited to providing notice to PNC Bank, National Association, as purchaser of the 2015 Note, of the refunding in full of the 2015 Note on August 1, 2016, or such other date as selected by the President or Vice President of the Board. In accordance with Section 8246 of the Act, it is the intent of the Board that the 2015 Note shall no longer be outstanding from and after the date of the issuance of the Bonds.

In connection with the issuance and sale of the Bonds, the School District, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the refunding of the Refunded 2015 Bonds is to substitute notes for bonds; and (b) that the refunding of the Refunded 2015 Bonds is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The School District further finds and determines that the final maturity date of the Bonds issued to effect the refunding of the Refunded 2015 Bonds does not extend to a date that could not have been included in the 2015 Bonds issue.

The Board of School Directors hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the refunding of the Refunded 2015 Bonds. In accordance with Section 8246 of

the Act, it is the intent of the Board that the Refunded 2015 Bonds shall no longer be outstanding from and after the date of the issuance of the Bonds.

Section 5. Subject to the approval of the Department, as required by the provisions of the Act, the School District shall and does hereby accept the proposal of the Purchaser, for the purchase of the Bonds in accordance with the terms and conditions of this Resolution and the Purchaser's proposal, dated the date of final adoption of this Resolution (the "Proposal"). The sale of the Bonds shall be for an aggregate purchase price of not less than 96% of the aggregate par amount of the Bonds issued by the School District, exclusive of any original issue discount and any original issue premium, plus accrued interest, if any, from the date of the respective series of Bonds to the date of delivery thereof. A copy of the Proposal, as presented to the School District and accepted by this Resolution, is incorporated herein by reference and shall be attached to this Resolution and maintained with the minutes of this meeting. Upon final pricing of the Bonds, the Purchaser will present to the School District an addendum or confirmation to the Proposal for each series of the Bonds setting forth the final terms and conditions of each series of the Bonds, including the final principal amount, interest rates, redemption provisions and purchase price for each series of the Bonds (collectively, the "Addendum"). As long as the terms and conditions set forth in the Addendum satisfy the parameters set forth in this Resolution, the President or Vice President of the Board is hereby authorized and directed to accept and to execute the Addendum in the name and on behalf of the School District, and the Secretary or Assistant Secretary of the School District is hereby authorized and directed to attest to such acceptance and execution. The Proposal is subject to assignment at the direction of the School District as provided therein and the Board of the School District hereby authorizes and directs the President or Vice President of the Board to determine the Purchaser for each series of the Bonds issued hereunder and the President or Vice President are hereby authorized to take any and all actions in connection with such determination and designation.

Section 6. The Bonds, when issued, will be a general obligation of the School District. If any series of the Bonds are issued as tax-exempt obligations, in accordance with the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), if appropriate and if applicable to such series, the School District hereby finds, determines and designates or deems designated each of the Bonds of such series as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code, for the purposes of such Section 265(b) of the Code. The School District determines that it and all entities with which it is aggregated under Section 265(b)(3)(E) of the Code have not issued, and do not reasonably expect to issue, tax-exempt obligations which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the calendar year 2016. The School District also determines that it will not engage in any action or inaction which will or may cause the Bonds of such series to fail or cease to constitute "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

Section 7. Each series of Bonds shall be fully registered, without coupons, in substantially the form hereinafter set forth in Section 10. Each series of Bonds shall be dated and shall bear interest from that date at the applicable rates per annum, on the dates (each an "Interest Payment Date") until maturity or prior redemption, as set forth in the definitive Bonds for such series as delivered to the Purchaser in accordance with the provisions hereof, subject, in

each case, to the parameters set forth in Section 8. Each series of Bonds shall be issuable in denominations of \$5,000 or any integral multiple thereof.

Section 8. The Bonds shall bear the maximum rates of interest and shall mature, whether by maturity or mandatory sinking fund redemption on the dates and in the maximum amounts as set forth on Exhibit A attached hereto.

Each series of Bonds shall be issued in such aggregate principal amounts among series, as serial bonds or term bonds and shall be subject to optional and mandatory tender and optional and mandatory sinking fund redemption as set forth in the definitive Bonds as delivered to the Purchaser in accordance with the provisions hereof and the delivery instructions of the Purchaser; provided however that the interest rates on the Bonds, and any serial maturities or mandatory sinking fund redemption amounts shall be within the parameters set forth on Exhibit A attached hereto.

Section 9. The President or Vice President of the Board and the Secretary or Assistant Secretary of the School District are hereby authorized, empowered and directed to contract with Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, as paying agent, or such other paying agent, which shall be a bank or bank and trust company authorized to do business in the Commonwealth, as may be selected by the President of the Board, upon delivery of each series of the Bonds in accordance with this Resolution (any such paying agent selected in accordance with this Section 9 being hereinafter referred to as the "Paying Agent"), for its services as paying agent and sinking fund depository in accordance with the terms and conditions of the Proposal, this Resolution and the Act. Payment of the principal of and interest on the Bonds shall be made, when due, in accordance with the provisions of the Bonds, at the corporate trust office of the Paying Agent in lawful money of the United States of America.

Section 10. Each series of Bonds shall be in substantially the form set forth in Exhibit B hereto. The form of the Bonds as submitted to the School District are hereby approved in substantially such form, with such changes, insertions and variations as are necessary or appropriate to reflect the final terms, including, but not limited to, series designation, interest rates, principal amounts, the name or designation and redemption provisions, of the Bonds as specified to the School District in the delivery instructions of the Purchaser and such other changes as the President of the Board may approve upon advice of the Solicitor to the School District, such approval to be evidenced by such officer's execution and delivery of the Bonds.

Section 11. The Bonds shall be executed in the name and on behalf of the School District by the true or facsimile signature of the President or Vice President of the Board and the true or facsimile official seal of the School District shall be affixed thereunto, duly attested by the true or facsimile signature of the Secretary or Assistant Secretary of the School District. Said officers are authorized and directed to execute and attest the Bonds. The execution and delivery of the Bonds in accordance with Section 10 hereof and this Section 11 shall constitute conclusive proof of the approval of the final terms and provisions of the Bonds by the School District.

No Bond constituting one of the Bonds shall be entitled to any benefit under this Resolution nor shall it be valid, obligatory or enforceable for any purpose until such Bond shall

have been registered and authenticated by the Certificate of Authentication endorsed thereon duly signed by the Paying Agent; and the Paying Agent is authorized to register and authenticate the Bonds in accordance with the provisions hereof.

Each series of Bonds shall initially be issued in the form of one fully-registered Bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of the Purchaser or Cede & Co., as nominee of The Depository Trust Company ("DTC"), as directed by the Purchaser. The Bonds issued in the name of Cede & Co. in accordance with the provisions of this Section may be issued in typewritten form satisfactory to DTC. Except as provided below all of the Bonds shall be registered in the registration books kept by the Paying Agent or the Trustee, as applicable, in the name of the Purchaser or 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 such series registered in the name of such nominee or nominees of DTC. No person other than the Purchaser or DTC or its nominee shall be entitled to receive from the School District or the Paying Agent or the Trustee, as applicable, either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless the Purchaser or DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Paying Agent or the Trustee, as applicable.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price, if any, of or interest on such Bonds shall be made to DTC or its nominee. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the School District or the Paying Agent with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid.

The School District and the Paying Agent shall treat DTC (or its nominee) as the sole and exclusive registered 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 registered owners of the Bonds, registering the transfer of the Bonds, obtaining any consent or other action to be taken by registered owners of the Bonds and for all other purposes whatsoever; and neither the School District nor the Paying Agent shall be affected by any notice to the contrary. Neither the 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 registration books of the Paying Agent as being a registered owner, 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 registered owners of the Bonds; (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; or (6) any consent given or other action taken by DTC as the registered owner of the Bonds.



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 registered owners of the Bonds under this Resolution shall be given to DTC.

In connection with any notice or other communication to be provided to registered owners of the Bonds pursuant to this Resolution by the School District or the Paying Agent with respect to any consent or other action to be taken by registered owners of the 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 the School District or the Paying Agent may establish a special record date for such consent or other action. The School District or the Paying Agent shall give DTC notice of such special record date not less than 10 calendar days in advance of such special record date to the extent possible.

The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if: (1) after notice to the School District and the Paying Agent, DTC determines to resign as securities depository for the Bonds; (2) after notice to DTC and the Paying Agent, the 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 the School District or the beneficial owners of the Bonds. In any such event, unless the 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 in writing by DTC, but without any liability on the part of the School District or the Paying Agent for the accuracy of such designation. Whenever DTC requests the School District and the Paying Agent to do so, the School District and the Paying Agent or the Trustee, as applicable, shall cooperate with DTC in taking appropriate action after reasonable written notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 12. The School District covenants to and with the registered owners from time to time of the Bonds that the School District (i) shall include in its budget in each fiscal year the amount of the debt service for each fiscal year of the School District in which such sums are payable, (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Bonds for such year, and (iii) shall duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal amount of the Bonds and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the School District shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in Section 8104 of the Act, the foregoing covenant of the School District shall be enforceable specifically.

Section 13. The School District hereby covenants to create and there is hereby created, pursuant to Section 8221 of the Act, one or more sinking funds for the Bonds corresponding to each series of Bonds issued, each such sinking fund to be known as "Sinking Fund - Wilkes-Barre Area School District, Luzerne County, Pennsylvania, General Obligation [Bonds/Notes], Series of 2016" (collectively, the "Sinking Fund") or such other name or designation to coincide with the series of Bonds issued and the year issued as selected by the

proper officers of the School District shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Resolution.

Section 14. The Paying Agent shall be the "sinking fund depository" with respect to the Sinking Fund created pursuant to Section 13. The School District covenants and agrees to deposit in the Sinking Fund, on or before each Interest Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Interest Payment Date all principal and accrued interest becoming due with respect to the Bonds. After such deposit, the Paying Agent shall, without further authorization or direction from the School District or any of its officials, upon proper and timely presentation, execution and surrender of the Bonds, with respect to the payment of principal of the Bonds, or at the Interest Payment Date, with respect to the payment of interest on the Bonds, withdraw moneys from the Sinking Fund and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Resolution and the provisions of the Act.

Section 15. Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication of such Bonds, unless (a) such Bonds are registered and authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from said Interest Payment Date; or (b) the Bonds are registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bonds shall bear interest from such Interest Payment Date, or (c) the Bonds are registered and authenticated on or prior to the Record Date preceding the first Interest Payment Date, in which event such Bonds shall bear interest from the dated date thereof, or (d) as shown by the records of the Paying Agent, interest on such Bonds shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bonds. Interest shall be paid as set forth in the definitive Bonds, until the principal sum is paid. Interest on the Bonds is payable by check drawn on the Paying Agent which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the day next preceding each Interest Payment Date or such other day approved by the President or Vice President of the Board upon delivery of each series of the definitive Bonds in accordance with this Resolution (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the School District shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of the Bonds not less than ten (10) days preceding such special record date or such other day approved by the President or Vice President of the Board upon delivery of each series of the definitive Bonds in accordance with this Resolution. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing or such other day approved by the President or Vice President of the Board upon delivery of each series of the definitive Bonds in accordance with this Resolution.

If the date for payment of the principal of or the interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then the payment of such principal or

interest need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

The School District and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

The Bonds shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent at its principal corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Bonds in the registration books of the School District maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees new fully registered Bonds of authorized denominations of the same series and maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time.

The School District and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered on the registration books of the School District maintained by the Paying Agent as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of and/or interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein and in the Bonds provided. All such payments shall be valid and effectual to satisfy in full and discharge the liability of the School District upon the Bonds so paid, to the extent of the sum or sums so paid, and neither the School District nor the Paying Agent shall be affected by any notice to the contrary.

The School District shall cause to be kept, and the Paying Agent shall keep, at the principal corporate trust office of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as the Bonds shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

Section 16. If necessary, the School District hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "Investments") for investment of the proceeds of the Bonds and in connection with the Project and the refunding of the 2015 Note. The School District hereby authorizes and directs the President or Vice President of the Board to execute and the Secretary or Assistant Secretary of the School District to attest any investment agreement on

behalf of the School District, in the form approved by the Solicitor of the School District. The Investments shall be limited to those authorized under law for proceeds of the Bonds.

Section 17. The President or Vice President of the Board or the Secretary or Assistant Secretary of the School District are each hereby authorized and directed, in the name and on behalf of the School District: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare, execute and file with the Department, as required by Section 8111 of the Act, a duly attested copy of this Resolution, with proofs of proper publication, the accepted Proposal of the Purchaser and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the Bonds, including the debt statement and borrowing base certificate; (c) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (d) to pay or cause to be paid from proceeds of the Bonds or otherwise, all costs and expenses incurred by the School District in connection with the issuance of the Bonds; (e) to advertise the adoption of this Resolution, as required by the Act; and (f) to take any and all other action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal of the Purchaser, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the Bonds, to the extent not inconsistent with this Resolution or applicable law.

Furthermore, the President or Vice President of the Board or the Secretary or Assistant Secretary of the School District are each authorized and directed, if necessary or desirable, to cause to be prepared and filed with the Department appropriate statements required by Section 8026 of the Act which are necessary to qualify the nonelectoral or lease rental debt of the School District, which is subject to exclusion of self-liquidating or subsidized debt, for exclusion from the appropriate debt limits of the School District as self-liquidating or subsidized debt.

Section 18. It is hereby declared that the debt to be evidenced by the Bonds, together with all other indebtedness of the School District, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by the School District.

Section 19. The proper officers of the School District are hereby authorized and directed to deliver the Bonds to the Purchaser, upon due registration and authentication thereof as provided for herein, upon receipt of full and proper payment of the purchase price therefor, provided, however, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 20. If any series of the Bonds are issued as tax-exempt obligations, the School District covenants to and with the registered owners of the Bonds of such series that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds of such series, would cause such series of Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Code and the applicable regulations thereunder. If applicable, the School District further covenants that it will comply with the requirements of such Section 148 and Section 141 and with the regulations thereunder throughout the term of such issue. In addition, the President or Vice President of the Board, being the officials

responsible for issuing the Bonds of such series, attested by the Secretary or Assistant Secretary of the School District, are hereby authorized and directed to execute and deliver, in the name and on behalf of the School District, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds of such series are not "arbitrage bonds" or "private activity bonds" within the meanings of Section 148 and Section 141 of the Code and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the Bonds of such series, which certificate shall set forth the reasonable expectations of the School District as to the amount and use of the proceeds of the Bonds of such series.

Section 21. The School District hereby authorizes and directs the proper officers, agents and employees to execute any and all other documents and to take any and all action necessary in connection with the Project to cause the 2015 Note to "no longer be deemed to be outstanding" as of the date of delivery of the Bonds, within the meaning and for the purposes of Section 8250 of the Act and to pay the principal of and interest due on the 2015 Note when due.

Section 22. The President or Vice President of the Board and the Secretary or Assistant Secretary of the School District are hereby authorized to execute the Continuing Disclosure Certificate (hereinafter defined) on behalf of the School District and the School District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate as required by applicable law. Notwithstanding any other provision of this Resolution, failure of the School District to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder or on the Bonds; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with its obligations under this Section.

As used herein, the term "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate or Certificates to be executed by the School District in order to comply with Securities and Exchange Commission Rule 15c2-12, and dated the date of issuance and delivery of each series of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

As used herein, the term "Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries).

Section 23. If determined to be advantageous to the School District by the President or Vice President of the Board, the Board hereby authorizes and directs the purchase of a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by a municipal bond insurer (the "Insurer") acceptable to the Purchaser and the President or Vice President of the Board insuring the payment when due of the principal of and interest on the Bonds as provided therein. Proper officers of the School District are authorized and directed to take all required, necessary and/or appropriate action with respect to such insurance, including the payment of the premium thereof.

The President or Vice President of the Board and the Secretary or Assistant Secretary of the School District are hereby authorized and directed to execute any and all insurance agreements and certificates with or for the benefit of the Insurer as may be necessary regarding the issuance of the Bonds and the delivery of the Municipal Bond Insurance Policy and acceptable to such officers executing the same.

Section 24. The School District hereby approves the preparation, use and distribution of a Preliminary Official Statement by the Purchaser in connection with the marketing of the Bonds. The President or Vice President of the Board is hereby authorized to execute and approve a final Official Statement relating to the Bonds and any amendments or supplements to the same, provided that the final Official Statement and any amendments and/or supplements shall have been approved by the Solicitor to the School District. The Purchaser is hereby authorized to use such final Official Statement (and any amendments or supplements thereto) in connection with the sale of the Bonds.

Section 25. In connection with the issuance of the Bonds and the School District's other outstanding bonds and notes, the Board hereby adopts the Tax Exempt Bond Compliance Program and Continuing Disclosure Compliance Program Procedures attached hereto as Exhibit "C".

Section 26. The School District hereby appoints and engages Stevens & Lee, P.C., to act as Bond Counsel to the School District in connection with the issuance of the Bonds and to facilitate the intent of this Resolution.

Section 27. All expenses incurred in connection with issuance of the Bonds shall be paid out of the proceeds derived from the issuance of the Bonds or from other available funds of the School District and the President or Vice President of the Board is authorized to approve requests for payment of such expenses and to pay or direct the payment of such expenses.

Section 28. The President or Vice President of the Board and the Secretary or Assistant Secretary of the School District are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Resolution.

Section 29. The proper officers of the School District are hereby authorized, jointly and severally, to do any and all other things necessary to effectuate the issuance, execution, delivery and sale of the Bonds and the financing of the Project, including the execution and delivery of any and all additional documents, representations, declarations, loan agreements, reimbursement agreements, security agreements, promissory notes, intercreditor agreements, derivative and/or interest rate management agreements, escrow agreements, assignments, financing statements, certificates, authorizations, contracts, agreements, insurance binders and other papers as may be necessary to effectuate any of the foregoing, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by the School District.

Section 30. 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 the School District that the remainder of this Resolution shall remain in full force and effect.

Section 31. All resolutions or parts of resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

Section 32. This Resolution shall be effective in accordance with Section 8003 of the Act.

*[The remainder of this page intentionally left blank.]*

DULY RESOLVED, THIS 28TH DAY OF JUNE, 2016, BY THE BOARD OF  
SCHOOL DIRECTORS OF THE WILKES-BARRE AREA SCHOOL DISTRICT, LUZERNE  
COUNTY, PENNSYLVANIA, IN LAWFUL SESSION DULY ASSEMBLED.

WILKES-BARRE AREA SCHOOL DISTRICT  
Luzerne County, Pennsylvania

By: \_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Secretary

(SEAL)



SCHEDULE 1  
REFUNDED 2015 BONDS

Wilkes-Barre Area School District  
Series of 2015  
Debt Service Refunded

<u>Payment Date</u>	<u>Par Amount</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
10/01/2016		317,650.00	317,650.00	
04/01/2017	120,000	317,650.00	437,650.00	755,300.00
10/01/2017		316,450.00	316,450.00	
04/01/2018	2,530,000	316,450.00	2,846,450.00	3,162,900.00
	2,650,000	1,268,200.00	3,918,200.00	3,918,200.00

EXHIBIT A

MAXIMUM DEBT SERVICE SCHEDULE FOR BONDS

Wilkes-Barre Area School District	Dated Date	08/01/2016
Series 2016 Bonds	Settlement Date	08/01/2016
Debt Service Schedule - NTE		

<u>Payment Date</u>	<u>NTE Par Amount</u>	<u>Coupon (%)</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
02/01/2017			1,365,000.00	1,365,000.00	
08/01/2017	50,000	7.000	1,365,000.00	1,415,000.00	2,780,000.00
02/01/2018			1,363,250.00	1,363,250.00	
08/01/2018	50,000	7.000	1,363,250.00	1,413,250.00	2,776,500.00
02/01/2019			1,361,500.00	1,361,500.00	
08/01/2019	50,000	7.000	1,361,500.00	1,411,500.00	2,773,000.00
02/01/2020			1,359,750.00	1,359,750.00	
08/01/2020	50,000	7.000	1,359,750.00	1,409,750.00	2,769,500.00
02/01/2021			1,358,000.00	1,358,000.00	
08/01/2021	50,000	7.000	1,358,000.00	1,408,000.00	2,766,000.00
02/01/2022			1,356,250.00	1,356,250.00	
08/01/2022	50,000	7.000	1,356,250.00	1,406,250.00	2,762,500.00
02/01/2023			1,354,500.00	1,354,500.00	
08/01/2023	1,715,000	7.000	1,354,500.00	3,069,500.00	4,424,000.00
02/01/2024			1,294,475.00	1,294,475.00	
08/01/2024	1,835,000	7.000	1,294,475.00	3,129,475.00	4,423,950.00
02/01/2025			1,230,250.00	1,230,250.00	
08/01/2025	1,965,000	7.000	1,230,250.00	3,195,250.00	4,425,500.00
02/01/2026			1,161,475.00	1,161,475.00	
08/01/2026	2,105,000	7.000	1,161,475.00	3,266,475.00	4,427,950.00
02/01/2027			1,087,800.00	1,087,800.00	
08/01/2027	2,250,000	7.000	1,087,800.00	3,337,800.00	4,425,600.00
02/01/2028			1,009,050.00	1,009,050.00	
08/01/2028	2,405,000	7.000	1,009,050.00	3,414,050.00	4,423,100.00
02/01/2029			924,875.00	924,875.00	
08/01/2029	2,575,000	7.000	924,875.00	3,499,875.00	4,424,750.00
02/01/2030			834,750.00	834,750.00	
08/01/2030	2,755,000	7.000	834,750.00	3,589,750.00	4,424,500.00
02/01/2031			738,325.00	738,325.00	
08/01/2031	2,950,000	7.000	738,325.00	3,688,325.00	4,426,650.00
02/01/2032			635,075.00	635,075.00	
08/01/2032	3,155,000	7.000	635,075.00	3,790,075.00	4,425,150.00
02/01/2033			524,650.00	524,650.00	
08/01/2033	3,375,000	7.000	524,650.00	3,899,650.00	4,424,300.00
02/01/2034			406,525.00	406,525.00	
08/01/2034	3,615,000	7.000	406,525.00	4,021,525.00	4,428,050.00
02/01/2035			280,000.00	280,000.00	
08/01/2035	3,865,000	7.000	280,000.00	4,145,000.00	4,425,000.00
02/01/2036			144,725.00	144,725.00	
08/01/2036	4,135,000	7.000	144,725.00	4,279,725.00	4,424,450.00
	39,000,000		39,580,450.00	78,580,450.00	78,580,450.00

EXHIBIT B  
(BOND FORM)

REGISTERED  
NUMBER R-\_\_

REGISTERED  
\$\_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company ("DTC"), a New York corporation, to the School District or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

WILKES-BARRE AREA SCHOOL DISTRICT  
LUZERNE COUNTY, PENNSYLVANIA

GENERAL OBLIGATION [BOND/NOTE]  
SERIES \_\_ OF 2016

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE OF SERIES</u>	<u>CUSIP</u>
----------------------	----------------------	---------------------------------	--------------

REGISTERED OWNER      CEDE & CO.

PRINCIPAL AMOUNT      \$\_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that the Wilkes-Barre Area School District, Luzerne County, Pennsylvania (the "School District"), a School District existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself to be indebted and promises to pay to the order of the Registered Owner hereof, or registered assigns, on the maturity date stated hereon (or upon prior redemption, as hereinafter provided), upon presentation and surrender hereof, the Principal Amount shown above and to pay semiannually on \_\_\_\_\_ and \_\_\_\_\_ of each year prior to maturity or redemption (each an "Interest Payment Date"), beginning \_\_\_\_\_, to the registered owner hereof, interest on such principal sum, at the rate per annum stated hereon, from the Interest Payment Date next preceding the date of registration and authentication of this Wilkes-Barre Area School District, Luzerne County, Pennsylvania, General Obligation [Bond/Note], Series \_\_ of 2016 (the "Bond"), unless (a) this Bond is registered and authenticated as of an Interest Payment Date, in which event this Bond shall bear interest from such Interest

Payment Date, or (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or (c) this Bond is registered and authenticated on or prior to the Record Date preceding \_\_\_\_\_, \_\_\_\_\_, in which event such Bond shall bear interest from \_\_\_\_\_, \_\_\_\_\_, or (d) as shown by the records of Manufacturers and Traders Trust Company, as paying agent, at its offices located in Harrisburg, Pennsylvania, or its successor (the "Paying Agent"), interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such Interest Payment Date, unless the School District shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of Bonds (hereinafter defined) not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

Whenever the due date for payment of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then payment of such interest, principal, or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banks are authorized by law or executive order to remain closed, with the same force and effect as if made on the due date for payment of principal, interest or redemption price and no interest shall accrue thereon for any period after such due date.

This Bond is one of a series of bonds of the School District known generally as "Wilkes-Barre Area School District, Luzerne County, Pennsylvania, General Obligation [Bonds/Notes], Series \_\_ of 2016," dated \_\_\_\_\_ (the "Bonds"), issued by the School District in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

The Bonds are in fully registered form, without coupons, and have been authorized and issued in accordance with the Local Government Unit Debt Act of the Commonwealth (the "Act"), without the assent of the electors, pursuant to a resolution (the "Resolution") of the Board of School Directors of the School District (the "Board") duly adopted on June 28, 2016. The terms and provisions of the Resolution are hereby incorporated by reference as if set forth fully herein. The Bonds are issuable only as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

The School District has covenanted in the Resolution that it shall include in its budget the amount of the debt service for each fiscal year of the School District in which principal and/or interest on the Bonds is payable, that it shall appropriate from its general

revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due principal and interest on the Bonds.

[If the interest on the Bonds is determined to be tax-exempt, the following language will apply: In the Resolution, the School District has covenanted to and with registered owners of the Bonds that it will make no use of the proceeds of the Bonds, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Bonds, would cause the Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder.]

This Bond shall not be entitled to any benefit under the Resolution nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Paying Agent.

[If the interest on the Bonds is determined to be tax-exempt, the following language may apply: This Bond has been designated, in the Resolution, by the School District, as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code.]

The Bonds maturing on or after \_\_\_\_\_, shall be subject to redemption, prior to maturity, at the option of the School District, in whole or in part, in any order of maturities, at any time on or after \_\_\_\_\_, at a price equal to 100% of the principal amount of the Bonds to be redeemed and accrued interest thereon to the date fixed for such optional redemption. In the event that less than all of the Bonds of a particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

The Bonds stated to mature on \_\_\_\_\_, are subject to mandatory redemption prior to maturity on \_\_\_\_\_ of the years (at a price equal to the principal amount of the Bonds called for mandatory redemption plus accrued interest thereon to the date fixed for such mandatory redemption) and in the principal amounts as set forth in the following schedule, as drawn by lot by the Paying Agent:

<u>Year</u>	<u>Principal Amount</u>
	\$
*	

\* at maturity

In lieu of such mandatory redemption, the Paying Agent, on behalf of the School District, may purchase, from money in the Sinking Fund, or the School District may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the event of a partial redemption of

a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

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

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Resolution, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

This Bond may be transferred or exchanged by the registered owner hereof only upon surrender of this Bond to the Paying Agent at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of the same series and of authorized denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The School District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the registered owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the School District upon the Bond as paid.

The School District and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection



of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

The School District has caused CUSIP numbers to be printed on the Bonds as a convenience to bondholders. No representation is made as to the accuracy of such numbers as printed on the Bonds.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Resolution, against any member, officer or employee, past, present, or future, of the School District or of any successor body, as such, either directly or through the School District or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the School District to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the School District is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the School District has established with the Paying Agent, as Sinking Fund Depositary, a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the School District are hereby irrevocably pledged.

IN WITNESS WHEREOF, Wilkes-Barre Area School District, Luzerne County, Pennsylvania, has caused this Bond to be signed in its name and on its behalf by the signatures of the President of Board and its corporate seal to be hereunder affixed, duly attested by the signature of the Secretary of the School District, as of the \_\_\_\_ day of \_\_\_\_\_, 2016.

WILKES-BARRE AREA SCHOOL DISTRICT  
Luzerne County, Pennsylvania

(SEAL)

By: \_\_\_\_\_  
President

By: \_\_\_\_\_  
Secretary

STATEMENT OF INSURANCE

[To Come]

(FORM OF PAYING AGENT'S CERTIFICATE)

CERTIFICATE OF AUTHENTICATION

It is certified that this Bond is one of the Bonds described in the within-mentioned Resolution.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Paying Agent

By: \_\_\_\_\_  
Authorized Officer

Date of Registration and Authentication:

\_\_\_\_\_

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ (the "Transferror"), the undersigned, hereby sells, assigns and transfers unto

\_\_\_\_\_  
Name (the "Transferee")

\_\_\_\_\_  
Address

\_\_\_\_\_  
Social Security or  
Federal Employer Identification No.

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
NOTICE: No transfer will be made in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name(s) as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust, and the name of the trustee should be supplied.

(END OF BOND FORM)

EXHIBIT "C"

TAX EXEMPT BOND COMPLIANCE PROGRAM AND CONTINUING DISCLOSURE  
COMPLIANCE PROGRAM PROCEDURES

WILKES-BARRE AREA SCHOOL DISTRICT

BOND COMPLIANCE PROCEDURES

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Subject: Tax Exempt Bonds Compliance Program  
and Continuing Disclosure Compliance  
Program

Approval Date: June 28, 2016

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- I. Standard: Wilkes-Barre Area School District (the "School District") shall maintain the tax exempt status of tax-exempt bonds or notes issued for its benefit and insure compliance with 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("Rule 15c2-12").
- II. Purpose: To provide written procedures and a process by which the School District will (a) monitor and continually update its use of bond proceeds and bond financed facilities throughout the term of any Bonds or Notes issued for its benefit and (b) monitor and comply with its continuing disclosure obligations under Rule 15c2-12.
- III. Implementation:
- A. Responsible Persons
1. The responsible persons are:
    - i. The Business Manager of the School District shall be responsible for the tracking of expenditures and receipts of bond proceeds and keeping the applicable records thereof;
    - ii. The Business Manager shall be responsible for reviewing and monitoring the private use, if any, of the School District's tax exempt financed facilities and the review of any management or service provider contracts, leases or other contractual arrangements relating to the use of the bond financed facilities to determine compliance with the safe harbors established by Rev. Proc. 97-13, as amended modified or superseded, and keeping all applicable records relating to such use and determinations;
    - iii. The Business Manager shall be responsible for reviewing and monitoring the investment of any bond proceeds and determining whether investments were made in accordance with the applicable safe harbor for determining fair market value and maintaining all such records together with the records of receipts and expenditures of bond proceeds;

- iv. The Business Manager shall be responsible for monitoring the School District's rebate obligations and, if applicable, engaging a rebate consultant and causing such consultant to undertake a rebate analysis and the preparation of a written report with respect to the School District's rebate obligations. The Business Manager shall be responsible for ensuring that the School District makes timely payment of all amounts owed to the U.S. Treasury, if any;
  - v. The Business Manager shall be responsible to file all annual and listed event notices in compliance with Rule 15c2-12; and
  - vi. The Business Manager shall be responsible to review the reports, at least annually with counsel, and confirm that the procedures set forth herein are being followed.
2. The Business Manager may, in his or her discretion, appoint or retain other responsible persons to assist or advise the foregoing responsible persons in their tasks.

B. Tracking of Bond Proceeds

1. The Business Manager shall create and maintain spreadsheets for each bond issue which will track the date, amount, and purpose of each receipt of and expenditure of bond proceeds. Back up documentation (either hard copy or in electronic form (if compliant with Rev. Proc. 97-22)) for each receipt or expenditure shall be retained as more fully described below.
  2. The Business Manager and the Superintendent shall review the applicable tax certificates (including the Nonarbitrage Certificate, the School District's tax certificate and the Form 8038-G) for each issue and acquaint herself or himself with the School District's expectations with respect to the bonds as expressed therein to ensure that the proceeds are expended consistently with such expectations. Any discrepancies will be brought to the attention of the Business Manager who shall communicate with counsel regarding such matters.
3. Expenditure of Proceeds
- i. For expenditures from the applicable project fund, the Business Manager will review the applicable authorizing Resolution to confirm that each expenditure is within the scope of the project described in the authorizing Resolution. In addition, the useful life of each asset acquired and its placed in service date shall be recorded.
  - ii. For any funds deposited in a sinking fund, and any earnings thereon, the Business Manager shall review and monitor all expenditures and receipts for such sinking fund and shall not less than annually confirm that such fund is not funded in excess of the amount necessary.



#### C. Investment of Proceeds

1. The Business Manager shall review the applicable tax certificates for each issue and acquaint herself or himself with the School District's expectations with respect to the bonds as expressed therein to ensure that the proceeds are invested consistently with such expectations. The Business Manager shall determine the yield applicable to the bonds as stated in the Form 8038-G filed with respect to each bond issue.
2. The Business Manager shall determine what proceeds are available for investment and whether they are subject to yield restriction. If such proceeds are not subject to yield restriction, the Business Manager shall cause such proceeds to be invested in such investments as shall be permitted under the applicable bond documents and the School District's investments guidelines, if any, and the Business Manager may make such investments in consultation with the School District's investment advisors, if any. If such proceeds are subject to yield restriction, the Business Manager shall cause such proceeds to be invested at or below the applicable yield restriction in such investments as shall be permitted under the applicable bond documents and the School District's investments guidelines, if any, and the Business Manager may make such investments in consultation with the School District's investment advisors, if any, or if such investments cannot be obtained at fair market value (because investment yields are then in excess of the applicable bond yield), the School District shall invest such proceeds in tax exempt obligations that are not subject to the alternative minimum tax.
3. The Business Manager shall cause such investments to be acquired at fair market value under applicable safe harbors for the determination of fair market value and for adequate records to be maintained to support such fair market value determinations.

#### D. Private Business Use

1. The Business Manager shall create and maintain spreadsheets for each bond financed facility which will track the amount of bond proceeds used to finance such facility and track the use of such facility by anyone other than the School District. Back up documentation (either hard copy or in electronic form (if compliant with Rev. Proc. 97-22)) for each receipt or expenditure shall be retained as more fully described below.
2. The Business Manager shall review the applicable tax certificates for each issue and acquaint herself or himself with the School District's expectations with respect to the bonds as expressed therein to ensure that any use of the facility is consistent with such expectations.
3. Prior to the School District's execution of any agreement for (i) the rental by the School District of bond financed property (such as the sale of naming rights on a School District facility), (ii) the management of, or the provision of services with

respect to, any function at a bond financed facility (such as food services), or (iii) any agreement that conveys rights to a third party that are different from the rights granted to members of the general public, the Business Manager shall first determine whether such arrangement constitutes a private business use. If such use constitutes private business use, the Business Manager will determine how much private business use already exists and whether the proposed private business use will be within the permitted limitation. The Business Manager, in consultation with counsel, shall make a recommendation to the Board of School Directors as to whether the Board should approve or disapprove of the arrangement. The Business Manager shall only recommend that the Board approve of such arrangement if the School District is compliant with private business use limitations with respect to the applicable bonds after giving effect to the proposed arrangement or the Business Manager has determined that remedial actions can be taken, or another remedy exists, that will permit the applicable bonds to remain compliant with the private business use limitation.

E. Rebate

1. The School District shall engage a rebate consultant and cause such consultant to undertake a rebate analysis and the preparation of a written report at least every 5 years that a bond issue is outstanding if no rebate exception has been determined for the applicable issue of bonds. Such rebate consultant shall determine whether any issue of bonds has qualified for an exception from rebate, and if not, whether any rebate liability is owed to the U.S. Treasury. If any liability is determined, the School District shall cause such liability to be paid to the U.S. Treasury promptly and no later than 60 days after the applicable 5<sup>th</sup> year anniversary. Such payment to be accompanied by the appropriate and required forms to be filed with the Internal Revenue Service.

IV. Continuing Disclosure

- A. On an annual basis and not later than 180 days after the end of each fiscal year of the School District or such earlier or later date as may be provided under any Continuing Disclosure Certificate of the School District, the Business Manager shall post, or cause a dissemination agent to post, on the Electronic Municipal Market Access system (EMMA) maintained by the Municipal Securities Rulemaking Board the School District's Annual Report which shall be compliant with the applicable Continuing Disclosure Certificate.
- B. If applicable under any Continuing Disclosure Certificate of the School District, on an annual basis and not later than fifteen (15) days after final approval by the Board of School Directors of the School District, the Business Manager shall post, or cause a dissemination agent to post, on EMMA, a summary of the budget for the current fiscal year.
- C. Whenever the School District obtains knowledge of the occurrence of a Listed Event, as defined in the applicable Continuing Disclosure Certificate, the School District shall as soon as possible (with respect to those Listed Events where a determination of materiality

by the School District is applicable) determine if such event would constitute material information for Holders of Bonds under applicable federal securities laws. If (i) a determination of materiality by the School District is not relevant to the obligation to give notice of a Listed Event or (ii) the School District determines (with respect to those Listed Events where a determination of materiality by the School District is applicable) that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Business Manager shall promptly post, or cause to be posted, in a timely manner, not in excess of ten (10) business days after the occurrence of the Listed Event, a notice of such occurrence on EMMA.

#### V. Documentation

- A. At least annually, at a meeting of the Board of School Directors, the Business Manager shall report to the Board regarding the School District's compliance with the various limitations and restrictions applicable to tax exempt financing and shall certify in writing that such Business Manager has undertaken or reviewed the analysis undertaken by the Business Manager, Superintendent, and counsel, and that the School District is compliant with all requirements applicable to the School District's tax exempt bonds.
- B. At least annually, at a meeting of the Board of School Directors, the Business Manager shall report to the Board regarding the School District's compliance with Rule 15c2-12 and shall certify in writing that such Business Manager has filed the Annual Report and the summary of the Budget in a timely manner and identify any Listed Events which were reported on EMMA.
- C. The Business Manager will have all records organized and kept in accordance with this Policy and procedures available to her or him at all times. The School District shall keep all such records for a period not shorter than 6 calendar years after the year in which the applicable bond issue matures, or if such issue is refunded, 6 calendar years after the refunding bond issue matures.
- D. The Business Manager shall periodically consult counsel with respect to reviewing results and data generated from its information gathering and compliance monitoring procedures as a further check on the integrity of its post issuance compliance program outlined above.

#### VI. Professional Advisors

The Board of School Directors, Business Manager, School District Superintendent and School District Solicitor may consult with bond counsel, the School District financial advisor or other professional expert in tax-exempt finance to provide advice and guidance with the interpretation of IRS and SEC rules and regulations as necessary to assist the School District with compliance with these policies and procedures.

#### VII. Corrective Actions

- A. The goal of this tracking and monitoring is to ensure that all tax exempt bonds remain qualified in compliance with the applicable tax requirements. Such monitoring also

ensures that any actual or potential violations of federal tax requirements can be timely identified and, in consultation with counsel, corrected by the taking of remedial action or engaging the Internal Revenue Service ("IRS") under the voluntary closing agreement program.

#### VIII. Training

- A. The Business Manager shall at least annually review the IRS website for materials and teleconferences or webinars relating to tax exempt bonds and compliance by issuers. The Business Manager shall determine whom, if anyone, should review such materials and attend such teleconferences or webinars.
- B. The Business Manager shall at least annually review the SEC website for materials and updates on the continuing disclosure obligations to maintain compliance with Rule 15c2-12.

#### IX. Funding

- A. The Board of School Directors shall annually budget the sum necessary in order to accomplish the purposes of these policies and procedures.