

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF NOTES OF THE SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$[13,000,000], IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR THE PURPOSE OF CONSTRUCTING, FURNISHING, EQUIPPING, ADDING TO, RENOVATING, REMODELING, REHABILITATING, AND IMPROVING SCHOOL DISTRICT BUILDINGS AND FACILITIES, AND ACQUIRING, CLEARING, IMPROVING AND EQUIPPING REAL ESTATE FOR SCHOOL PURPOSES.

WHEREAS, at an election held on November 5, 2013, on the question of issuing bonds of the School District in the aggregate principal amount of \$22,800,000 for the purpose stated in Section 1 and of levying taxes outside the ten-mill limitation to pay the debt charges on those bonds and any anticipatory securities, the requisite majority of those voting on the question voted in favor of it; and

WHEREAS, pursuant to said vote and Resolution No. 13-219, adopted by this Board of Education on November 18, 2013, on December [12], 2013, anticipatory securities in the aggregate principal amount of \$[9,800,000] were awarded and sold through a competitive bidding process, and are expected to be issued on December [27], 2013; and

WHEREAS, this Board has determined that it is necessary and appropriate at this time to issue the Notes described in Section 3 in anticipation of the issuance of the aforesaid bonds to evidence a portion of the indebtedness approved by the electors for the purpose stated in Section 1; and

WHEREAS, certain of the proceeds of the Notes will constitute the School District's portion of the basic project cost of a classroom facilities project (the OSFC Project) to be constructed jointly by this Board and the State of Ohio, acting through the Ohio School Facilities Commission/Ohio Facilities Construction Commission, pursuant to Chapter 3318 of the Revised Code and a Project Agreement between this Board and the Commission, and certain of the proceeds of the Notes may be used to finance locally funded initiatives (the LFIs, and, together with the OSFC Project, the Project); and

WHEREAS, this Board has requested that the Treasurer, as the fiscal officer, certify the estimated life or period of usefulness of the improvements described in Section 1, the estimated maximum maturity of the Bonds described in Section 1, and the maximum maturity of the Notes described in Section 3, to be issued in anticipation of said Bonds; and

WHEREAS, the Treasurer has certified that the estimated life or period of usefulness of the improvements is at least five years, the maximum maturity of the Bonds described in Section 1 is 36 years, and the maximum maturity of the Notes described in Section 3 is 240 months from their date of issuance;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Norton City School District, County of Summit, Ohio, that:

Section 1. Authorized Principal Amount of Anticipated Bonds and Purpose. It is necessary to issue bonds of the School District in an aggregate principal amount not to exceed \$[13,000,000] (the Bonds) for the purpose of constructing, furnishing, equipping, adding to, renovating, remodeling, rehabilitating, and improving School District buildings and facilities, and acquiring, clearing, improving and equipping real estate for school purposes.

Section 2. Estimated Bond Terms. The Bonds shall be dated approximately June 1, 2014, shall bear interest at the now estimated rate of 4.00% per year, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2014, and until the principal amount is paid, and are estimated to mature in 36 annual principal installments on December 1 of each year, commencing in 2014, that are in such amounts that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable are substantially equal.

Section 3. Authorized Principal Amount of Notes; Note Terms. It is necessary to issue and this Board determines that notes in an aggregate principal amount not to exceed \$[13,000,000] (the Notes) shall be issued in anticipation of the issuance of the Bonds. The Notes shall be dated their date of issuance and shall mature nine months from the date of issuance, provided that the Treasurer may, if it is determined to be necessary or advisable to the sale of the Notes, establish a maturity date that is any date that is not later than nine months from the date of issuance by setting forth that maturity date in the certificate signed in accordance with Section 6 (the Certificate of Award). The Notes shall be designated "School Improvement Notes, Series 2014" (unless otherwise specified in the Certificate of Award), and shall bear interest at a rate not to exceed 4.00% per year (computed on the basis of a 360-day year consisting of 12 30-day months), payable at maturity, and until the principal amount is paid or payment is provided for. The aggregate principal amount of and rate of interest on the Notes shall be determined by the Treasurer in the Certificate of Award.

Section 4. Payment of Debt Charges; Paying Agent. The Treasurer shall appoint a bank or trust company as the paying agent for the Notes (the Paying Agent) in the Certificate of Award, after determining that the payment at that bank or trust company will not endanger the funds or securities of the School District and that proper procedures and safeguards are available for that purpose. The debt charges on the Notes shall be payable in lawful money of the United States of America, or in Federal Reserve funds of the United States of America if so requested by the Original Purchaser (as defined in Section 6), and shall be payable, without deduction for services of the School District's paying agent, at the designated corporate trust office of the Paying Agent.

Section 5. Execution of Notes; Book Entry System. The Notes shall be signed by the President or Vice President and Treasurer of this Board in the name of the School District and in their official capacities, provided that one of those signatures may be a facsimile. The Notes shall be issued in the denominations and numbers as requested by the Original Purchaser and approved by the Treasurer in the Certificate of Award, provided that no Note shall be issued, or exchangeable for other Notes, in a denomination less than \$100,000. The entire principal amount may be represented by a single note and may be issued as fully registered securities (for which the Treasurer

will serve as note registrar) and in book entry or other uncertificated form in accordance with Section 9.96 and Chapter 133 of the Revised Code if it is determined by the Treasurer that issuance of fully registered securities in that form will facilitate the sale and delivery of the Notes. The Notes shall not have coupons attached, shall be numbered as determined by the Treasurer and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to the provisions of Chapter 133 of the Revised Code, the approval of the electors at the election identified in the first preamble of this Resolution, and this Resolution. As used in this Section and this Resolution:

“Book entry form” or “book entry system” means a form or system under which (i) the ownership of beneficial interests in the Notes and the principal of, and interest on, the Notes may be transferred only through a book entry, and (ii) a single physical Note certificate in fully registered form is issued by the School District only to a Depository or its nominee, with such Note “immobilized” in the custody of the Depository or its agent for that purpose. The book entry maintained by others than the School District is the record that identifies the owners of beneficial interests in the Notes and that principal and interest.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of beneficial interests in the Notes or the principal of, or interest on, the Notes and to effect transfers of the Notes, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Participant” means any participant contracting with a Depository under a book entry system and includes security brokers and dealers, banks and trust companies, and clearing corporations.

The Notes may be issued to a Depository for use in a book entry system and, if and as long as a book entry system is utilized: (i) the Notes may be issued in the form of a single Note made payable to the Depository or its nominee and immobilized in the custody of the Depository or its agent for that purpose; (ii) the beneficial owners in book entry form shall have no right to receive the Notes in the form of physical securities or certificates; (iii) ownership of beneficial interests in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book entry by the Depository and its Participants; and (iv) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the School District.

If any Depository determines not to continue to act as a Depository for the Notes for use in a book entry system, the Treasurer may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Treasurer does not or is unable to do so, the Treasurer, after making provision for notification of the beneficial owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Notes from the Depository, and shall cause the Notes in bearer or payable to order form to be signed by the officers authorized to sign the Notes and delivered to the assigns of the Depository or its nominee, all at the

cost and expense (including any costs of printing), if the event is not the result of School District action or inaction, of those persons requesting such issuance.

The Treasurer is also hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the book entry system for the Notes, after determining that the signing thereof will not endanger the funds or securities of the School District.

Section 6. Award and Sale of the Notes; Application for Rating. The Treasurer is hereby authorized to solicit and receive proposals for the purchase of the Notes (through “competitive sale”) if the Treasurer determines it to be in the best interests of and financially advantageous to the School District. The Notes shall be sold at not less than par to the entity or entities designated by the Treasurer in the Certificate of Award (the Original Purchaser) in accordance with law and the provisions of this Resolution and the Certificate of Award. The Treasurer shall sign the Certificate of Award evidencing the sale to the Original Purchaser, cause the Notes to be prepared, and have the Notes signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Notes if requested by the Original Purchaser, to the Original Purchaser upon payment of the purchase price. The President and Vice President and Treasurer of this Board and the Superintendent, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Resolution.

If the Treasurer determines it to be in the best interests of and financially advantageous to the School District, the Notes may be sold to the Original Purchaser by way of negotiated sale. In such a case, the Treasurer shall sign and deliver, in the name and on behalf of the School District, the Note Purchase Agreement between the School District and the Original Purchaser, in substantially the form as is now on file with the Treasurer, providing for the sale to, and the purchase by, the Original Purchaser of the Notes. The Note Purchase Agreement is approved, together with any changes or amendments that are not inconsistent with this Resolution and not substantially adverse to the School District and that are approved on behalf of the School District by the Treasurer, all of which shall be conclusively evidenced by the Treasurer’s signing of the Note Purchase Agreement or amendments thereto.

The Treasurer is authorized to request a rating for the Notes from one or more nationally recognized rating agencies. The expenditure of the amounts necessary to secure that rating or those ratings and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Notes is authorized and approved, and the Treasurer is authorized to provide for the payment of any such amounts and costs from the proceeds of the Notes to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose. Actions heretofore taken in conformance herewith are hereby ratified and confirmed.

Section 7. Application of Note Proceeds. The proceeds from the sale of the Notes, except any premium and accrued interest actually received by the District, shall be paid into the funds established or to be established for the Project (namely, Fund 010 (for the OSFC Project) and, if applicable, Fund 004 (for the LFIs)) and those proceeds are appropriated and shall be used for the purpose for which the Notes are being issued, including the School District’s share of the OSFC

Project. Any portion of those Note proceeds actually received by the District representing premium and accrued interest shall be paid into the Bond Retirement Fund (Fund 002).

Section 8. Application and Pledge of Bond or Renewal Note Proceeds or Excess Funds. The par value to be received from the sale of the Bonds or any renewal notes and any excess funds resulting from the issuance of the Notes, shall, to the extent necessary, be used to pay debt charges on the Notes at maturity and are pledged for that purpose.

Section 9. Provisions for Tax Levy. During the year or years in which the Notes are outstanding, there shall be levied on all the taxable property in the School District, in addition to all other taxes, the same tax that would have been levied if the Bonds had been issued without the prior issuance of the Notes. The tax shall be unlimited as to amount or rate, shall be and is ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Notes or the Bonds when and as the same fall due.

Section 10. Federal Tax Considerations. The School District covenants that it will use, and will restrict the use and investment of, the proceeds of the Notes in such manner and to such extent as may be necessary so that (a) the Notes will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the Code), or (ii) be treated other than as bonds to which Section 103 of the Code applies, and (b) the interest thereon will not be an item of tax preference under Section 57 of the Code.

The School District further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Notes to be and to remain excluded from gross income for federal income tax purposes, (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion and (c) it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Notes to the governmental purposes of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Treasurer, as the fiscal officer, or any other officer of this Board or the School District having responsibility for the issuance of the Notes is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the School District with respect to the Notes as the School District is permitted or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting the favorable tax treatment or status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of

special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the School District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes, and (c) to give one or more appropriate certificates of the School District, for inclusion in the transcript of proceedings for the Notes, setting forth the reasonable expectations of the School District regarding the amount and use of all the proceeds of the Notes, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Notes. The Treasurer is specifically authorized to designate the Notes as “qualified tax-exempt obligations” if such designation is applicable and desirable, and to make any related necessary representations and covenants.

Section 11. Certification and Delivery of Resolution and Certificate of Award. The Treasurer is directed to deliver or cause to be delivered a certified copy of this Resolution and a signed copy of the Certificate of Award (promptly after the same becomes available) to the Summit County Fiscal Officer.

Section 12. Satisfaction of Conditions for Note Issuance. This Board determines that all acts and conditions necessary to be done or performed by the School District or to have been met precedent to and in the issuing of the Notes in order to make them legal, valid and binding general obligations of the School District have been performed and have been met, or will at the time of delivery of the Notes have been performed or have been met, in regular and due form as required by law; that the full faith and credit and general taxing power (as described in Section 9 hereof) of the Board are pledged for the timely payment of the debt charges on the Notes; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Notes.

Section 13. Bond Counsel. The legal services of Squire Sanders (US) LLP, as bond counsel are hereby retained. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Notes and the rendering of the necessary legal opinions upon their delivery. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of the School District in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the School District or any other political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those legal services, whether or not the Notes are ever issued. The Treasurer is authorized and directed, to the extent they are not paid by the Original Purchaser, to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

Section 14. Financial Advisor. The services of Sudsina & Associates, LLC, as financial advisor, be and are hereby retained. The financial advisory services shall be in the nature of

financial advice and recommendations in connection with the issuance and sale of the Notes. In rendering those financial advisory services, as an independent contractor, that firm shall not exercise any administrative discretion on behalf of the School District in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the School District or any other political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those financial advisory services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those financial advisory services. The Treasurer is authorized and directed, to the extent they are not paid by the Original Purchaser, to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

Section 15. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and any of its committees concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board or committees, and that all deliberations of this Board and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 16. Captions and Headings. The captions and headings in this Resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Resolution unless otherwise indicated.

Section 17. Effective Date. This Resolution shall be in full force and effect from and immediately upon its adoption.