

MARPLE NEWTOWN SCHOOL DISTRICT
Delaware County, Pennsylvania

DEBT INCURRING RESOLUTION

GENERAL OBLIGATION BONDS CAPITAL PROJECTS SERIES

Adopted on May 22, 2006

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**RESOLUTION
OF THE
BOARD OF SCHOOL DIRECTORS
OF THE
MARPLE NEWTOWN SCHOOL DISTRICT
Delaware County, Pennsylvania**

A RESOLUTION AUTHORIZING THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS OF THE MARPLE NEWTOWN SCHOOL DISTRICT, DELAWARE COUNTY, PENNSYLVANIA, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF SEVENTY MILLION DOLLARS (\$70,000,000) FOR THE PURPOSE OF PROVIDING FUNDS TO (1) PAY THE COSTS OF CERTAIN CAPITAL PROJECTS, AND (2) PAY THE COSTS OF ISSUING AND INSURING SUCH BONDS; STATING THAT REALISTIC COST ESTIMATES HAVE BEEN MADE FOR THE PROJECT, AUTHORIZING THE PAYMENT OF OTHER CAPITAL PROJECTS UPON APPROPRIATE AMENDMENT HERETO AND STATING THE ESTIMATED PROJECT COMPLETION DATE; STATING THE REALISTIC ESTIMATED USEFUL LIFE OF THE PROJECT FOR WHICH SAID BONDS ARE ISSUED; AUTHORIZING THE FILING OF A DEBT STATEMENT, BORROWING BASE CERTIFICATE AND RELATED DOCUMENTS; STATING A COVENANT CONCERNING BUDGETING, APPROPRIATING AND PAYING MONEY FOR THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE SCHOOL DISTRICT; DETERMINING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTEREST OF THE SCHOOL DISTRICT AND AWARDING THE BONDS AT PRIVATE SALE TO BOENNING & SCATTERGOOD, INC., INC. UPON TERMS SET FORTH IN A BOND PURCHASE AGREEMENT; SETTING FORTH THE TERMS AND SUBSTANTIAL FORMS OF THE BONDS; AUTHORIZING AND DIRECTING THE PURCHASE OF MUNICIPAL BOND INSURANCE FOR THE BONDS AND THE EXECUTION OF AGREEMENTS IN CONNECTION WITH A LIQUIDITY FACILITY, WHEN APPROPRIATE; AUTHORIZING THE APPOINTMENT OF A PAYING AGENT, BOND REGISTRAR, SINKING FUND DEPOSITORY, TENDER AGENT AND REMARKETING AGENT; SETTING FORTH CERTAIN COVENANTS RELATING TO THE TAX STATUS OF THE BONDS; AND AUTHORIZING APPROPRIATE OFFICERS TO TAKE ACTIONS IN CONNECTION WITH ISSUANCE OF THE BONDS.

The Marple Newtown School District, Delaware County, Pennsylvania (the "School District") has determined to undertake a project (the "Project") generally described as follows: (1) to pay the costs of certain Capital Projects, and (2) to pay the costs of issuing and insuring the Bonds.

The School District has determined to issue general obligation bonds in one or more series to be designated as General Obligation Bonds (including the appropriate series specification) in the maximum aggregate principal amount of \$70,000,000 (the "Bonds" and specific Bonds being sometimes referred to as a "Bond"), to fund the Project. The School District will apply the proceeds of the Bonds, if and when issued, to the Project and will proceed with due diligence to complete the same.

The School District has determined that a private negotiated sale of the Bonds is in the best financial interest of the School District. The School District has received a proposal from Boenning and Scattergood Inc. (the “Underwriter”) for the initial purchase of the Bonds (the “Bond Purchase Agreement”).

The School District is a duly constituted school district of the Commonwealth of Pennsylvania (the “Commonwealth”) and is governed by its Board of School Directors (the “Governing Body”).

The Bonds shall be issued in accordance with provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S. § 8001 *et seq.* (the “Act”).

The Governing Body deems it in the best financial interest of the School District to accept the proposal of the Underwriter set forth in the Bond Purchase Agreement, to award the Bonds to the Underwriter, and to authorize the issuance of the Bonds as non-electoral debt under the Act.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions of Terms and Phrases. The capitalized terms and phrases set forth in the foregoing recital paragraphs shall have the meaning therein defined for all purposes of this Resolution. In addition thereto, the following capitalized terms and phrases, whenever used in this Resolution, shall have the following meanings:

“**Agent**” shall mean the lead financial institution identified in any Alternate Liquidity Facility and, if such institution is not a bank, a money center bank identified in such Facility.

“**Alternate Liquidity Facility**” shall mean a standby bond purchase agreement, a line of credit, a letter of credit or a similar liquidity facility determined to be required by the School District for Weekly Rate Bonds, issued or guaranteed by a commercial bank, insurance company or other financial institution pursuant to the terms of which money shall be made available to the Tender Agent to pay the purchase price of Weekly Rate Bonds tendered for purchase, or deemed tendered for purchase. Such Alternate Liquidity Facility shall provide for an Agent if there is more than one issuer thereof, shall have an expiration date that is not earlier than 180 days from the Expiration Date of the Liquidity Facility then in effect and shall satisfy the requirements of the Bond Insurer.

“**Authorized Officer of the School District**” shall mean any officer of the School District and, with respect to any particular act or document, (1) any person authorized by a Certified School District Resolution, a copy of which has been delivered to the Paying Agent, or (ii) any person designated to act on behalf of the School District by the President of the Governing Body, as evidenced by a written certificate furnished to the Paying Agent containing the specimen signature of such person and signed on behalf of the School District by its Secretary or Assistant Secretary, under its official seal. Such resolution or certificate may

designate more than one person, each of whom shall be entitled to perform all duties of the Authorized Officer of the School District.

“Bondholder Tender Notice” with respect to the Bonds shall mean a notice such as described in Section 5.4.

“Bondowner” or **“Bondholder”** or **“Holder”** or **“Owner”** shall mean the registered owner or beneficial owner of any Bond as the context implies.

“Bond Insurance Policy” shall mean, in each instance, the municipal bond insurance policy issued by the Bond Insurer concurrently with the delivery of Bonds.

“Bond Insurer” shall mean such bond insurer the proper officers of the School District contracts for the purchase of a Bond Insurance Policy pursuant to this Resolution, or any successor thereto.

“Bond Register” shall mean, in each instance, the books and records (whether in written or electronic form) maintained by the Bond Registrar for the purpose of recording ownership, transfer of ownership and exchange of Bonds.

“Bond Registrar” shall mean the Person duly appointed pursuant to the terms of this Resolution acting in the capacity of registrar for the Bonds.

“Business Day” shall mean with respect to the Bonds, any day other than a Saturday or a Sunday on which banks in New York, New York, and in the other city or cities in which the Designated Offices of the Paying Agent, Tender Agent, Bond Registrar, Liquidity Provider and Remarketing Agent are located are open for commercial banking purposes (or with respect to any such party that is not a bank, for general business purposes).

“Capital Project” shall mean those improvements, renovations, acquisitions and related costs enumerated in the School District’s Facilities Master Plan, approved March 6, 2006.

“Certified School District Resolution” shall mean a copy of a resolution or resolutions certified by the Secretary or other appropriate officer of the School District to have been duly adopted by the Governing Body and to be in full force and effect on the date of such certification.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Conversion Date” with respect to Variable Rate Bonds shall mean any Interest Payment Date on which the Rate Mode of such Variable Rate Bonds is converted to another Rate Mode pursuant to Section 2.8 (excluding an Interim Conversion Date).

“Department” shall mean the Department of Community and Economic Development of the Commonwealth, and its successors.

“Debt Service Account” with respect to the Bonds shall mean, in each instance with respect to the Bonds, the applicable account of that name within the Sinking Fund created pursuant to Section 4.2.

“Designated Office” with respect to the Paying Agent, the Tender Agent, the Bond Registrar, the Liquidity Provider and the Remarketing Agent, shall mean the office of such entity (or its successor) as such entity (or its successor) that it shall from time to time designate by written notice, as required by Section 8.3 hereof, as its office to which notices, bonds, other instruments or money required by this Resolution to be delivered to it shall be delivered, or at which actions required by this Resolution to be taken at its Designated Office are to be taken.

“Determination Date” with respect to Weekly Rate Bonds shall mean the Wednesday immediately preceding each Weekly Rate Period or, if any such Wednesday is not a Business Day, the next preceding Business Day.

“DTC” shall mean The Depository Trust Company, a limited purpose trust company organized under the New York Banking Law, and any successor company.

“Expiration Date” shall mean the stated expiration date of a Liquidity Facility, as such date may be extended from time to time by the applicable Liquidity Provider, or such earlier termination date as provided in the Liquidity Facility.

“Fiscal Year” shall mean the period of twelve months ending June 30 of each year unless and until a different fiscal year is lawfully adopted by the Governing Body and written notice thereof given to the Paying Agent.

“Fitch” shall mean Fitch Ratings or its successor.

“Fixed Mode” shall mean the mode of accruing interest on any of the Bonds at one or more Fixed Rates.

“Fixed Rate” or **“Fixed Rates”** shall mean one or more fixed rates of interest borne by Bonds to maturity, or mandatory redemption prior to stated maturity, including one or more serial maturities in lieu of any mandatory sinking fund redemption amount established for converted Variable Rate Bonds, not to exceed the Maximum Interest Rate.

“Fixed Rate Bonds” shall mean Bonds in the Fixed Mode.

“Fixed Rate Conversion Date” shall mean the Conversion Date for Variable Rate Bonds converting to on or more Fixed Rates.

“Interest Payment Date” shall mean each Semiannual Date for Term Rate Bonds and Fixed Rate Bonds, and the first Business Day of each month for Weekly Rate Bonds.

“Interim Conversion Date” shall mean any Business Day following a failed conversion and mandatory tender of Term Rate Bonds, for any reason, and following the delivery of at least seven (7) days prior written notice of such Interim Conversion Date to the Holders of such Term Rate Bonds, established as the date for the conversion and mandatory

tender of Term Rate Bonds bearing the Interim Term Rate, as described in Subsection 5.5(e) hereof.

“Interim Term Period” shall mean the period from the Conversion Date of a failed conversion and mandatory tender of Term Rate Bonds, for any reason, through but not including the Interim Conversion Date, as described in Subsection 5.5(e) hereof.

“Interim Term Rate” shall mean the interest rate payable on Term Rate Bonds during an Interim Term Period, equal to 12% per annum computed on the basis of a 360 day year composed of twelve months of thirty (30) days each.

“Issue Date” shall mean the date of initial issuance and delivery of Bonds or, if appropriate, the date of delivery of remarketed Bonds.

“Liquidity Facility” with respect to each series of Weekly Rate Bonds shall mean a Standby Bond Purchase Agreement, line of credit, letter of credit or similar liquidity facility determined to be required by the School District to purchase tendered Weekly Rate Bonds, issued or guaranteed by a commercial bank, insurance company or other financial institution pursuant to the terms of which money shall be made available to the Tender Agent to pay the purchase price of Bonds tendered for purchase, or deemed tendered for purchase. If such facility shall have been replaced by an Alternate Liquidity Facility, such Alternate Liquidity Facility shall constitute the Liquidity Facility.

“Liquidity Facility Payments Account” shall mean the special applicable account of that name within the Purchase Fund established pursuant to Section 4.3 hereof.

“Liquidity Provider” shall mean initially an entity designated by the School District and approved by the Bond Insurer as the provider of liquidity for the purchase of tendered Weekly Rate Bonds under the terms and provisions of the Standby Bond Purchase Agreement, and such provider’s successors, and if the Standby Bond Purchase Agreement shall have been replaced by an Alternate Liquidity Facility in accordance with the terms hereof, the issuer or issuers of (or the provider of liquidity for purchase of tendered Weekly Rate Bonds under) such Alternate Liquidity Facility.

“Mandatory Sinking Fund Account” shall mean the applicable account of that name within a Sinking Fund created pursuant to Section 4.2.

“Mandatory Tender Date” shall mean any date established in accordance with Section 5.5 hereof as the date on which Variable Rate Bonds are required to be tendered by the Owners thereof for purchase.

“Maximum Interest Rate” which respect to any Bonds, including Purchased Bonds, shall mean the lesser of twenty-five percent (25%) per annum or the highest rate of interest allowed by applicable law.

“Moody’s” shall mean Moody’s Investors Service or its successor.

“Opinion of Counsel” shall mean an opinion or opinions in writing signed by an attorney at law or a firm of attorneys at law.

“Paying Agent” shall mean the bank, bank and trust company or national bank duly appointed from time to time pursuant to the terms of this Resolution to serve as paying agent and sinking fund depository with respect to the Bonds.

“Payment Agreement” shall mean a Payment Agreement or other agreement among the School District, the Tender Agent and a Liquidity Provider relating to the Bonds.

“Person” shall mean natural persons, firms, partnerships, associations, corporations and public bodies.

“Purchase Date” shall mean (a) with respect to any optional tender for purchase of Weekly Rate Bonds in accordance with Section 5.4, the Business Day specified by the Holder thereof in a Bondholder Tender Notice as the day on which Weekly Rate Bonds (or portions thereof) are to be purchased; and (b) with respect to any mandatory tender of Variable Rate Bonds for purchase pursuant to Section 5.5, the Mandatory Tender Date specified in such Section 5.5.

“Purchase Price” shall mean, with respect to any Variable Rate Bond (or applicable portion thereof) tendered for purchase in accordance with the terms of this Resolution, and absent any specific provision hereof to the contrary, an amount equal to 100% of the principal amount thereof plus, if the Purchase Date is not an Interest Payment Date, interest accrued thereon to the Purchase Date.

“Purchased Bonds” shall mean any Weekly Rate Bonds purchased for the account of a Liquidity Provider with proceeds of a drawing on (or funds otherwise made available by the Liquidity Provider under) a Liquidity Facility pursuant to Section 5.4 or Section 5.5 and owned by the Liquidity Provider pursuant to the terms of the Liquidity Facility, until such Bonds cease to be Purchased Bonds pursuant to the terms of such Liquidity Facility.

“Purchased Bonds Interest Payment Date” shall mean, with respect to any Weekly Rate Bonds that are Purchased Bonds, any Interest Payment Date occurring while such Weekly Rate Bonds are Purchased Bonds and the date on which such Purchased Bonds are remarketed or purchased by the School District.

“Purchased Bonds Rate” shall mean the rate of interest which Weekly Rate Bonds bear while the same are Purchased Bonds, as determined in accordance with the applicable Liquidity Facility.

“Rate Mode” with respect to all or any portion of a series (or subseries) of Bonds, shall mean the Weekly Mode, Term Mode, Fixed Mode or other interest rate mode contemplated hereunder. The Remarketing Agent, with the written authorization of the Business Manager of the School District, prior to or at any time after the date of initial issuance of the Bonds, may by Supplemental Resolution, by amendment(s) to the Bond Purchase Agreement or otherwise, the terms of which shall be incorporated herein by this reference, prescribe, amend or

add a definition or category of rate modes such as monthly mode, annual mode, flexible mode or such other modes as may be deemed beneficial to the School District.

“Rating Agency” shall mean Moody’s, if the Bonds are rated by Moody’s at the relevant time, and S&P, if the Bonds are rated by S&P at the relevant time, and Fitch, if the Bonds are rated by Fitch at the relevant time, or if at such time either such Rating Agency shall have been dissolved or shall no longer be assigning credit ratings to debt-obligations such as the Bonds, then any other nationally recognized rating agency assigning credit ratings to debt obligations such as the Bonds designated by the Governing Body.

“Redemption Price” shall mean the amount which is payable with respect to a Bond (or portion thereof) upon redemption thereof prior to maturity in accordance with the terms hereof and of the Bonds.

“Regular Record Date” shall mean (i) with respect to Weekly Rate Bonds, the Business Date preceding an Interest Payment Date; and (ii) with respect to Term Rate Bonds and Fixed Rate Bonds, the last day of the month (whether or not a Business Day) next preceding an Interest Payment Date.

“Remarketing Agent” shall mean initially Boenning & Scattergood, Inc. and its successors, in its capacity as remarketing agent for the Bonds under the terms of this Resolution and the Remarketing Agreement, or, if the Governing Body, at any time shall have appointed another Person to serve as successor remarketing agent for the Bonds in accordance with the terms of this Resolution, the successor so appointed and its successors.

“Remarketing Agreement”, with respect to Variable Rate Bonds, shall mean a Remarketing Agreement between the Remarketing Agent and the School District, as the same may be executed, amended or supplemented from time to time or, if the Governing Body shall have appointed a successor remarketing agent pursuant to the terms of this Resolution, the comparable agreement between the School District and such successor remarketing agent, as the same may be amended and supplemented from time to time.

“Remarketing Proceeds Account” with respect to Variable Rate Bonds, shall mean the applicable special account of that name within the Purchase Fund established pursuant to Section 4.3 hereof.

“Representations Letter” shall mean the representations letter with respect to the Bonds executed and delivered by the School District and the Paying Agent and Bond Registrar to DTC.

“Resolution” shall mean this Resolution, as amended or supplemented, from time to time, by all Supplemental Resolutions.

“S&P” shall mean Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc., or its successor.

“School District Payments Account” shall mean the special applicable account of that name within the Purchase Fund established pursuant to Section 4.3 hereof.

“Semiannual Date” shall mean each semiannual payment date established for Term Rate Bonds and Fixed Rate Bonds, commencing on the first such date which occurs at least one month after the Issue Date or a Conversion Date.

“Semiannual Period” with respect to Term Rate Bonds and Fixed Rate Bonds shall mean a six-month period commencing on a Semiannual Date and ending on and including the day immediately preceding the next Semiannual Date.

“Series Issue Date” shall mean the date on which Bonds are initially issued and delivered to the Underwriter in exchange for the initial purchase price thereof or other date established for interest to begin accruing on such Bonds.

“Sinking Fund” shall mean the fund or funds (including any subaccounts created therein) established by the Paying Agent for Bonds in accordance with this Resolution.

“Special Record Date” shall mean, with respect to any Bonds, the date established by the Paying Agent in connection with the payment of overdue interest on such Bonds in accordance with the terms hereof and of the Bonds.

“Standby Bond Purchase Agreement” with respect to Weekly Rate Bonds shall mean a Standby Bond Purchase Agreement by and between the Tender Agent, the School District and a Liquidity Provider, and any amendments and supplements thereto which are permitted hereby and thereby or, if an Alternate Liquidity Facility has been issued and delivered to the Tender Agent and is in effect, the analogous agreement by and among the School District, the Tender Agent and the issuer or issuers (or provider or providers) of such Alternate Liquidity Facility, whether a standby bond purchase agreement, a letter of credit reimbursement agreement or another form of agreement appropriate to the Alternate Liquidity Facility, and any amendment, and supplements thereto permitted hereby and thereby.

“Supplemental Resolution” shall mean any resolution amending or supplementing this Resolution, or any agreement or agreements executed and delivered by the School District implementing or supplementing the terms hereof.

“Tender Agent” with respect to Variable Rate Bonds shall mean a bank, bank and trust company or national bank duly appointed from time to time pursuant to the terms of this Resolution to serve as Tender Agent for Variable Rate Bonds in accordance with the terms of this Resolution.

“Term Mode” shall mean the mode of accruing interest on any of the Bonds at an initial or subsequent Term Rate.

“Term Rate” shall mean the rate of interest borne by Bonds during a Term Rate Period, determined pursuant to Section 2.3 (excluding an Interim Term Rate), not to exceed the Maximum Interest Rate.

“Term Rate Bonds” shall mean Bonds in the Term Mode.

“Term Rate Conversion Date” shall mean the Conversion Date for Variable Rate Bonds converting to an initial or subsequent Term Rate, either following the tender of Weekly Rate Bonds, or at the end of a Term Rate Period following the tender of Term Rate Bonds.

“Term Rate Period” shall mean for Term Rate Bonds, any period of time beginning on a Term Rate Conversion Date (including after the final date of a preceding Term Rate Period, but excluding an Interim Rate Period), and scheduled to end on a specified date prior to the stated maturity date thereof (exceeding a Weekly Rate Period), as determined by the Remarketing Agent and the School District.

“Termination Event” shall mean, in connection with the Liquidity Facility, any event, whether an event of default, a termination or a suspension pursuant to the terms of such Liquidity Facility, that allows the Liquidity Provider to terminate such Liquidity Facility prior to the stated expiration date thereof.

“Undelivered Bond” shall have the meaning set forth in Section 5.4(a).

“Unremarketed Bonds” shall mean Variable Rate Bonds which have been tendered for purchase, or which are deemed to have been tendered for purchase, pursuant to the provisions of Section 5.4 or 5.5 hereof, but which have not been remarketed.

“Variable Rate Bonds” shall mean Weekly Rate Bonds, Term Rate Bonds, or other Bonds not in the Fixed Rate Mode.

“Weekly Mode” with respect to the Bonds shall mean the mode of accruing interest on such Bonds at a Weekly Rate.

“Weekly Rate” shall mean an interest rate that is determined for the Bonds on a weekly basis pursuant to Section 2.2 hereof, not to exceed the Maximum Interest Rate.

“Weekly Rate Bonds” shall mean Bonds in the Weekly Mode.

“Weekly Rate Period” shall mean each period commencing on Thursday and ending on Wednesday of the following week, during which interest on the Bonds is payable or is accrued at a Weekly Rate pursuant to Section 2.2.

Section 1.2. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include natural persons, firms, partnerships, associations, corporations and public bodies.

(b) The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision.

Section 1.3. Time of Day. In this Resolution and in the Bonds, all references to any time of day shall refer to Eastern Standard Time or Eastern Daylight Savings Time as in effect in the City of New York, New York, on such day, unless otherwise specified.

ARTICLE II CONCERNING THE BONDS

Section 2.1. Form and Terms of Bonds.

(a) Bonds may be issued or outstanding in one or more series or subseries, and in one or more Rate Modes within a series. Fixed Rate Bonds may have one or multiple (serial) maturity or mandatory redemption dates, and are not subject to the conversion or tender provisions of this Resolution. Variable Rate Bonds shall have a single maturity date, and shall be subject to the applicable conversion and tender provisions of this Resolution. The redemption provisions applicable to any Bond shall be specified for such Bond, subject to the requirements of the Act. Bonds shall be in fully registered form, without coupons, and may be dated as of a Series Issue Date or as of a Conversion Date.

The substantial form of Weekly Rate Bonds shall be as set forth in Exhibit “A” attached hereto and by this reference made a part of this Resolution, with appropriate substitutions, changes, additions or deletions as may be approved by the officers executing the Weekly Rate Bonds in the manner provided herein; such execution shall constitute approval by such officers on behalf of the Governing Body. Weekly Rate Bonds shall be issued in the denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000.

The form of Term Rate Bonds shall be substantially as set forth in Exhibit “B” but with such substitutions, insertions, omissions and variations as shall be necessary or appropriate to reflect the terms and provisions of this Resolution and such Term Rate Bonds. Term Rate Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof.

The form of Fixed Rate Bonds shall be substantially as set forth in Exhibit “C” but with such substitutions, insertions, omissions and variations as shall be necessary or appropriate to reflect the terms and provisions of this Resolution and such Fixed Rate Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof.

Changes or amendments to the form of Bond following a conversion may be accomplished by an addendum to the form of Bond then held by or on behalf of the Holder thereof.

(b) The Bonds initially shall be issued in such form, in such series or subseries, shall bear interest at the rate or rates, shall mature on the date or dates, shall be subject to redemption and shall contain such other provisions as are set forth in the Bond Purchase Agreement and authorized hereby.

(i) Variable Rate Bonds (but not Fixed Rate Bonds), may be converted to another Rate Mode or Term Rate Period, as described in Section 2.8, by the terms of the applicable Bond and to the fullest extent permitted by the Act. Interest on the Weekly Rate Bonds for any particular Weekly Rate Period shall be calculated on the basis of a 365 or 366-day

year based upon the calendar year in which such Weekly Rate Period commences for the actual number of days elapsed. Interest accruing on Term Rate Bonds and Fixed Rate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(ii) Interest on a Bond shall be payable on each Interest Payment Date to the Person in whose name ownership of such Bond is registered as of the close of business on the Regular Record Date for such Interest Payment Date, except as provided in paragraph (iii) of this subsection, and shall be paid by check mailed on the applicable Interest Payment Date to the address of such Holder shown on the Bond Register; provided, however, that interest on a Bond shall be paid by wire transfer of immediately available funds to a designated account of the Holder thereof in a member bank of the Federal Reserve System, if such Holder is DTC, its nominee or any successor securities depository, or if such Holder is the registered owner of Bonds in an aggregate principal amount of at least \$1,000,000 and has made written request to the Paying Agent at least one Business Day prior to the Regular Record Date for wire payment of interest to a designated account of a financial institution located in the continental United States of America. Any such request of such Holder for wire payment of interest on such Bond may state that such request and wire payment instructions will remain effective until further notice to the Paying Agent, but no such request shall be valid and effective after ownership of such Bond shall be transferred upon the Bond Register.

(iii) Interest on any Bond not punctually paid or duly provided for shall forthwith cease to be payable to the Person in whose name ownership of such Bond is registered as of the Regular Record Date for the payment of such interest and shall be paid to the Person in whose name such Bond is registered at the close of business on the Special Record Date established for the payment of such interest.

(iv) Interest on a Bond (or the applicable portion thereof) shall cease to accrue on the earliest of the following dates:

(A) on the Purchase Date set forth in a Bondholder Tender Notice with respect to such Bond (or portion thereof) satisfying the terms and conditions of Section 5.4, provided that money has been irrevocably deposited in the Purchase Fund in an amount sufficient and available to pay the Purchase Price thereof on such Purchase Date;

(B) on the date fixed for redemption thereof, provided that money has been irrevocably deposited with the Paying Agent in an amount sufficient and available to pay the Redemption Price thereof on such date fixed for redemption;

(C) on the maturity date of such Bond, provided that money has been irrevocably deposited with the Paying Agent in an amount sufficient to pay the principal amount thereof, plus accrued and unpaid interest thereon to such maturity date;

(D) on the Purchase Date with respect to any mandatory tender of Bonds in accordance with Section 5.5, provided that money has been irrevocably deposited in the Purchase Fund in an amount sufficient and available to pay the Purchase Price thereof on such Purchase Date.

From and after any such date upon which interest shall cease to accrue on a Bond (or portion thereof), the Owner of such Bond (or portion thereof) shall have no rights with respect thereto, except to receive payment of the Purchase Price, the Redemption Price or the matured principal thereof, together with accrued and unpaid interest thereon, if any, to the Purchase Date, the redemption date or the maturity date, as applicable and appropriate, from the money so deposited with the Paying Agent or the Tender Agent, as applicable.

(v) Anything herein to the contrary notwithstanding, in no event shall any Bond bear interest at a rate in excess of the Maximum Interest Rate.

(c) The principal, redemption premium, if any, and interest with respect to the Bonds (including the Purchase Price or Redemption Price, as applicable) shall be payable in lawful money of the United States of America at the Designated Office of the Paying Agent or, in the case of an optional or mandatory tender of Bonds for purchase, at the Designated Office of the Tender Agent. No payment of principal or redemption premium with respect to a Bond (including the portion of the Purchase Price or Redemption Price representing principal or premium) shall be made unless and until such Bond is surrendered to the Paying Agent or the Tender Agent, as applicable, for payment and cancellation; subject, however, to the provisions hereof with respect to Bonds while held in book-entry form and registered in the name of DTC, its nominee or a successor securities depository or its nominee.

(d) The Bonds shall be subject to redemption and tender for purchase prior to stated maturity as provided in Article V, as amended, or as set forth in the applicable Bonds.

Section 2.2. Determination of Interest Rates on Weekly Rate Bonds.

(a) The Weekly Rate applicable to Weekly Rate Bonds for each Weekly Rate Period shall be determined by the Remarketing Agent by 4:30 p.m. on the Determination Date with respect to such Weekly Rate Period and shall be the lowest rate of interest that in the judgment of the Remarketing Agent as of the Determination Date and taking into consideration prevailing market conditions, will cause the Bonds to have a market value equal to the principal amount thereof, plus accrued interest, if any, but in no event shall be in excess of the Maximum Interest Rate. The Weekly Rate so determined shall be effective from and including the first date of such Weekly Rate Period through and including the last day of such Weekly Rate Period. If the Remarketing Agent fails for any reason to determine or to give notice of the Weekly Rate for any Weekly Rate Period when required hereunder, or if any Weekly Rate for any Weekly Rate Period is determined by a court of competent jurisdiction to be invalid or unenforceable, the Weekly Rate for such Weekly Rate Period shall be the lesser of (i) the Maximum Interest Rate, and (ii) 65% of the "11-Bond Municipal Bond Index" most recently published by The Bond Buyer (or any successor publication).

(b) Notice of the Weekly Rate so determined shall be given by the Remarketing Agent to the School District, the Tender Agent, the Paying Agent and the Liquidity provider by telecopier not later than 4:45 p.m. on the Determination Date. No notice of the interest rate need be given by the Remarketing Agent to Owners of Bonds, but Owners of Bonds

may telephone the Remarketing Agent after 4:45 p.m. on the Determination Date to obtain the Weekly Rate so determined.

(c) All determinations of the interest rate on Weekly Rate Bonds made pursuant to this Section shall be conclusive and binding upon the School District, the Paying Agent, the Tender Agent, the Bond Insurer, the Liquidity Provider and the Holders of the Bonds. The School District, the Paying Agent, the Tender Agent and the Remarketing Agent shall not be liable to any Holders for any matter whatsoever with regard to such determinations, including any error in judgment, any failure of the Remarketing Agent or any other party to consider information, opinions or resources, any failure of the Remarketing Agent or any other party to give any notice required by this Section, any failure of Holders to receive notice of any interest rate so determined, or any error in providing the interest rate so determined to the Holders requesting the same.

Section 2.3. Term Rate Bonds and Fixed Rate Bonds.

(a) A Term Rate shall be determined by the Remarketing Agent as of the corresponding Term Rate Conversion Date (including at the end of a Term Rate Period) as the rate of interest that, in the judgment of the Remarketing Agent, taking into account prevailing financial market conditions, will enable the Remarketing Agent to arrange for the remarketing and sale of all of the applicable Term Rate Bonds at not less than the Purchase Price of the Bonds tendered. Term Rate Bonds may be reoffered at a price which includes a premium approved by the School District, not in excess of the Maximum Interest Rate. Term Rate Bonds are subject to mandatory tender and conversion at the end of the corresponding Term Rate Period, and the Remarketing Agent, with the approval of the School District, may prescribe the manner of establishing the new Rate Mode for Bonds tendered and not otherwise retired by an amendment to the Remarketing Agreement or other agreement.

If on a Conversion Date following the end of a Term Rate Period (A) the Remarketing Agent fails for any reason to determine the interest rate to be effective upon the conversion, (B) if, for any reason, all of the Bonds are not remarketed by 12:00 noon on such Conversion Date, or (C) any other material requirement for such conversion shall not be satisfied, including the delivery to the Tender Agent of an opinion of recognized bond counsel that the interest on the remarketed bonds is excludable from the gross income of the Holder thereof for federal income tax purposes, then such conversion shall not occur, such Bonds shall not be subject to mandatory tender on such date and such Bonds shall bear interest at the Interim Term Rate until an Interim Conversion Date is established under Section 5.5(e) hereof. No cancellation of a Term Rate conversion or failure to satisfy any of the conditions to such a conversion shall constitute an Event of Default hereunder.

(b) A Fixed Rate shall be determined by the Remarketing Agent as of the corresponding Fixed Rate Conversion Date as the rate or rates of interest that, in the judgment of the Remarketing Agent, taking into account prevailing financial market conditions, will enable the Remarketing Agent to arrange for the remarketing and sale of all of the applicable Fixed Rate Bonds which, together with other funds to be available to the School District for the purpose, will produce an amount equal to not less than the Purchase Price of the Bonds to be tendered on the Fixed Rate Conversion Date. Fixed Rate Bonds may be reoffered at a price

which includes a premium approved by the School District, not in excess of the Maximum Interest Rate. Fixed Rate Bonds may consist of serial maturities in lieu of any mandatory sinking fund redemption amounts established for previous Variable Rate Bonds, and may be subject to optional redemption as may be approved by the School District.

Section 2.4. Registration, Transfer and Exchange of Bonds.

(a) The Bond Registrar shall keep the Bond Register for the ownership, transfer and exchange of Bonds in the manner provided therein and herein so long as any Bonds shall remain outstanding. The Governing Body hereby authorizes and directs the Bond Registrar to keep the Bond Register and to make such transfers or exchanges on behalf of the School District. The ownership of each Bond shall be recorded in the Bond Register, which shall contain such information as is necessary for the proper discharge of the Bond Registrar's duties hereunder.

(b) The Bonds may be transferred or exchanged as follows:

(i) Any Bond may be transferred if endorsed for such transfer by the registered owner thereof and surrendered by such owner or his duly appointed attorney or other legal representative at the Designated Office of the Bond Registrar, whereupon the Bond Registrar shall authenticate and deliver to the transferee a new Bond or Bonds of the same series (or subseries), Rate Mode and maturity and in the same denomination as the Bond surrendered for transfer or in different authorized denominations equal in the aggregate to the principal amount of the surrendered Bond.

(ii) Bonds of a particular series (or subseries), Rate Mode and maturity may be exchanged for one or more Bonds of the same series (and subseries), Rate Mode and maturity and in the same principal amount, but in an authorized denomination or denominations. Each Bond so to be exchanged shall be surrendered by the registered owner thereof or his duly appointed attorney or other legal representative at the Designated Office of the Bond Registrar, whereupon a new Bond or Bonds shall be authenticated and delivered to the registered owner.

(iii) In the case of any Bond properly surrendered for partial redemption, the Bond Registrar shall authenticate and deliver a new Bond in exchange therefor, such new Bond to be of the same series (or subseries), Rate Mode and maturity and in an authorized denomination equal to the unredeemed principal amount of the surrendered Bond; provided that, at its option, the Bond Registrar may certify the amount and date of partial redemption upon the partial redemption certificate, if any, printed on the surrendered Bond and return such surrendered Bond to the registered owner in lieu of an exchange.

(iv) Except as provided in subparagraph (iii) above, the Bond Registrar shall not be required to effect any transfer or exchange during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the Bond to be transferred or exchanged has been called for such redemption. No charge shall be imposed in connection with any transfer or exchange except for taxes or governmental charges related thereto.

(v) No transfers or exchanges shall be valid for any purposes hereunder except as provided above.

(c) New Bonds delivered upon any transfer or exchange shall be valid general obligations of the School District, evidencing the same debt as the Bonds surrendered. As to any Bond, the School District, the Paying Agent and the Tender Agent may deem and treat the owner of such Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and any notice to the contrary shall not be binding upon the School District, the Paying Agent or the Tender Agent.

Section 2.5. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the proper officers of the Governing Body may execute and, upon their request in writing, the Bond Registrar shall authenticate and deliver in lieu of such Bonds in definitive form one or more printed or typewritten Bonds in temporary form in authorized denominations, substantially of the tenor of the Bonds hereinbefore described with appropriate omissions, variations and insertions, as may be required. The aforesaid officers, without unnecessary delay, shall prepare, execute and deliver Bonds in definitive form to the Bond Registrar, and thereupon, upon presentation and surrender of the Bond or bonds in temporary form, the Bond Registrar shall authenticate and deliver, in exchange therefor, Bonds in definitive form in an authorized denomination of the same maturity for the same aggregate principal amount as the Bond or bonds in temporary form surrendered. Such exchange shall be made by the School District at its own expense and without any charge therefor. Until so exchanged, the temporary Bond or bonds shall be in full force and effect according to their terms.

Section 2.6. Execution, Authentication and Delivery. The Bonds shall be executed by the manual or facsimile signature of the President or Vice President of the Governing Body and shall have the corporate seal of the School District or a facsimile thereof affixed thereto, duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the School District, and the said officers are hereby authorized and directed to execute the Bonds in such manner. In case any official of the School District whose manual or facsimile signature shall appear on the Bonds, shall cease to be such official before the authentication of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if such official had remained in office until authentication; and any Bond may be signed on behalf of the School District, even though at the date of authentication of such Bonds such person was not an official. The President or Vice President of the Governing Body is authorized and directed to deliver, or cause to be delivered, the Bonds to the purchasers thereof against the full balance of the purchase price therefor. The Bonds shall be authenticated by the Bond Registrar.

No bond shall be entitled to any benefit under this Resolution, nor shall any such bond be valid, obligatory or enforceable for any purpose until such bond shall have been registered and authenticated by the Certificate of Authentication endorsed thereon and duly signed by the Bond Registrar; and the Bond Registrar is hereby authorized to register and authenticate the bonds constituting the Bonds in accordance with the provisions hereof.

Section 2.7. Book-Entry System for Bonds.

(a) Notwithstanding the foregoing provisions of this Article, the Bonds shall be issued initially in the form of one fully-registered bond, which may be typewritten or lithographed, for the aggregate principal amount of the Bonds of each maturity and shall be registered in the name of Cede & Co., as nominee of DTC. Except as provided in subsection (g) below, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that any Bonds be registered in the name of a different nominee, the Bond Registrar shall exchange such Bonds for an equal aggregate principal amount of Bonds of like tenor registered in the name of such nominee. No person other than DTC or its nominee shall be entitled to receive from the School District, the Paying Agent, the Tender Agent or the Bond Registrar either a Bond or any other evidence of ownership of Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the Bond Register in connection with discontinuing the book-entry system as provided in subsection (g) below or otherwise.

(b) So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal, redemption premium, if any, or interest on such Bonds (including payments of the Purchase Price of such Bonds) shall be made to DTC or its nominee in accordance with the Representations Letter on the dates provided for such payments under this Resolution. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the School District, the Paying Agent and the Tender Agent with respect to the principal, redemption premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. In the event of any redemption of less than all of the Bonds outstanding of any particular maturity, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(c) The School District, the Paying Agent, the Tender Agent and the Bond Registrar may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal, redemption premium, if any, or interest on the Bonds (including the payment of Purchase Price with respect thereto), selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders under this Resolution, registering the transfer of ownership of Bonds, obtaining any consent or other action to be taken by Holders and for all other purposes whatsoever, and neither the School District, the Paying Agent, the Tender Agent nor the Bond Registrar shall be affected by any notice to the contrary. Neither the School District, the Paying Agent, the Tender Agent nor the Bond Registrar 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 Bond Register as being a Holder, with respect to (i) the Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal, redemption premium, if any, or interest on the Bonds (or Purchase Price), (iv) any notice which is permitted or required to be given to Holders under this Resolution, (v) the

selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds, and (vi) any consent given or other action taken by DTC as Holder.

(d) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Holders of such Bonds under this Resolution shall be given to DTC as provided in the Representations Letter.

(e) In connection with any notice or other communication to be provided to Holders pursuant to this Resolution by the School District, the Tender Agent, the Remarketing Agent, the Paying Agent or the Bond Registrar with respect to any consent or other action to be taken by Holders, 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, the Tender Agent, the Remarketing Agent or the Paying Agent, as appropriate, may establish a special record date for such consent or other action. The School District, the Tender Agent, the Remarketing Agent or the Paying Agent, as appropriate, shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(f) At or prior to settlement for the Bonds, the School District, the Tender Agent, the Remarketing Agent and the Paying Agent shall execute or signify the approval of the Representations Letter in substantially the form on file with the School District and the appropriate officers of the School District are hereby authorized and directed to execute, to attest, if appropriate, and to deliver such Representations Letter on behalf of the School District. Any successor paying agent, remarketing agent or tender agent for the Bonds shall, in its written acceptance of its duties under this Resolution, agree to take any actions necessary from time to time to comply with the requirements of the Representations Letter.

(g) The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either (i) after notice to the School District, the Paying Agent and the Bond Registrar, DTC determines to resign as securities depository for the Bonds or (ii) after notice to DTC, the Paying Agent and the Bond Registrar, the School District determines that continuation of the system of book-entry transfers through DTC (or through successor securities depository) is not in the best interests of the School District. In either of such events (unless in the case described in clause (ii) above, 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 by DTC, but without any liability on the part of the School District, the Paying Agent or the Bond Registrar for the accuracy of such designation. Whenever DTC requests the School District, the Paying Agent and the Bond Registrar to do so, the School District, the Paying Agent and the Bond Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(h) Anything herein to the contrary notwithstanding, so long as any Bonds are registered in the name of DTC or any nominee thereof, in connection with any optional tender of such Bonds, the beneficial owners of such Bonds are responsible for

submitting Bondholder Tender Notices to the Remarketing Agent only (and if and as permitted by the Remarketing Agent, such Bondholder Tender Notices may be submitted telephonically).

(i) Upon remarketing of Bonds in accordance with Article V, payment of the Purchase Price thereof shall be made to DTC and no surrender of certificates is expected to be required. Such sales shall be made through DTC participants (which may include the Remarketing Agent) and the new beneficial owners of such Bonds shall not receive delivery of bond certificates. DTC shall transmit payment to DTC participants, and DTC participants shall transmit payment to beneficial owners whose Bonds were purchased pursuant to a remarketing. Neither the School District, the Paying Agent, the Tender Agent, the Bond Registrar nor the Remarketing Agent is responsible for transfers of payment to DTC participants or beneficial owners.

(j) The provisions of this Section are subject to the provisions hereof relating to Purchased Bonds.

Section 2.8. Conversion of Bonds.

(a) The School District shall have the option to convert all or any portion of a series or subseries of Variable Rate Bonds to another Rate Mode, as herein provided, prior to the issuance thereof as of the Series Issue Date, or on any subsequent Interest Payment Date that the School District shall select. Term Rate Bonds shall be converted (on a mandatory basis) to another Term Rate and Term Rate Period, or to the Weekly Rate Mode or the Fixed Rate Mode, at the end of each Term Rate Period.

The School District may exercise such option to convert Variable Rate Bonds by giving written notice thereof to the Paying Agent, the Tender Agent, the Remarketing Agent, the Bond Insurer and the Liquidity Provider, if applicable, stating its election to convert the Rate Mode and stating the Interest Payment Date (or Series Issue Date) on which such conversion shall be made, such notice to be given not less than 45 days (or such shorter period as shall be acceptable to the Paying Agent, Tender Agent and the Remarketing Agent) prior to such Conversion Date (or Series Issue Date). Upon receipt of such notice by the Paying Agent, the Paying Agent may conclusively assume that the Tender Agent, the Remarketing Agent and the Liquidity Provider, if applicable, also received a copy of such notice and that such condition has been complied with.

Term Rate Bonds and Fixed Rate Bonds do not require a Liquidity Facility, and conversion of Weekly Rate Bonds to Term Rate Bonds or Fixed Rate Bonds may include the termination of an existing Liquidity Facility on the Term Rate Conversion Date. A qualified Liquidity Facility shall be in effect upon conversion of Term Rate Bonds to Weekly Rate Bonds.

Notice of the exercise of the option to convert shall not be effective unless, at least 10 days (or such shorter period as shall be acceptable to the Paying Agent) prior to the Conversion Date, the following shall have been delivered to the Paying Agent: an opinion of qualified bond counsel addressed to the School District to the effect that such conversion will not adversely affect the exclusion from gross income of the interest on the remarketed Bonds for federal income tax purposes, which opinion shall be confirmed by such bond counsel on the

Conversion Date. The School District shall take any action required by the Bond Insurer and Liquidity Provider, if applicable, in connection with a Conversion of Bonds.

The Paying Agent shall give notice by first class mail (postage prepaid) to the Holders not less than seven (7) days prior to a Conversion Date stating: (i) the expected Conversion Date, and (ii) that all outstanding Bonds will be subject to mandatory tender for purchase on the Conversion Date at a price of par plus accrued interest, if any. The School District, the Paying Agent and the Remarketing Agent shall not be liable to any Holders for failure to give any notice required above or for failure of any Holders to receive any such notice. The Bonds shall be subject to mandatory tender for purchase pursuant to Section 5.5 on the Conversion Date.

Notice of conversion of Term Rate Bonds at the end of a Term Rate Period is not required except upon the commencement of an Interim Term Period, as described in Section 5.5(e)

(b) If the Standby Bond Purchase Agreement or other then-existing Liquidity Facility is about to expire or terminate by its terms and has not been extended or replaced by an Alternate Liquidity Facility satisfactory to the Bond Insurer, the School District and the Remarketing Agent shall use their best efforts to commence the remarketing of the Bonds and the conversion of the interest rate on the Bonds from the Weekly Rate to another Rate Mode, not later than ninety (90) days prior to the scheduled expiration date of the Standby Bond Purchase Agreement or then-existing Liquidity Facility, and in the event of termination, as soon as possible (but in no event more than 180 days) thereafter.

Section 2.9. Preparation, Execution, Authentication and Delivery of Converted Bonds. In connection with the conversion of Bonds, the School District shall cause new bond certificates to be prepared (which shall be substantially in a form set forth in the applicable Exhibit to this Resolution, but with appropriate deletions, insertions, omissions and variations as shall be necessary to reflect the terms of Bonds for the appropriate Rate Mode, as set forth or authorized in this Resolution), duly executed in the name of and on behalf of the School District by the manual or facsimile signature of the President or Vice President of the Governing Body of the School District, attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Governing Body of the School District, imprinted or impressed with the official seal of the School District or a facsimile thereof, and delivered to the Paying Agent for registration, authentication and delivery to the purchasers thereof in accordance with Article V hereof.

ARTICLE III GENERAL PROVISIONS OF BONDS; PLEDGE OF TAXING POWER

Section 3.1. Incurrence of Debt; Amount and Purpose of Bonds; Estimated Project Completion Date. The Governing Body of the School District hereby authorizes and directs the incurring of non-electoral debt and the issuance of the Bonds in one or more series in the aggregate principal amount of \$70,000,000, in order to fund the Project. The Bonds, when issued, will constitute general obligations of the School District.

The School District hereby reserves the right to undertake components of the Project in such order and at such time or times as it shall determine and to allocate the proceeds of the Bonds and other available moneys to the final costs of the Project in such amounts and order of priority as it shall determine; but the proceeds of the Bonds shall be used solely to pay the “costs” as defined in the Act, of the Project described herein or, upon appropriate amendment hereto, to pay the costs of other capital projects for which the School District is authorized to incur indebtedness. Any series of Bonds issued to finance any component of the Project shall be issued at the direction of an Authorized Officer of the School District upon consent by a majority of the members of the Governing Body.

The estimated Project completion date is three years from each Series Issue Date.

Realistic cost estimates have been obtained by the School District for the Project through estimates made by qualified persons, as required by Section 8006 of the Act.

Section 3.2. Realistic Estimated Useful Life. The realistic estimated useful life of the Project is estimated to be in excess of 40 years from the Series Issue Date and the Bonds to be issued therefor will not extend beyond the useful life thereof.

Section 3.3. Debt Statement and Borrowing Base Certificate. The President or Vice President of the Governing Body and the Secretary or Assistant Secretary of the School District are hereby authorized and directed to prepare and certify a debt statement required by Section 8110 of the Act and a Borrowing Base Certificate.

Section 3.4. Debt Proceedings. The Secretary or Assistant Secretary of the School District is hereby authorized and directed to certify to and file with the Pennsylvania Department of Community and Economic Development, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement and borrowing base certificate referred to hereinabove, to prepare and file any statements required by the Act which are necessary to qualify all or any portion of non-electoral or lease rental debt of the School District as self-liquidating or subsidized debt, and to pay the filing fees necessary in connection therewith.

Section 3.5. Debt Limitations. It is declared that the debt to be incurred hereby, together with any other indebtedness of the School District, will not be in excess of any applicable limitation imposed by the Act upon the incurring of debt by the School District which is to be evidenced by the Bonds.

Section 3.6. Covenant to Pay Bonds. It is covenanted with the registered owners from time to time of the Bonds that the School District shall (i) include the amount of the debt service for the Bonds for each Fiscal Year in which the sums are payable in its budget for that year, (ii) appropriate those amounts from its general revenues for the payment of the debt service, and (iii) duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds the principal of, and the interest on, the Bonds at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the School District pledges its full faith, credit and taxing power. As provided by the Act, this covenant shall be specifically enforceable.

Section 3.7. Paying Agent, Sinking Fund Depository and Bond Registrar.

The School, District hereby appoints Commerce Bank/Pennsylvania, National Association, Philadelphia, Pennsylvania, as Paying Agent, Sinking Fund Depository, Bond Registrar and Tender Agent in connection with the issuance of the Bonds. The proper officers of the School District are hereby authorized to contract with and appoint, an alternate bank, including a national bank, or a bank and trust company, authorized to do business in the Commonwealth of Pennsylvania and having a reported capital and surplus of not less than \$50,000,000, for its services, in each instance, as sinking fund depository, Paying Agent, Bond Registrar, and Tender Agent with respect to the Bonds.

Any corporation or association into which the Paying Agent, or any additional or appointed alternate or successor to it, may be merged or converted or with which it, or any additional or appointed alternate or successor to it, may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation or association to which the Paying Agent, or any additional or appointed alternate or successor to it, sells or otherwise transfers all or substantially all of its corporate trust business shall be the successor paying agent hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 3.8. CUSIP Numbers. The School District, pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures (CUSIP) shall cause CUSIP numbers to be printed on the Bonds. No representation is made as to the accuracy of said numbers either as printed on the Bonds or as contained in any notice of redemption, and the School District shall have no liability of any sort with respect thereto. Reliance upon any redemption notice with respect to the Bonds may be placed only on the identification numbers printed thereon.

Section 3.9. Disposition of Proceeds. The proceeds of the Bonds shall be deposited in settlement funds which the Paying Agent shall create and shall be disbursed, transferred or deposited as directed in a closing statement duly executed and delivered by an Authorized Officer of the School District on the respective dates of issuance and delivery of the Bonds.

Section 3.10. Manner of Sale; Award of Bonds, Bid Price, Parameters. The Governing Body of the School District after due deliberation and investigation has found that a private sale by negotiation is in the best financial interest of the School District and based upon such finding the Governing Body of the School District hereby awards the Bonds, at private negotiated sale, to the Underwriter, upon the terms set forth in the Bond Purchase Agreement, copies of which are incorporated herein by this reference and made a part hereof. The Bond Purchase Agreement provides that the Underwriter shall pay to the School District specified amounts at specified times and under conditions stated therein and the School District agrees to sell and deliver the Bonds to the Underwriter under the conditions set forth in such Bond Purchase Agreement.

Such details and conditions of the Bond Purchase Agreement are hereby approved; provided, however, that the aggregate principal amount of the Bonds shall not exceed

\$70,000,000, the latest maturity date of the Bonds shall not be later than June 1, _____, the interest rate of the Bonds shall not exceed 25% per annum, and a purchase price for the Bonds shall be no less than ninety-seven (97%) percent and not more than one-hundred-fifteen (115%) percent of principal amount plus accrual interest on the Bonds being issued. The President or Vice President of the Governing Bond is hereby authorized and directed to execute the Bond Purchase Agreement, evidencing the School District's acceptance thereof, and deliver the same to the Underwriter.

The Maturity Schedule of the Bonds is attached hereto and made a part hereof as Exhibit "D." The stated maturities or mandatory redemption amounts are fixed in compliance with Section 8142(b)(2) of the Act.

Section 3.11. Official Statements; Continuing Disclosure. The Governing Body hereby authorizes and directs the preparation of one or more official statement(s) relating to the Bonds (the "Official Statements"), as may be required by the Underwriter or the Remarketing Agent in connection with marketing the Bonds and in accordance with applicable law. The Official Statements shall be "deemed final" and approved on behalf of the School District by the officer executing the same, with the advice of counsel, such approval to be conclusively evidenced by the execution thereof, following such investigation as such officer deems necessary as to the contents thereof. The Governing Body hereby further approves the distribution and use by the Underwriter and the Remarketing Agent of the Official Statements as so prepared and executed in connection with the public offerings and sale of the Bonds.

The School District covenants to provide such continuing disclosure, at such times, in such manner and of such nature as is described in the Official Statements and to execute and deliver such agreements and certificates with respect to continuing disclosure as are described in such Official Statements or as may be required by laws or rules of the United States Securities and Exchange Commission.

Section 3.12. Municipal Bond Insurance; Liquidity Facility. The Governing Body of the School District authorizes and directs the purchase of the Bond Insurance Policy and the payment of the premium therefor from the proceeds of the Bonds, upon terms which shall be deemed by the Business Manager to be favorable to the School District and which shall be in accordance with the Bond Purchase Agreement. This Resolution shall be amended or deemed amended by Supplemental Resolution or agreement to satisfy the requirements of the Bond Insurance Policy and the Bond Insurer, from time to time.

The Governing Body of the School District further authorizes Boenning & Scattergood, Inc., in each instance, if and when appropriate, to seek proposals from various financial institutions to serve as Liquidity Provider for any Weekly Rate Bonds, and authorizes the Business Manager of the School District to arrange for any appropriate liquidity support to be provided with respect to the Weekly Rate Bonds in accordance with, and upon the terms and conditions deemed most favorable to the School District. This Resolution shall be amended or deemed amended by Supplemental Resolution or agreement to satisfy the requirements of any Standby Bond Purchase Agreement or other Liquidity Facility and any Liquidity Provider, from time to time.

Section 3.13. Project Costs Reimbursement. The School District hereby resolves and declares its intent under United States Treasury Regulation §1.150-2 to use proceeds of the Bonds to finance, *inter alia*, the capital costs of the Project, subject to the applicable limitations under the Code. Pending issuance of any series of the Bonds, the School District may finance the Project with other funds which may be reimbursed from proceeds of any such Bonds, provided that: (a) proceeds of the Bonds shall not be used to reimburse any expenditure paid more than 60 days prior to date of this resolution; (b) the reimbursement allocation shall not be made more than 18 months after the later of: (i) the date of the original expenditure to be reimbursed with the proceeds of such Bonds; or (ii) the date the Project is placed in service (or abandoned); and (c) in no event shall the reimbursement allocation be made more than three years after the date of the original expenditure to be so reimbursed; and provided further, that the limitations of this Section shall not apply to qualified "preliminary expenditures" as defined by Treasury Regulation §1.150-2(f).

ARTICLE IV SINKING, PURCHASE AND OTHER FUNDS RELATING TO THE BONDS

Section 4.1. Creation of Funds. There are hereby created the following funds:

(a) One or more special funds each designated as a "Sinking Fund", to be held by the Paying Agent as described in Section 4.2 and each to constitute a "sinking fund" for one or more series or subseries of Bonds, as required by the Act, and

(b) One or more special funds each designated as a "Purchase Fund", for one or more series or subseries of Variable Rate Bonds, to be held and administered by the Tender Agent as described in Section 4.3 hereof.

Payments and withdrawals from the applicable Sinking Fund and the applicable Purchase Fund shall be made only by the Paying Agent or the Tender Agent and only for the purposes and upon compliance with the terms and conditions hereinafter provided. In order to perform their respective duties, the Paying Agent and the Tender Agent may create such additional funds and separate accounts or subaccounts (including settlement funds to handle transactions related to the issuance of the Bonds) as they may deem necessary or desirable.

Section 4.2. The Sinking Funds.

(a) The Governing Body hereby directs that the Paying Agent shall be the Sinking Fund depository and covenants to make payments out of each applicable Sinking Fund, or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Bonds when due. The proper officers of the School District are hereby authorized and directed to contract with the Paying Agent for its services as Paying Agent and Sinking Fund depository with respect to the Bonds and each of the Sinking Funds, and for such purposes are hereby authorized and directed to execute, to attest, if appropriate, and to deliver agreements with the Paying Agent for its services and fees, such agreement to be in the form approved by the officers of the Governing Body who shall execute the same, their execution thereof to constitute conclusive evidence that such approvals have been given or received.

(b) There is hereby created within and as a part of each of the Sinking Funds one or more accounts (each a “Debt Service Account”). By 12:00 noon on each Interest Payment Date for the Bonds, each date fixed for optional redemption of Bonds and each date upon which Bonds shall mature, the Paying Agent shall deposit in the applicable Debt Service Account, from money deposited in the applicable Sinking Fund by the School District, money in such amount as is required to pay the principal, redemption premium, if any, and interest then due with respect to Bonds (including Purchased Bonds).

(c) There is hereby created within and as a part of each of the Sinking Funds one or more accounts (each a “Mandatory Sinking Fund Account”). The Paying Agent shall deposit into the applicable Mandatory Sinking Fund Account by 12:00 noon on each date upon which Bonds are required to be redeemed from the applicable Mandatory Sinking Fund Account, as set forth in Section 5.2, from money deposited in the applicable Sinking Fund by the School District, the amount set forth in Section 5.2 as the principal amount of Bonds required to be redeemed from the applicable Mandatory Sinking Fund Account on such date, or such lesser amount as on such date shall be equal to the principal amount of all Bonds then outstanding.

The amount required to be deposited in the applicable Mandatory Sinking Fund Account hereunder, on any given date, shall be reduced by the principal amount of any Bonds that shall have been previously purchased, tendered or optionally redeemed in lieu of mandatory redemption by the School District, as provided in Section 5.2 hereof.

The principal amount of Bonds to be retired from money available in the applicable Mandatory Sinking Fund Account shall be paid by the Paying Agent, as the Sinking Fund depository, in the usual and customary manner, from such money available in the applicable Mandatory Sinking Fund Account.

(d) As provided in the Act, all money deposited in the Sinking Funds as required by the Act and all investments and proceeds of investments thereof shall, without further action or filing, be subject to a perfected security interest for the Holders of the Bonds until such money or investments shall have been properly disbursed or sold.

(e) As provided in the Act, the Paying Agent, as Sinking Fund depository, shall return to the School District all money deposited in the Sinking Funds for the payment of Bonds which have not been claimed by the Holders thereof after two years from the date when payment thereon was due, except where such money is held for the payment of outstanding checks, or other instruments of the Paying Agent. Nothing herein, however, shall relieve the School District of its liability to the Holders of unrepresented Bonds.

Section 4.3. Purchase Fund. Within each Purchase Fund three separate and segregated accounts to be designated, with reference to a particular series or subseries of Variable Rate Bonds, as applicable, as (a) the “Remarketing Proceeds Account,” (b) the “Liquidity Facility Payments Account” (in the case of Weekly Rate Bonds) and (c) the “School District Payments Account.” All amounts received by the Tender Agent from the Liquidity Provider with respect to a draw on (or other advance of funds in accordance with) the Liquidity Facility for the purchase of Weekly Rate Bonds shall be immediately deposited in the applicable Liquidity Facility Payments Account. All proceeds of any remarketing of Bonds received by the

Tender Agent from the Remarketing Agent shall be deposited in the applicable Remarketing Proceeds Account. Money (if any) received by the Tender Agent from the School District for application to the purchase of tendered Bonds shall be deposited in the applicable School District Payments Account.

The Tender Agent shall hold all money in the Purchase Fund in trust for the exclusive benefit of the Person or Persons who have paid such money to the Tender Agent until the Bonds to be purchased with such money shall have been delivered to the Tender Agent, and thereafter for the exclusive benefit of the Holders tendering such Bonds and entitled to the payment of the Purchase Price. Money in the Purchase Fund shall not be commingled with other funds held by the Tender Agent, and money in the various accounts of the Purchase Fund shall not be commingled.

Money on deposit in the Purchase Fund (and in each separate account within the Purchase Fund) shall be held uninvested by the Tender Agent (but secured as required by law) pending payment of the Purchase Price of related tendered Bonds.

The Tender Agent shall, by 11:30 am. on each Purchase Date and to the extent necessary, taking into account money then on deposit in the applicable Remarketing Proceeds Account available to pay the Purchase Price of Bonds tendered or deemed to be tendered on such date, make a draw on (or take such other steps as shall be required of the Tender Agent to obtain funds for purchase of Weekly Rate Bonds from the provider of) the Liquidity Facility in the amount required to pay the Purchase Price of all Weekly Rate Bonds tendered or deemed to have been tendered on such Purchase Date; provided, however, that the Tender Agent shall not draw on (or otherwise seek funds for purchase of Weekly Rate Bonds in accordance with) the Liquidity Facility to pay the Purchase Price of any Purchased Bonds or any Weekly Rate Bonds owned by or on behalf of the School District.

At or before 4:00 p.m. on each Purchase Date and upon receipt by the Tender Agent of money in an amount equal to the Purchase Price of Variable Rate Bonds tendered or deemed tendered on such Purchase Date, the Tender Agent shall pay the Purchase Price of each Variable Rate Bond tendered for purchase to the Holder thereof by check or, upon request and instructions of the Holder, by wire transfer in immediately available funds to an account of such Holder within the continental United States of America. Payment of the Purchase Price of Variable Rate Bonds shall be made only with the following funds and only in the following order of priority:

(i) money on deposit in the applicable Remarketing Proceeds Account (other than proceeds from any remarketing of Bonds to the School District);

(ii) money on deposit in the applicable Liquidity Facility Payments Account (in the case of Weekly Rate Bonds);

(iii) money on deposit in the applicable School District Payments Account, but only to the extent that money as provided in clause (i) and (ii) above is insufficient therefor.

Funds available in the Remarketing Proceeds Account in excess of the Purchase Price of Bonds tendered to deemed tendered (due to an initial offering premium on the remarketed Bonds or otherwise) shall be disbursed at the direction of the School District.

Section 4.4. Investment or Deposit of Sinking Fund. Money on deposit in the Sinking Funds shall be deposited, redeposited, invested and reinvested by the Paying Agent, as Sinking Fund depository, at the direction of the School District, subject to the requirements of the Act, in any of the following:

(i) direct obligations of the United States of America maturing not later than 30 days after the date of investment or the date on which such funds are anticipated to be needed for the purposes of the Sinking Fund or the account within the Sinking Fund to which such money is credited,

(ii) a mutual fund investing in obligations of or guaranteed by United States that have the highest short term-rating (AAAM or AAAM-G) by the Rating Agency,

(iii) time deposits or certificates of deposit of the Paying Agent, insured or secured as required by applicable law, or

(iv) such other investments as may be approved in writing by the Bond Insurer.

As provided in the Act, all such deposits and investments shall be in the name of the School District, but money and investments in the Sinking Funds shall be subject to withdrawal and collection only by the Paying Agent, as Sinking Fund depository, for proper purposes. Any investments of money in the Sinking Funds may be sold at any time by the Paying Agent, as Sinking Fund depository if cash is required for expenditure or as directed by the Governing Body, through any broker or dealer in securities. Income received from any deposit or investment of money in the Sinking Funds shall be a part of the fund or account invested and may be applied if so desired by the School District in reduction of or to complete any required deposits in such fund or account.

ARTICLE V REDEMPTION AND TENDER OF BONDS

Section 5.1. Bonds Subject to Optional Redemption.

(a) While the Bonds are in the Weekly Mode, the Bonds shall be subject to redemption prior to maturity at the option of the School District, in whole or in part on any Business Day at a Redemption Price equal to 100% of the principal amount thereof to be redeemed plus accrued interest to the redemption date.

(b) While the Bonds are in the Term Mode or Fixed Mode, the Bonds shall not be subject to optional redemption by the School District prior to the end of the applicable Term Rate Period, unless otherwise provided under the terms of such Bonds (in

connection with the remarketing thereof), with the consent of the Remarketing Agent and the School District.

(c) The Paying Agent shall only call Bonds for optional redemption if it holds money in the Sinking Fund available for payment of the Bonds to be redeemed, or the Paying Agent receives written direction from the School District to redeem Bonds and the applicable notice to Bondholders shall state that such redemption is conditioned upon the deposit of such money in the Sinking Fund on or before the date established for such redemption. In addition, notwithstanding the foregoing, any Purchased Bonds shall be redeemed before any other Bonds are redeemed hereunder.

Section 5.2. Bonds Subject to Mandatory Redemption.

(a) The Bonds may be subject to mandatory redemption prior to stated maturity as described in Exhibit "E", and as may be provided for converted Bonds. In connection with the conversion of Bonds, such mandatory redemption amounts and dates may be amended in a manner that will not violate the Act, including the creation of serial maturities in lieu of any mandatory redemption amounts.

(b) In lieu of redeeming the principal amount of Bonds set forth in (a) above, or any portion thereof, on any scheduled mandatory redemption date the School District, or the Paying Agent with the approval of the School District, may apply money deposited in the applicable Sinking Fund to the purchase or optional redemption of a like amount of Bonds, provided that the following provisions are met:

(i) firm commitments for the purchase, or provisions for such optional redemption, must be made prior to the time notice of mandatory redemption would otherwise be required to be given; and

(ii) if Bonds aggregating the amount required to be redeemed cannot be purchased or optionally redeemed, a principal amount of such Bonds equal to the difference between the principal amount required to be redeemed and the amount purchased or optionally redeemed shall be redeemed as aforesaid.

In the event of purchases of Bonds at less than the principal amount thereof, the balance remaining in the Sinking Fund representing the difference between the purchase price and the principal amount of Bonds purchased shall be paid to the School District.

Any optional redemption of Bonds may be allocated to a like aggregate principal amount of Bonds which is otherwise subject to mandatory redemption, on any date(s) selected by the School District, in lieu of such mandatory redemption, subject to the requirements of the Act.

Section 5.3. Notice and Effective Date of Redemption; Redemption in Part.

The Paying Agent shall cause notice of any redemption of Bonds to be mailed by first class mail to the Holders of all Bonds to be redeemed at the registered addresses appearing in the applicable Bond Register. For such purpose, the Bond Registrar (if not also the Paying Agent) shall provide the Paying Agent upon request with the names and addresses of the Holders of each of the Bonds to be redeemed. Each such notice of redemption shall (i) be deposited in the United States mail,

postage prepaid, or be given by another method of giving notice which is acceptable to the Paying Agent and customarily used by fiduciaries for similar notices at the time such notice is given, not less than thirty (30) days prior to the date fixed for redemption, (ii) identify the particular Bonds (or, if applicable, the portions thereof) to be redeemed, including the name of the issue, the date of the issue, the stated maturity date or dates, and the CUSIP numbers and certificate numbers assigned to the Bonds to be redeemed, (iii) specify the date fixed for redemption and the Redemption Price, (iv) state that on the date fixed for redemption the Bonds called for redemption will be payable at the Designated Office of the Paying Agent upon presentation and surrender thereof, and (v) state that from that date interest on such Bonds (or portions thereof) so called for redemption will cease to accrue. Such notice shall also state that no representation is made as to the accuracy or correctness of the CUSIP numbers stated therein or printed upon the Bonds. Failure to give notice of redemption or any defect in the notice or in the giving thereof to the Holders of any Bonds to be redeemed shall not affect the validity of the redemption as to other Bonds for which proper notice shall have been given. If at the time of the mailing of any notice of redemption the School District shall not have deposited with the Paying Agent money sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption money with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such money are so deposited.

(a) On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the Redemption Price 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 so called for redemption shall cease to be entitled to any benefit or security under this Resolution, and the Owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the Redemption Price.

(b) If fewer than all Weekly Rate Bonds are to be redeemed, related Purchased Bonds will be selected for redemption prior to any other Weekly Rate Bonds. Subject to the preceding sentence, the selection of Bonds, or portions thereof, to be redeemed shall be made by lot or by such other method as the Paying Agent deems fair and appropriate; provided, however, that no Weekly Rate Bond outstanding after such redemption shall be of a denomination less than the minimum authorized denomination of \$100,000 and, provided, further, that any related Purchased Bonds shall be redeemed before any other related Bonds shall be redeemed. If a Bond in the Weekly Mode is of a denomination larger than \$100,000, a portion of such Bond may be redeemed. For redemption purposes, each \$5,000 portion of the stated principal amount of a Bond (in excess of \$100,000 for Bonds in the Weekly Mode) may be redeemed separately. In the case of partial redemption of such Bond, payment of the redemption price of the portion of such Bond so called for redemption shall be made only upon surrender of such Bond in exchange for Bonds of the same tenor and maturity date of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof, Provided, however, that should such Bond be registered in the name of DTC or Cede & Co., as nominee for DTC, or any other nominee of DTC, or any other successor securities depository or its nominee such Bond need not be surrendered for payment and exchange in the event of a partial redemption and the records of the Paying Agent shall be conclusive as to the amount of such Bond which shall have been redeemed.

(c) In addition to the foregoing notice, further notice of any redemption of Bonds hereunder shall be given by the Paying Agent, as hereinafter set forth, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above. Each further notice of redemption given hereunder shall be sent to such information services and information repositories or agencies, or to no such services or repositories or agencies, as the School District may designate in a certificate delivered to the Paying Agent.

(d) So long as the Bonds or any portion thereof are held by DTC or its nominee, the Paying Agent shall send each notice of redemption of Bonds to DTC at such address as may be provided by DTC to the Paying Agent from time to time. Each such notice of redemption shall be sent to DTC at least thirty (30) days prior to the redemption date by legible facsimile transmission, certified or registered mail, overnight delivery service or another secure method which enables the Paying Agent subsequently to verify the transmission of such notice and shall contain the information required in subsection (a) above. Failure to give all or any portion of such notice shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given to the Holders as prescribed in subsection (a) above.

Section 5.4. Optional Tender of Weekly Rate Bonds.

(a) Any Weekly Rate Bond (or any portion thereof, provided that the portion thereof not to be tendered for purchase shall be in an authorized denomination), other than a Purchased Bond, shall be purchased on demand of the Holder thereof on any Business Day designated by such Holder in a Bondholder Tender Notice at the Purchase Price, if the Owner delivers to the Tender Agent at its Designated Office and to the Remarketing Agent at its Designated Office, not later than 5:00 p.m. five (5) Business Days prior to the date designated by the Holder for the purchase of such Bond, a Bondholder Tender Notice which states (i) the principal amount (or portion thereof) of such Bond to be tendered for purchase and (ii) the Purchase Date (which must be a Business Day) on which such Bond (or portion thereof) shall be purchased pursuant to this Section. By delivering the Bondholder Tender Notice, the Holder irrevocably agrees to deliver such Bond, if not held in book-entry form, duly endorsed for transfer in blank and with guarantee of signature satisfactory to the Tender Agent, to the Designated Office of the Tender Agent at or prior to 1:30 p.m. on the Purchase Date specified in the Bondholder Tender Notice. The determination by the Tender Agent of a Holder's compliance with the notice and bond delivery requirements of this Section is in the sole discretion of the Tender Agent and binding on the School District, the Remarketing Agent, the Liquidity Provider, the Paying Agent and the Holder. The Tender Agent or the Remarketing Agent may waive any irregularity or nonconformity in any Bondholder Tender Notice. Any Bondholder Tender Notice which the Tender Agent determines is not in compliance with this Section shall be of no force or effect. In accepting a Bondholder Tender Notice, the Tender Agent and Remarketing Agent may conclusively assume that the Person executing and delivering such Bondholder Tender Notice is the Holder of the Bonds to which reference is made therein and shall incur no liability to anyone by accepting a Bondholder Tender Notice from a Person who is reasonably believed to be the Holder of the Bond or Bonds to which such Bondholder Tender Notice relates.

So long as the Bonds are registered to, and held in book entry form by, DTC or its nominee, the beneficial owners of Bonds are responsible for submitting Bondholder Tender Notices and shall be treated as the Holders of such Bonds for such purpose.

Any election by a Holder to tender any Bond (or any portion thereof) in the Weekly Mode for purchase in accordance with this Section shall be irrevocable and shall be binding on the Holder making such election and on any transferee of such Holder.

Each Bondholder Tender Notice shall automatically constitute (i) an irrevocable offer to sell the Bond (or portion thereof) to which such notice relates on the Purchase Date at a price equal to the Purchase Price, (ii) an irrevocable authorization and instruction to the Tender Agent and Bond Registrar to effect transfer of such Bond (or portion thereof) upon payment of the Purchase Price to the Tender Agent on the Purchase Date, (iii) with respect to a tender of a portion of a Bond, an irrevocable authorization and instruction to the Tender Agent and Bond Registrar to effect the exchange of such Bond in part for other Bonds in a principal amount equal to the retained portion so as to facilitate the sale of the tendered portion of such Bond, and (iv) an acknowledgment that such Holder will have no further rights with respect to such Bond (or portion thereof) upon payment of the Purchase Price thereof to the Tender Agent on the Purchase Date, except to receive payment of the Purchase Price upon surrender of such Bond, if not held in book-entry form, to the Tender Agent endorsed for transfer in blank and with guarantee of signature satisfactory to the Bond Tender Agent and the Bond Registrar, and that after the Purchase Date such Holder will hold such Bond as agent for the Tender Agent. If the Bonds are not held in book-entry form and after delivery to the Tender Agent and the Remarketing Agent of a Bondholder Tender Notice in accordance with this Section, the Holder giving such Bondholder Tender Notice shall fail to deliver the Bond or Bonds described in the Bondholder Tender Notice to the Tender Agent at its Designated Office at or before 1:30 p.m. on the applicable Purchase Date, as required by this Section, then the undelivered Bond or portion thereof (the "Undelivered Bond") described in such Bondholder Tender Notice shall be deemed to have been tendered for purchase to the Tender Agent and, to the extent that there shall be held by the Tender Agent on or before the applicable Purchase Date an amount sufficient to pay the Purchase Price thereof and available for such purpose pursuant to the terms of this Section, such Undelivered Bond shall on such Purchase Date cease to bear interest and no longer shall be considered to be outstanding. Money held by the Tender Agent for the purchase of the Undelivered Bonds in accordance with the provisions of this Section shall be held in a special separate trust account for the Holders of such Undelivered Bonds uninvested and without liability for interest, pending delivery of such Undelivered Bonds to the Tender Agent.

The Tender Agent shall, as to any Undelivered Bond, promptly direct the Bond Registrar to place a stop transfer against an appropriate amount of Bonds registered in the name of the Holder thereof on the Bond Register. The Bond Registrar, without further instructions, shall place such stop transfer commencing with the lowest serial number Bond registered in the name of such Holder (until stop transfers have been placed against an appropriate amount of Bonds) until the Undelivered Bond is delivered to the Tender Agent. Upon such delivery, the Tender Agent shall notify the Bond Registrar of that fact and the Bond Registrar shall make any necessary adjustments to the Bond Register.

If the Bonds are not held in book-entry form and if for any reason a Holder fails to deliver a tendered Bond described in a Bondholder Tender Notice to the Tender Agent on the Purchase Date, the School District shall execute and the Bond Registrar shall authenticate and deliver a new Bond or Bonds in replacement of the Undelivered Bond. The replacement of any such Undelivered Bond shall not be deemed to create new indebtedness, but such Bond as is issued in replacement shall be deemed to evidence the indebtedness previously evidenced by the Undelivered Bond.

(b) No later than 4:30 p.m. on the Business Day immediately following the day on which any Bondholder Tender Notice is received, but in no event later than 11:30 a.m. on the Purchase Date, the Tender Agent shall notify the Paying Agent and the Liquidity Provider (and if requested the School District) by telephone (promptly confirmed in writing) of the principal amount of Bonds (or portions thereof) to be purchased and the Purchase Date.

(c) Subject to the provisions of the applicable Remarketing Agreement, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Bonds (or portions thereof) for which a Bondholder Tender Notice has been received pursuant to this Section; provided that the Remarketing Agent may not remarket to the School District any Bonds or portions thereof to be purchased pursuant to this Section. The terms of any sale of such Bonds (or portions thereof) upon remarketing by the Remarketing Agent shall provide for the payment of the purchase price for the remarketed Bonds to the Remarketing Agent in immediately available funds at or before 10:30 a.m. on the Purchase Date. In connection with any such remarketing, the Remarketing Agent shall remarket Purchased Bonds prior to any other Bonds.

(d) (i) At or before 11:45 a.m. on the Business Day immediately preceding the Purchase Date for the Bonds being tendered for purchase, the Remarketing Agent shall give notice by telephone, telegram, teletype, telex or other similar communication to the Liquidity Provider, the Paying Agent, the School District and the Tender Agent (promptly confirmed in writing) of the principal amount of such Bonds that were remarketed, specifying the names, addresses and taxpayer identification numbers of the purchasers thereof, the denominations of the Bonds to be delivered to each such purchaser and, if available, payment method instructions for regularly scheduled interest payments on such Bonds. Such notice shall also specify the aggregate principal amount of Bonds (if any) which were not successfully remarketed and the amount of interest accrued thereon.

(ii) The Remarketing Agent shall pay to the Tender Agent in immediately available funds by 11:00 a.m. on the applicable Purchase Date an amount equal to the proceeds of the remarketing of Bonds. If such amount is not sufficient to pay the Purchase Price of all Bonds to be purchased on such Purchase Date, the Tender Agent shall notify the Paying Agent, the Liquidity Provider and the School District by 11:30 a.m. on the Purchase Date of the amount of Bonds to be purchased by the Liquidity Provider (i.e., the amount of Bonds to be purchased but which cannot be purchased from the remarketing proceeds (if any) received from the Remarketing Agent) and shall take such action as may be required under the Liquidity Facility to obtain funds from the Liquidity Provider by 2:30 p.m. on such Purchase Date to effect the purchase of all Bonds to be purchased on such date.

Section 5.5. Mandatory Tenders of Weekly Rate and Term Rate Bonds.

(a) Variable Rate Bonds (excluding Purchased Bonds) shall be subject to mandatory tender and purchase at the Purchase Price on the following dates:

(i) for Weekly Rate Bonds, on the Interest Payment Date (but in any case, not less than five (5) days) next preceding the Expiration Date of a Liquidity Facility, unless on or prior to such Interest Payment Date the Paying Agent has received an extension of such Liquidity Facility;

(ii) for Weekly Rate Bonds, on the date of replacement of a Liquidity Facility with an Alternate Liquidity Facility; provided that in such event the existing Liquidity Facility will be in force on the date of replacement so that a draw may be made against (or funds with which to purchase such Bonds will otherwise be made available under) such existing Liquidity Facility in connection with such mandatory tender in accordance with subsection (d) below;

(iii) for Weekly Rate Bonds, on the tenth (10th) day following the day on which the Tender Agent receives notice from the Liquidity Provider that it will terminate the Liquidity Facility because a Termination Event has occurred under the terms of the Liquidity Facility (or the related agreement);

(iv) for any Variable Rate Bonds, on a Conversion Date to another Rate Mode; and

(v) for Bonds in the Term Mode, on a Conversion Date at the end of any Term Rate Period (subject to Section 2.3 and 5.5(e)) prior to the maturity date thereof.

Term Rate Bonds shall be subject to mandatory tender on the Term Rate Conversion Date at the end of each Term Rate Period (whether or not the interest rate actually changes and whether or not the resulting Term Rate Period will be of a different duration than the immediately preceding Term Rate Period), at the Purchase Price thereof, provided, however, that if on such Conversion Date (A) the Remarketing Agent fails for any reason to determine the interest rate to be effective upon the conversion, (B) if, for any reason, all of the Bonds are not remarketed by 12:00 noon on such Conversion Date, or (C) any other material requirement for such conversion shall not be satisfied, including the delivery to the Tender Agent of an opinion of recognized bond counsel that the interest on the remarketed bonds is excludable from the gross income of the Holder thereof for federal income tax purposes, then such conversion shall not occur, such Bonds shall not be subject to mandatory tender on such date and such Bonds shall bear interest at the Interim Term Rate until an Interim Conversion Date is established under Section 5.5(e) hereof. No cancellation of a mandatory tender or failure to satisfy any of the conditions to such a conversion or tender pursuant to this paragraph shall constitute an event of default hereunder or under the Bonds.

(b) The Tender Agent shall give notice of mandatory tender to each Owner of the Bonds (except in the case of a mandatory tender of Term Rate Bonds at the end of a Term Rate Period) by first-class mail at least seven (7) days prior to the Mandatory Tender Date. Such notice shall:

- (i) state the Mandatory Tender Date;
 - (ii) state that the Bonds shall be subject to mandatory tender for purchase on such Mandatory Tender Date at a purchase price equal to the principal amount thereof plus accrued interest, if any;
 - (iii) state that all Bonds are required to be delivered to the Designated Office of the Tender Agent at or before 10:30 a.m. on the Mandatory Tender Date;
 - (iv) state that if the Holder of any Bond fails to deliver such Bond to the Tender Agent for purchase on the Mandatory Tender Date and the Tender Agent is in receipt of money with which to pay the Purchase Price thereof, such Bond shall nevertheless be deemed tendered and purchased on the Mandatory Tender Date and the Bond Registrar will place a stop transfer against such Bond on the Bond Register;
 - (v) state that if the Mandatory Tender Date is an Interest Payment Date, interest payments will be paid to the Holders of Bonds in accordance with Section 4.2 hereof,
 - (vi) state that the Holder who fails to deliver any Bond for purchase on the Mandatory Tender Date shall have no further rights thereunder, except to receive payment of the Purchase Price upon presentation and surrender of such Bond to the Tender Agent; and
 - (vii) state, if applicable, that the currently effective Liquidity Facility will be replaced and that the Bonds shall no longer be entitled to the benefits of such Liquidity Facility and state the rating issued or expected to be issued by the Rating Agency with respect to the Bonds following such replacement of the Liquidity Facility.
- (c) Subject to the applicable provisions of the Remarketing Agreement, the Remarketing Agent shall offer for sale, and use its best efforts to find purchasers for, all Bonds (or portions thereof) required to be tendered for purchase pursuant to this Section under terms satisfactory to the School District; provided that the Remarketing Agent may not remarket to the School District any Bonds or portions thereof to be purchased pursuant to this Section. The terms of any sale by the Remarketing Agent shall provide for the payment for tendered Bonds to the Remarketing Agent in immediately available funds at or before 10:30 a.m. on the Mandatory Tender Date.

(d) (i) At or before 11:45 a.m. on the Business Day immediately preceding the Mandatory Tender Date, the Remarketing Agent shall give notice by telephone, telegram, teletype, telex or other similar communication to the Liquidity Provider (if applicable), the Paying Agent, (if requested, the School District) and the Tender Agent (promptly confirmed in writing) of the principal amount of tendered Bonds that were remarketed, specifying the names, addresses and taxpayer identification numbers of purchasers, and purchase price (including total expected remarketing proceeds) of the remarketed Bonds, the denominations of remarketed Bonds to be delivered to each purchaser and, if available, payment method instructions for regularly scheduled interest payments on such remarketed Bonds. Such

notice shall also specify the aggregate principal amount of Bonds (if any) which were not successfully remarketed and the amount of interest accrued thereon.

(ii) The Remarketing Agent shall pay to the Tender Agent, in immediately available funds and by 11:00 a.m. on the Mandatory Tender Date, an amount equal to the proceeds of the remarketing of Bonds. If such amount is not sufficient to pay the Purchase Price of all Bonds to be purchased on the Mandatory Tender Date, the Tender Agent shall notify the Paying Agent, the Liquidity Provider (if applicable) and The School District by 11:30 a.m. on the Mandatory Tender Date of the amount of Bonds to be purchased by the Liquidity Provider (i.e., the amount of Bonds in the Weekly Mode to be purchased but which cannot be purchased from the remarketing proceeds (if any) received from the Remarketing Agent) and shall take such action as may be required under the Liquidity Facility to obtain funds from the Liquidity Provider by 2:30 p.m. on the Mandatory Tender Date to effect the purchase of all Bonds to be purchased on such date.

Any remarketing proceeds received by the Remarketing Agent on the Mandatory Tender Date that are in excess of the Purchase Price of such Bonds, shall be applied by the Tender Agent in a manner directed in writing by The School District accompanied by an opinion of Bond Counsel that the use of such proceeds will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

(e) If on a Term Rate Conversion Date any condition precedent to a mandatory tender described in this Section (a) shall not be satisfied, such conversion and tender shall not occur, the Bonds shall not be subject to mandatory tender on such date and such Bonds thereafter shall bear interest, be subject to mandatory tender, be subject to conversion and be remarketed as follows:

(i) During the Interim Term Period the Bonds shall bear interest at the Interim Term Rate; and

(ii) During the Interim Term Period, the Bonds shall be subject to conversion and mandatory tender for purchase on any Interim Conversion Date.

Notice of the commencement of an Interim Term Period, and of the Interim Conversion Date, to the Holders of the Term Rate Bonds, shall be sent by the Tender Agent and shall specify appropriate matters pursuant to this Section, as applicable, with respect to Bonds bearing an Interim Term Rate.

An Interim Conversion Date shall be determined by the Remarketing Agent in the manner provided in Section 2.02 hereof on the earliest possible date during an Interim Term Period. In the case of a conversion to a Weekly Rate on an Interim Conversion Date, an appropriate Liquidity Facility shall be delivered on or before such Interim Conversion Date. An conversion of Term Rate Bonds on an Interim Conversion Date shall be accompanied by an opinion of Bond Counsel to the effect that such conversion will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The deferral of the conversion and mandatory tender of Bonds during an Interim Term Period shall not constitute an event of default on the Bonds or this Resolution, as supplemented and amended.

(f) Bondholders shall have no right to retain Bonds that are subject to mandatory tender in accordance with the provisions hereof.

Section 5.6. Delivery of Tendered Bonds to the Purchasers Thereof.

Subject to the provisions of Section 2.7 (relating to the book-entry system for the Bonds), on the Purchase Date the Bond Registrar shall authenticate, register and make Variable Rate Bonds tendered or deemed tendered for purchase available for delivery as follows:

(i) tendered Bonds purchased with money in the Remarketing Proceeds Account shall be registered in accordance with the instructions of the Remarketing Agent, authenticated and made available for delivery to or upon order of the Remarketing Agent at the Designated Office of the Tender Agent by 4:00 p.m.;

(ii) tendered Weekly Rate Bonds purchased with money in the Liquidity Facility Payments Account (i.e. Purchased Bonds) shall be registered in the name of the Liquidity Provider (or in such other name as may be directed in writing by the Liquidity Provider), authenticated and delivered to the Tender Agent, as agent or custodian for the Liquidity Provider (or upon written request and instructions of the Liquidity Provider, to the Liquidity Provider), by 5:00 p.m.

(iii) tendered Bonds purchased with money in the School District Payments Account, if any, shall be registered in the name of the School District, authenticated and delivered to the School District or in accordance with written instructions signed by an Authorized Officer of the School District, by 5:00 p.m.

Section 5.7. Weekly Rate Bonds Purchased With the Proceeds of the Liquidity Facility.

(a) All Weekly Rate Bonds purchased with proceeds of a drawing on (or funds otherwise provided by the issuer of) the Liquidity Facility pursuant to this Resolution shall constitute Purchased Bonds and shall be held by the Tender Agent, as agent for the Liquidity Provider pursuant to the terms of the Liquidity Facility (and shall be shown as such on the Bond Register and, if held in book-entry form, in the ownership records maintained by DTC and any applicable DTC participant) unless and until (1) the Paying Agent has received written confirmation from the Liquidity Provider to the extent contemplated by the terms of the Liquidity Facility that the Liquidity Facility has been reinstated with respect to such drawing (or such other advance of funds, as applicable) and (2) the Liquidity Provider has notified the Paying Agent by telephone (thereafter promptly confirmed in writing) that such Bonds have been remarketed and that the Liquidity Provider has received the proceeds of such remarketing together with all amounts owed under the Liquidity Facility and the Payment Agreement (including interest at the Purchased Bonds Rate and any fees and expenses of the Liquidity Provider due thereunder) and are no longer Purchased Bonds. Pending resale of such Bonds and reinstatement of the Liquidity Facility and as aforesaid, the Liquidity Provider shall be entitled to

receive all payments of principal of and interest on Purchased Bonds (including interest at the Purchased Bonds Rate, if applicable) and such Purchased Bonds shall not be transferable or deliverable to any party except the Liquidity Provider.

(b) The Remarketing Agent shall continue to use its best efforts to arrange for the sale of any Purchased Bonds, subject to full reinstatement of the Liquidity Facility (which reinstatement shall occur upon the payment in full of all amounts owed to the Liquidity Provider under the Liquidity Facility and the Payment Agreement) with respect to the drawing or drawings (or such advance or advances of funds) with which such Purchased Bonds were purchased, at a price equal to the principal amount thereof plus accrued interest, if any. All Purchased Bonds shall be remarketed prior to the remarketing of any other Bonds.

(c) At or prior to 2:00 p.m. on the Business Day preceding each day on which any Purchased Bonds that are successfully remarketed by the Remarketing Agent are to be purchased, the Remarketing Agent shall give telephonic notice, promptly confirmed in writing, to the Paying Agent, the Bond Registrar, the Tender Agent, the School District and the Liquidity Provider specifying:

(i) the Business Day on which such purchase will take place and the principal amount of Purchased Bonds successfully remarketed by the Remarketing Agent, and

(ii) to the Bond Registrar only, the names, addresses and tax identification numbers of the proposed purchasers thereof and the denominations of Bonds to be delivered to each purchaser and, if available, the payment instructions for regularly scheduled interest payments.

(d) Contemporaneously with reinstatement of the Liquidity Facility as described in subsection (a) above and the sale of Purchased Bonds arranged by the Remarketing Agent as described in subsection (b) above, (1) such Purchased Bonds (if not held in book-entry form) shall be surrendered to the Bond Registrar for transfer of ownership and such Bonds thereupon shall be registered in the name of the purchaser or purchasers thereof, or in the name of the Remarketing Agent, as shall be specified in written instructions by the Remarketing Agent, authenticated and made available for delivery to or upon order of the Remarketing Agent at the Designated Office of the Tender Agent on the Business Day set forth in the Remarketing Agent's Notice of Remarketing as the date on which such purchase shall take place.

Section 5.8. Inadequate Funds for Purchases. If the funds available for purchase of tendered Bonds (including any funds available pursuant to a Liquidity Facility) on any Purchase Date are inadequate for the purchase of all Bonds tendered or required to be tendered on such Purchase Date in accordance with this Article (i.e., a failed tender), the Paying Agent and the Tender Agent shall:

(a) return all tendered Bonds to the Holders thereof,

(b) return all money received for the purchase of such Bonds to the Person or Persons who paid such money; and

(c) notify the School District and the Remarketing Agent of the return of such Bonds and money and the failure to make payment for tendered Bonds.

In such case of Term Mode Bonds tendered at the end of a Term Rate Period, an Interim Term Period shall commence for such Bonds, bearing interest at the Interim Term Rate, until an Interim Conversion Date.

Section 5.9. Replacement or Extension of the Liquidity Facility.

(a) At least 20 days (or such fewer number of days as shall be acceptable to the Paying Agent) prior to the Interest Payment Date on Weekly Rate Bonds next preceding the Expiration Date of the applicable Liquidity Facility, the School District shall deliver to the Paying Agent either: (1) an amendment to the existing Liquidity Facility which extends the Expiration Date to a date that is not earlier than 364 days from the then current Expiration Date; or (2) an Alternate Liquidity Facility meeting the requirements hereof and of the Bond Insurer. Notwithstanding such delivery, the Bonds shall be subject to mandatory tender for purchase pursuant to Section 5.5 and the Tender Agent shall take all action as shall be necessary to affect such mandatory tender for purchase.

The Tender Agent shall not accept an Alternate Liquidity Facility under this Section unless there shall have been delivered to the Tender Agent (A) written confirmation from the Rating Agency not later than the date of delivery of the Alternate Liquidity Facility that replacement of the Liquidity Facility by the Alternate Liquidity Facility will not, by itself, adversely affect the current credit rating or ratings on the Bonds, (B) written consent of the Bond Insurer to such Liquidity Facility, and (C) written confirmation from the current Liquidity Provider that all amounts due and payable to it under the current Liquidity Facility, and related Payment Agreement, have been paid in full.

(b) If (1) a Termination Event has occurred, (2) an event has occurred that with notice, or passage of time, or both, will constitute a Termination Event, or (3) the Liquidity Provider has defaulted on its obligations under the Liquidity Facility, the School District shall use its best efforts to deliver to the Tender Agent an Alternate Liquidity Facility. Upon delivery of the Alternate Liquidity Facility and other documents required by the preceding sentence, the Tender Agent shall accept such Alternate Liquidity Facility and promptly surrender the prior Liquidity Facility to the issuer thereof for cancellation; provided that the Tender Agent receives written confirmation from the Rating Agency not later than the date of delivery of the Alternate Liquidity Facility that replacement of the Liquidity Facility by the Alternate Liquidity Facility will not, by itself, adversely affect the current credit rating or ratings on the Bonds.

(c) Upon the effective date of an Alternate Liquidity Facility as described in sections (a) or (b) above, such Alternate Liquidity Facility shall be deemed to be the Liquidity Facility for all purposes hereunder and the issuer of such Alternate Liquidity Facility shall be deemed to be the Liquidity Provider for all purposes hereunder.

(d) The provisions of this Section with respect to the substitution of an Alternate Liquidity Facility in the event of the Expiration Date of the initial Liquidity Facility

shall apply equally to the substitution of another Alternate Liquidity Facility in the event of the Expiration Date of an existing Alternate Liquidity Facility.

Section 5.10. Notice to Holders. The Tender Agent shall give notice to the Holders of Bonds in the Weekly Mode, in the name of the School District, of the proposed replacement of the current Liquidity Facility with an Alternate Liquidity Facility, by first-class mail, postage prepaid, not less than ten (10) days prior to the Interest Payment Date next preceding the proposed replacement date.

Section 5.11. Reduction of Liquidity Facility. Whenever Weekly Rate Bonds are paid at maturity or upon redemption prior to stated maturity, the Tender Agent on behalf of the School District shall request and authorize a reduction of the amount available to be drawn under the Liquidity Facility to an amount equal to the principal amount of the remaining Bonds, plus interest thereon calculated at the Maximum Interest Rate for such period as shall be acceptable to (a) the Bond Insurer, and (b) the Rating Agency as evidenced by a written confirmation that the credit rating on the Bonds will not be withdrawn or reduced; provided that such action by the Tender Agent shall not be required (and approval by the Bond Insurer and confirmation by the Rating Agency shall not be required) if the Liquidity Facility so reduces automatically in accordance with its terms.

Section 5.12. Standby Bond Purchase Agreement and Payment Agreement Authorized. The School District, in each instance and simultaneously with the initial issuance and delivery of any Weekly Rate Bonds to the Underwriter, and on any conversion to Weekly Rate Bonds, shall cause the Tender Agent to enter into a Standby Bond Purchase Agreement and, if applicable, shall enter into a Payment Agreement with the Liquidity Provider. The Standby Bond Purchase Agreement and any Payment Agreement shall be upon such terms as shall be agreed by the Bond Insurer, the Liquidity Provider, the Remarketing Agent and the School District.

The proper officers of the School District are hereby authorized and directed to execute, to attest and to seal, as appropriate, and to deliver any Standby Bond Purchase Agreement and any Payment Agreement or related documents upon such agreed terms. Execution by such officers shall be conclusive evidence of approval on behalf of the School District of such Standby Bond Purchase Agreement and such Payment Agreement or related documents.

The proper officers of the School District are hereby authorized to do, to take and to authorize all acts and things necessary on the part of the School District to fulfill its obligations under the terms of any Standby Bond Purchase Agreement and any Payment Agreement or related documents, including without limiting the generality of the foregoing, payment of fees and expenses of the Liquidity Provider required to be paid by the School District under the terms thereof.

ARTICLE VI
THE REMARKETING AGENT AND TENDER AGENT FOR THE BONDS

Section 6.1. The Remarketing Agent. The School District hereby appoints Boenning & Scattergood, Inc., as the initial Remarketing Agent for all Bonds issued or remarketed hereunder. Such Remarketing Agent and each successor Remarketing Agent appointed by the School District and acceptable to the Bond Insurer and the Liquidity Provider (if applicable), shall specify its Designated Office and signify its acceptance of the duties and obligations imposed upon it as described herein by execution and delivery of a Remarketing Agreement or, in connection with the appointment of a successor Remarketing Agent, a written instrument delivered to the School District, the Paying Agent, the Tender Agent, the Bond Insurer and the Liquidity Provider (if applicable) under which the Remarketing Agent will agree, particularly:

(a) to hold all money delivered to it for the purchase of Bonds in trust for the exclusive benefit of the Person or Persons that shall have so delivered such money until the Bonds purchased with such money shall have been delivered to or for the account of such Person or Persons, and any additional remarketing proceeds shall be held in trust for the benefit of the School District;

(b) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the School District, the Paying Agent, the Liquidity Provider and the Tender Agent at all reasonable times;

(c) to determine the Weekly Rate for each Weekly Rate Period (and to the extent provided in any amendment or supplement to the Remarketing Agreement, bond purchase agreement or similar agreement, the Term Rate for each Term Rate Period or any Fixed Rates) and give notice of such rate to the Persons and in the manner required by Article 11 hereof;

(d) subject to any conditions set forth in the instrument by which it assumes the duties of the Remarketing Agent and which excuse performance of its obligations, to offer for sale, and use its best efforts to find purchasers for, the Purchased Bonds prior to any other Bonds, in order to provide for the repurchase of Purchased Bonds from the Liquidity Provider as quickly as possible, the Bonds tendered or deemed tendered for purchase, and the Bonds theretofore purchased by the School District (and not tendered to the Paying Agent in lieu of any mandatory sinking fund redemption), any such sale to be made at a price equal to 100% of the principal amount thereof plus accrued interest (if any accrued interest is required to be included in the applicable purchase price) to the Purchase Date, in accordance with the terms of this Resolution; provided, however, that if there shall have occurred and be continuing an Event of Default of which the Remarketing Agent has notice, there shall be no remarketing of Bonds pursuant to Article VI hereof, and

(e) to deliver to the Tender Agent all Bonds issued in certificated form (if any) received by it which are tendered for purchase in accordance with the terms of this Resolution.

Section 6.2. Remarketing Agreement Authorized. The School District, simultaneously with the initial issuance and delivery of the Bonds to the Underwriter, shall enter into a Remarketing Agreement with the Remarketing Agent. Such Remarketing Agreement, including any amendments thereto in the case of Bonds issued in another Rate Mode, shall be in form and substance satisfactory to the School District, the Bond Insurer and the Liquidity Provider (if applicable).

The proper officers of the School District are hereby authorized and directed to execute, to attest and to seal, as appropriate, and to deliver each such Remarketing Agreement to the Remarketing Agent in such form or with such changes therein or amendments thereto as shall be approved by the officers of the Governing Body executing the same. Such approval of such officers shall be conclusively presumed to have been given by such execution of each such Remarketing Agreement.

The proper officers of the School District are hereby authorized to do, to take and to authorize all acts and things necessary on the part of the School District to fulfill its obligations under the terms of each such Remarketing Agreement, including without limiting the generality of the foregoing, payment of fees and expenses of the Remarketing Agent required to be paid by the School District under the terms thereof.

Section 6.3. Remarketing Agent Qualifications, Resignation and Removal.

(a) The Remarketing Agent must be authorized by law to perform all the duties imposed upon it. The Remarketing Agent may resign, be removed and a successor Remarketing Agent be appointed in the manner set forth in the Remarketing Agreement.

(b) A successor Remarketing Agent may be appointed only with the prior written consent of the Bond Insurer and the Liquidity Provider, which consent shall not be unreasonably withheld.

(c) The Remarketing Agent, or its affiliates, may in good faith purchase, hold, sell, underwrite or deal in any bonds, notes or other evidences of indebtedness issued by the School District, including Bonds; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of the School District; or enter into any commercial or business arrangement with the School District; all without any liability on the part of the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

Section 6.4. Tender Agent. The Paying Agent shall serve as the initial Tender Agent for the Bonds. Each successor Tender Agent appointed hereunder shall specify its Designated Office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Paying Agent and the School District under which such Tender Agent will agree, particularly:

(a) to hold all Bonds delivered to it for purchase in trust for the exclusive benefit of the Holders that shall have so delivered such Bonds until money representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Holders;

(b) to hold and administer the Purchase Fund in accordance with the provisions hereof, and

(c) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the School District, the Paying Agent, the Liquidity Provider (if applicable) and the Remarketing Agent.

Section 6.5. Tender Agent Qualifications, Resignation and Removal.

(a) Any successor Tender Agent shall be approved in writing by the Bond Insurer and the Liquidity Provider (if applicable).

(b) The Tender Agent may at any time resign and be discharged of its duties and obligations by giving at least sixty (60) days' written notice to the School District, the Paying Agent, the Remarketing Agent, the Liquidity Provider (if applicable), the Holders of the Bonds then outstanding and the Bond Insurer.

(c) Any Tender Agent may be removed at any time by the Governing Body upon written notice to the Tender Agent, Paying Agent, the Remarketing Agent, the Liquidity Provider (if applicable) and the Rating Agency. Any resignation or removal of the Tender Agent shall not take effect until a successor has been appointed and accepted the duties of the Tender Agent. Successor Tender Agents may be appointed from time to time by the Governing Body upon written notice to the Paying Agent, the Remarketing Agent, the Liquidity Provider, and the Bond Insurer.

ARTICLE VII

COMPLIANCE WITH CODE; CONTINUING DISCLOSURE; MISCELLANEOUS

Section 7.1. Tax Covenants.

(a) The School District will make no use of the proceeds of the Bonds during the terms thereof which would cause such Bonds to be or become "arbitrage bonds" within the meaning of section 148 of the Code, and it will comply with the requirements of all Code sections necessary to ensure that the Bonds are described in Code section 103(a) and not described in Code section 103(b) throughout the term of the Bonds; and

(b) The School District will comply with the "rebate" requirements of the Code, which obligation shall survive the defeasance and payment in full of the Bonds.

Section 7.2. Notices. Any notice to or demand upon any party may be made and shall be deemed to have been sufficiently given, if served or presented at or sent by registered or certified United States mail, fax, hand delivery or overnight courier addressed to its Designated Office.

Section 7.3. Designated Offices. The Designated Offices of the Paying Agent, the Remarketing Agent, the Tender Agent and the Liquidity Provider shall be those offices set forth, from time to time, by written notice to such other parties, provided, however, that the Paying Agent shall maintain a Designated Office inside the Commonwealth, but may provide

that the Bonds shall be payable at more than one place, so long as at least one such place shall be located within the Commonwealth, as required by 53 Pa.C.S. §8 145.

The Paying Agent shall give prompt written notice of any change of its Designated Office or of the Designated Office of the Tender Agent or the Remarketing Agent to the Holders of the Bonds.

Section 7.4. Incidental Actions. The proper officers of the School District are hereby authorized, directed and empowered on behalf of the School District to execute any and all agreements, papers and documents, including continuing disclosure agreements substantially in the forms submitted to this meeting permitting the Underwriter to meet certain regulatory requirements applicable to them, and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the purposes of this Resolution and in connection with the sale and issuance of the Bonds, the application for, and issuance of, the Bond Insurance Policy and the Standby Bond Purchase Agreement as contemplated in the Bond Purchase Agreement.

Section 7.5. Effectiveness of Resolution. This Resolution shall be effective in accordance with the Act.

Section 7.6. Validity of Resolution. In the event any one or more of the provisions of this Resolution shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

Section 7.7. Payment of Costs and Expenses. The proper officers of the School District are hereby authorized and directed to pay, or cause the Paying Agent to pay, the costs associated with issuing and insuring the Bonds at the times of delivery of the Bonds to the Underwriter.

Section 7.8. Inconsistent Resolutions. All Resolutions or parts of Resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly are rescinded, cancelled and annulled. This Resolution may at any time be amended by a Supplemental Resolution in accordance with law.

Section 7.9. Governing Law. The laws of the Commonwealth shall govern the construction and interpretation of this Resolution.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution duly adopted by the affirmative vote of a majority of the members of the Governing Body of the Marple Newtown School District, Delaware County, Pennsylvania (the “School District”), at a public meeting held May 22, 2006; that proper notice of such meeting was duly given as required by law; and that said Resolution has been duly entered upon the Minutes of said Governing Body, showing how each member voted thereon.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the School District this 22nd day of May, 2006.

Secretary

EXHIBIT "A"

FORM OF BOND (WEEKLY RATE MODE)

MARPLE NEWTOWN SCHOOL DISTRICT
Delaware County, Pennsylvania

GENERAL OBLIGATION BOND,

SERIES OF 200_

The Marple Newtown School District, Delaware County, Pennsylvania (the "Issuer"), a school district existing under laws of the Commonwealth of Pennsylvania (the Commonwealth"), for value received, promises to pay to the order of CEDE & CO., or registered assigns, on the Maturity Date set forth in the addendum attached hereto (the "Addendum"), upon surrender hereof, the principal sum set forth in the Addendum, unless this General Obligation Bond, Series of 200_ (the "Bond"), duly shall have been called for earlier redemption and payment of the redemption price shall have been made or provided for, and to pay interest on said principal sum, at the Interest Rate(s) set forth or described in the Addendum which shall be determined as provided in this Bond and in the Resolution (hereinafter defined), until the principal sum hereof is paid or provision for payment thereof has been made as provided in such Resolution. Interest on this Bond is payable from the Interest Payment Date (herein defined) next preceding the date of registration and authentication of this 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 Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date; or (c) this Bond is registered and authenticated on or prior to the Regular Record Date (hereinafter defined) next preceding the first Interest Payment Date, in which event this Bond shall bear interest from the Series Issue Date or the Conversion Date set forth in the Addendum; or (d) as shown by the records of the Paying Agent (hereinafter defined), interest on this Bond shall be in default, in which event this Bond shall bear interest from the date to which interest was last paid on this Bond.

This Bond bears interest at a Weekly Rate (as hereinafter defined), and shall be purchased on demand of the person in whose name ownership of this Bond is registered on the registration books maintained by the Paying Agent (the "Holder"), upon the terms and conditions hereinafter described.

The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender of this Bond to Commerce Bank/Pennsylvania, National Association, (the "Paying Agent"), as paying agent and tender agent for the Bonds, or to any successor paying agent or tender agent duly appointed by the Issuer, at its Designated Office, as that phrase is defined in the Resolution.

The interest on this Bond is payable on each Interest Payment Date by: (i) check drawn on the Paying Agent and mailed to the Holder of this Bond, at the address of such Holder appearing on the registration books maintained by the Paying Agent, or (ii) wire transfer to a

bank account of such Holder in the United States, if such Holder is The Depository Trust Company or its nominee or a successor securities depository or if such Holder is the registered owner of Bonds (hereinafter defined) in an aggregate principal amount of \$1,000,000 or more and shall have made a written request for wire payment of interest to the Paying Agent at least one Business Day prior to the Regular Record Date (hereinafter defined). Payment of the interest hereon shall be made to the Holder of this Bond as of the close of business on the last Business Day (as hereinafter defined) preceding the Interest Payment Date (each, the “Regular Record Date”). Any interest that is not timely paid or duly provided for shall cease to be payable to the person in whose name ownership of this Bond is registered as of as of the Regular Record Date, and shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such overdue interest (the “Special Record Date”) established by notice mailed by the Paying Agent on behalf of the Issuer not less than fifteen (15) days preceding such Special Record Date and not less than twenty (20) days, but not more than thirty (30) days, prior to the Interest Payment Date. Such notice shall be mailed to the person in whose name this Bond is registered at the Close of business on the fifth (5th) day preceding the date of mailing.

The principal of, redemption premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America.

This Bond is one of a series of bonds of the Issuer, known generally as the “General Obligation Bonds, Series of 200_” (the “Bonds”), in the original aggregate principal amount set forth in the Addendum. The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the “Act”) of the Commonwealth, and by virtue of a duly adopted Resolution (the “Resolution”), as amended and supplemented, of the Issuer. The Act, as such shall have been in effect when the Bonds were authorized, and the Resolution shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds. Capitalized terms and phrases not otherwise defined in this Bond shall have the meanings set forth in the Resolution.

The Issuer has covenanted in the Resolution, to and with registered owners from time to time of the Bonds that shall be outstanding from time to time pursuant to the Resolution, that the Issuer: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof, and, for such budgeting, appropriation and payment, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

STANDBY BOND PURCHASE AGREEMENT

The financial institution identified in the Addendum (the “Liquidity Provider”) has entered into an initial Standby Bond Purchase Agreement (the “Standby Bond Purchase Agreement”) pursuant to which the Liquidity Provider has agreed, subject to the terms and conditions of the Standby Bond Purchase Agreement, to purchase, while the Bonds bear interest

at the Weekly Rate, any outstanding Bonds that are tendered or deemed tendered to the Paying Agent for purchase in accordance with the terms thereof and of the Resolution, provided that the aggregate amount of the purchase price comprising interest on the Bonds to be purchased by the Liquidity Provider on any purchase date shall not exceed an amount equal to the number of days' of accrued interest set forth in the Addendum on the outstanding Bonds calculated at 22.5%, per annum. The commitment of the Liquidity Provider to purchase Bonds in accordance with the Standby Bond Purchase Agreement expires on the date set forth in the addendum, unless such commitment is terminated earlier pursuant to its terms or is extended. The Liquidity Provider is under no obligation to extend its commitment under the Standby Bond Purchase Agreement.

Subject to the provisions of the Resolution, the Issuer may, but is not required to, cause the commitment of the Liquidity Provider under the Standby Bond Purchase Agreement to be extended or the Standby Bond Purchase Agreement to be replaced with another standby bond purchase agreement or a line or credit, letter of credit or similar facility providing liquidity for the payment of the purchase price of Bonds tendered for purchase and satisfying the requirements of the Resolution (an "Alternate Liquidity Facility"). As used herein, the phrase "Liquidity Facility" shall mean the Standby Bond Purchase Agreement or the Alternate Liquidity Facility at the time in effect, and the phrase "Liquidity Provider" shall mean the Liquidity Provider or such other entity as shall be the issuer of the Liquidity Facility. Unless the Liquidity Facility is extended in accordance with the terms of the Resolution, this Bond will become subject to mandatory tender for purchase, as described below.

INTEREST ON BONDS

General. This Bond shall bear interest at a Weekly Rate, subject to conversion as described in the Resolution. All computations of interest at a Weekly Rate shall be based on a year of 365 or 366 days, as appropriate. As used in this Bond, the term "Interest Payment Date" means the first Business Day of each month, commencing on the date set forth in the Addendum, or on a Conversion Date (described below).

A Weekly Rate shall be determined for each Weekly Rate Period as described below, so long as the Bonds bear interest at the Weekly Rate. On each Wednesday (or the next preceding Business Day if such Wednesday is not a Business Day) (the "Determination Date"), the Remarketing Agent under the Resolution (the "Remarketing Agent"), initially Boenning & Scattergood, Inc., shall determine the Weekly Rate for the Weekly Rate Period as the rate which if borne by the Bonds would, in the judgment of the Remarketing Agent, taking into account prevailing financial market conditions, be the lowest interest rate necessary to enable the Remarketing Agent to arrange for the sale of all of the outstanding Bonds at a price equal to the principal amount thereof plus accrued interest thereon as of the Determination Date. Anything herein to the contrary notwithstanding, in no event shall any Weekly Rate exceed 22.5% per annum (the "Maximum Interest Rate"). As used in this Bond, "Weekly Rate Period" means the seven-day period commencing on Thursday and running through Wednesday of the following calendar week, except that (i) the first Weekly Rate Period shall commence on the Series Issue Date and end on and include the first Wednesday occurring after the Series Issue Date, and (ii) the last Weekly Rate Period prior to a conversion from the Weekly Mode to another Rate Mode shall end on and include the last day immediately preceding the date of such conversion.

If, for any reason, the Remarketing Agent does not determine a Weekly Rate for any Weekly Rate Period as aforesaid, or if a court holds a rate for any Weekly Rate Period to be invalid or unenforceable, the Weekly Rate for that Weekly Rate Period shall be equal to the lesser of (1) the Maximum Interest Rate or (ii) 65% of the “II -Bond Municipal Bond Index” most recently published by *The Bond Buyer* or any successor publication.

No notice of Weekly Rates will be given to the Holders of the Bonds (including the beneficial owners of Bonds held in book-entry form); however, the Holders (including the beneficial owners of Bonds held in book-entry form) may obtain Weekly Rates from the Paying Agent or the Remarketing Agent. The determination of the Weekly Rate by the Remarketing Agent shall be conclusive and binding upon the Issuer, the Paying Agent, the Tender Agent, the Bond Insurer, the Liquidity Provider and the Holders (and beneficial owners) of the Bonds.

Optional Conversion. The Resolution provides that the Issuer shall have the option to convert the interest rate on the Bonds from the Weekly Mode to another Rate Mode, on any Interest Payment Date the Issuer shall select (the “Conversion Date”). The Issuer may exercise such option by giving written notice to the Paying Agent, the Remarketing Agent, the Bond Insurer and the Liquidity Provider, stating its election to convert the Rate Mode of the Bonds to another Rate Mode specified in such notice and specifying the Conversion Date, not less than 45 days (or such shorter period as shall be acceptable to the Paying Agent) prior to such Conversion Date. Notice of the exercise of an option to convert from the Weekly Mode to another Rate Mode shall not be effective unless certain conditions set forth in the Resolution are satisfied with respect to such conversion. In the case of a conversion from the Weekly Mode to another Rate Mode, the Paying Agent shall give notice by first class mail to the Holders of the Bonds not less than seven (7) days prior to the proposed Conversion Date stating (i) that the interest rate on the Bonds is scheduled to be converted to another Rate Mode, (ii) the proposed Conversion Date, and (iii) that all outstanding Bonds will be subject to a mandatory tender for purchase on the Conversion Date at a price of par plus accrued interest, if any. The terms applicable to a conversion from one Rate Mode to another, may be amended by a Supplemental Resolution.

The Issuer has covenanted in the Resolution to convert the interest rate on the Bonds from the Weekly Rate to another Rate Mode at least ninety (90) days prior to the scheduled expiration of the Liquidity facility and to complete such conversion as soon as practicable but in no event later than 180 days following the termination date.

OPTIONAL AND MANDATORY TENDER

Optional Tender for Purchase. This Bond (or any portion thereof in an authorized denomination) shall be purchased on the demand of the Holder thereof on any Business Day designated by such Holder in a Bondholder Tender Notice (hereinafter defined) at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase, provided that the Holder delivers to the Paying Agent, acting as tender agent for the Bonds, at its designated corporate trust office, and to the Remarketing Agent at the address designated by the Remarketing Agent by written notice to the Paying Agent and the Holders, not later than 5:00 p.m. on a Business Day not less than five (5) Business Days prior to the date designated by the Holder for the purchase of such Bond, a written notice (the “Bondholder

Tender Notice”) which states the principal amount of such Bond (or portion thereof) to be purchased and the purchase date on which such Bond (or portion thereof) shall be purchased, which date must be a Business Day. Any election by a Holder to tender a Bond (or portion thereof) for purchase shall be irrevocable and shall be binding on the Holder making such election and on any transferee of such Holder. Each Bondholder Tender Notice shall automatically constitute (i) an irrevocable offer to sell the Bond (or portion thereof) to which such notice relates on the specified purchase date at a price equal to the purchase price of such Bond (or portion thereof) described above, (ii) an irrevocable authorization and instruction to the Paying Agent to effect transfer of such Bond (or portion thereof) upon payment of the purchase price to the Paying Agent on the purchase date, (iii) with respect to a tender of a portion of a Bond, an irrevocable authorization and instruction to the Paying Agent to effect the exchange of such Bond in part for other Bonds in a principal amount equal to the retained portion so as to facilitate the sale of the tendered portion of such Bond, and (iv) an acknowledgment that such Holder will have no further rights with respect to such Bond (or portion thereof) upon payment of the purchase price thereof to the Paying Agent on the purchase date, except for the right of such Holder to receive such purchase price upon surrender of such Bond, if held in certificated form, to the Paying Agent endorsed for transfer in blank and with guarantee of signature satisfactory to the Paying Agent and that after the purchase date such Holder will hold such Bond as agent for the Paying Agent. If the Bonds are not held in book-entry form and, after delivery to the Paying Agent and the Remarketing Agent of such Bondholder Tender Notice, the Holder making such election shall fail to deliver such Bond or Bonds described in the Bondholder Tender Notice to the Paying Agent at or before 1:30 p.m. on the applicable purchase date as described herein, then the undelivered Bond or portion thereof (the “Undelivered Bond”) described in such Bondholder Tender Notice shall be deemed to have been tendered for purchase to the Paying Agent and, to the extent that there shall be held by the Paying Agent on or before the applicable purchase date an amount sufficient to pay the purchase price thereof and available for such purpose pursuant to the Resolution, such Undelivered Bond (or portion thereof) shall on such purchase date cease to bear interest and no longer shall be considered to be outstanding under the Resolution. Money held by the Paying Agent for the purchase of the Undelivered Bond in accordance with the foregoing shall be held in a special separate trust account for the Holder of such Undelivered Bond. Such money shall be held by the Paying Agent uninvested and without liability for interest pending delivery of such Undelivered Bond to the Paying Agent.

Mandatory Tender. This Bond is subject to mandatory tender for purchase, at a price equal to the principal amount hereof plus accrued interest, on the following dates: (i) on the Interest Payment Date (but not less than five (5) days) next preceding the Expiration Date of the Liquidity Facility unless the Paying Agent has received notice that the Liquidity Facility has been or will be extended; (ii) on the date of replacement of the Liquidity Facility with an Alternate Liquidity Facility; (iii) on the tenth (10th) day following the day on which the Paying Agent receives notice from the Liquidity Provider that it will terminate the Liquidity Facility because a Termination Event, as defined therein, has occurred under the terms of the Liquidity Facility; and (iv) on a Conversion Date. Any Bond which is not delivered for purchase at or prior to 10:30 a.m. on the applicable purchase date shall be deemed to have been tendered to the Paying Agent as of such purchase date and interest on such Undelivered Bond shall cease to accrue on such purchase date. Thereafter, the Holder of such Undelivered Bond shall not be entitled to any payment other than the purchase price for such Undelivered Bond upon surrender thereof to the Paying Agent endorsed for transfer in blank and with guaranty of signature

satisfactory to the Paying Agent. Except for payment of such purchase price from money held by the Paying Agent for such purpose, such Undelivered Bond shall no longer be outstanding and entitled to the benefits of the Resolution.

Notice of Mandatory Tender. The Paying Agent is required to give notice of mandatory tender, as provided in the Resolution, to each Holder of the Bonds by first class mail at least seven (7) days prior to a mandatory tender date. Such notice shall: (1) specify the proposed mandatory tender date; (ii) state that this Bond shall be subject to mandatory tender for purchase on the mandatory tender date; (iii) state that this Bond shall be required to be delivered to a designated office of the Paying Agent at or before 10:30 a.m. on the mandatory tender date; (iv) state that if the Holder hereof fails to deliver this Bond to the Paying Agent for purchase, and if the Paying Agent is in receipt of the purchase price hereof, this Bond shall nevertheless be deemed purchased on the mandatory tender date and ownership of this Bond shall be transferred to the purchaser hereof, (v) state that the Holder of any Bond who fails to deliver such Bond for purchase shall have no further rights thereunder except the right to receive the purchase price thereof upon presentation and surrender of said Bond to the Paying Agent and that the Paying Agent, as bond registrar, will place a stop transfer against Bonds registered in the name of such Holder on the registration books; and (vi) in the case of mandatory tender upon the expiration or termination of the Liquidity Facility or replacement with an Alternate Liquidity Facility, state that the Liquidity Facility will be replaced, if such is the case, or that the Liquidity Facility is expiring or is terminating, as the case may be, and that the Bonds will no longer be entitled to the protection of the Liquidity Facility then in effect and the expected rating on the Bonds to be issued by the Rating Agency (as defined in the Resolution) as of the purchase date. All Bonds to be purchased on any date shall be required to be delivered to the designated office of the Paying Agent. No Holder shall have any right to elect to retain Bonds that are subject to mandatory tender.

BY ACCEPTANCE OF THIS BOND, THE HOLDER HEREOF AGREES THAT THIS BOND WILL BE PURCHASED, WHETHER OR NOT SURRENDERED, ON ANY DATE SPECIFIED BY THE HOLDER HEREOF IN THE EXERCISE OF THE OPTIONAL TENDER FOR PURCHASE DESCRIBED ABOVE AND ON THE MANDATORY TENDER DATE IN CONNECTION WITH ANY MANDATORY TENDER FOR PURCHASE. IN SUCH EVENT, THE HOLDER OF THIS BOND SHALL NOT BE ENTITLED TO RECEIVE FURTHER INTEREST HEREON, SHALL HAVE NO FURTHER RIGHTS UNDER THIS BOND OR THE RESOLUTION EXCEPT FOR PAYMENT OF THE PURCHASE PRICE HELD THEREFOR, AND, IF THIS BOND IS NOT SURRENDERED ON SUCH DATE, SHALL THEREAFTER HOLD THIS BOND AS AGENT FOR THE PAYING AGENT.

OPTIONAL REDEMPTION

This Bond is subject to redemption prior to maturity at the option of the Issuer, in whole or in part on any Business Day at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date.

MANDATORY SINKING FUND REDEMPTION

This Bond may be subject to mandatory redemption prior to maturity, on the dates and in the principal amounts provided in the Addendum.

Any such redemption shall be drawn by lot by the Paying Agent on behalf of the Issuer, and be upon application of money available for the purpose in the Mandatory Sinking Fund amount established under the Resolution and shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption. In lieu of such mandatory redemption, the Paying Agent, on behalf of the Issuer, may purchase from money in the Sinking Fund established under the Resolution, at a price not to exceed the principal amount plus accrued interest, or the Issuer may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption on such date.

Any optional redemption of Bonds may be allocated to a like aggregate principal amount of Bonds subject to mandatory redemption, on any date(s) selected by the Issuer, in lieu of such mandatory redemption.

GENERAL PROVISIONS

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, as Bond Registrar. The holder of this Bond, by acceptance hereof, shall be deemed to have assented to all terms and conditions of the Resolution. This Bond is issuable only in registered form, without coupons, in the denomination of \$100,000 principal amount and any whole multiple of \$5,000 in excess of \$100,000.

This Bond may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations, of the same series, maturity and interest rate, upon surrender of this Bond to the Paying Agent, with written instructions for exchange satisfactory to the Paying Agent.

The Issuer and the Paying Agent may deem and treat the registered owner of this Bond 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, redemption premium, if any, and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary. This Bond may be transferred by the registered owner hereof upon surrender of this Bond to the Paying Agent, 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 of this Bond or his attorney-in-fact or legal representative. The Paying Agent, as Bond Registrar shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of the same series, maturity and interest rate in an authorized denomination and in the aggregate principal amount which the registered owner is entitled to receive.

If less than all Bonds are to be redeemed at one time, the selection of the Bonds to be redeemed shall be made by lot or by such other method as the Paying Agent deems fair and

appropriate; provided that any Bonds owned by the Liquidity Provider in accordance with the terms of the Resolution and the Liquidity Facility shall be redeemed first and any Bonds owned by the Issuer shall be redeemed second.

If Bonds or portions thereof are called for redemption and money for the redemption thereof is held by the Paying Agent on the redemption date, such Bonds or portions thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Resolution.

Notice of redemption shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than 30 days prior to the date fixed for redemption, to the Holder of each Bond to be redeemed in whole or in part at such Holder's address shown on the registration books for the Bonds maintained by the Paying Agent, as Bond Registrar. Notice of optional redemption may be conditioned upon the deposit of money sufficient to affect such redemption in the Sinking Fund established under the Resolution not later than 12:00 noon on the date fixed for redemption and such notice shall be of no effect, and the redemption shall be deemed canceled, unless sufficient money is so deposited.

If this Bond is of a denomination larger than the minimum authorized denomination, a portion of this Bond (in any integral multiple of \$5,000) may be redeemed, but a portion of this Bond shall be redeemed only if the remaining unredeemed portion of this Bond is in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000. In the case of partial redemption of this Bond, payment of the redemption price of the portion of this Bond so called for redemption shall be made only upon surrender of this Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount hereof provided, however, that if this Bond is registered in the name of The Depository Trust Company ("DTC") or Cede & Co., as nominee for DTC, or any other nominee of DTC, or any other successor securities depository or its nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed.

All capitalized terms and phrases that are used in this Bond but not defined herein shall have the meanings given thereto in the Resolution.

It hereby is certified that all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the President or Vice President of the Board of School Directors and its official seal or a facsimile of its official seal to be affixed hereto, duly attested by the manual or facsimile signature of its Secretary or Assistant Secretary.

ATTEST:

Secretary

(SEAL)

MARPLE NEWTOWN SCHOOL DISTRICT
Delaware County, Pennsylvania

BY: _____

(Vice) President of the
Board of School Directors

**CERTIFICATE OF AUTHENTICATION
CERTIFICATE AS TO OPINION AND
CERTIFICATE AS TO INSURANCE**

(i) This Bond is one of the Bonds described in the within mentioned Resolution;

(ii) The opinion of Bond Counsel, Pepper Hamilton LLP, dated and delivered on the date of the original delivery of, and payment for, this Bond, is on file at our corporate trust office, where the same may be inspected; and

(iii) A copy of a municipal bond insurance policy with respect to this Bond is on file at our corporate trust office where the same may be inspected.

as Bond Registrar, Paying Agent and
Tender Agent

BY: _____

Authorized Representative

Date of Registration and
Authentication:

STATEMENT OF INSURANCE

_____ (“_____”), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to _____, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from _____ or the Paying Agent.

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto

_____ (the “Transferee”)
Name

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 institution that is a participant in a signature guarantee program recognized by the Securities Transfer Association.

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) appearing 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 must be supplied.

EXHIBIT “B”

FORM OF BOND (TERM RATE MODE)

MARPLE NEWTOWN SCHOOL DISTRICT
Delaware County, Pennsylvania

GENERAL OBLIGATION BOND,

SERIES OF 200__

The Marple Newtown School District, Delaware County, Pennsylvania (the “Issuer”), a school district existing under laws of the Commonwealth of Pennsylvania (the Commonwealth”), for value received, promises to pay to the order of CEDE & CO., or registered assigns, on the Maturity Date set forth in the attached addendum (the “Addendum”), upon surrender hereof, the principal sum set forth in the Addendum, unless this General Obligation Bond, Series of 200_ (the “Bond”), duly shall have been called for earlier redemption and payment of the redemption price shall have been made or provided for, and to pay interest on said principal sum, at the Interest Rate set forth or described in the Addendum, until the Term Rate Period Ending Date set forth in the Addendum, as provided in this Bond and in the Resolution (hereinafter defined). Interest on this Bond is payable from the Interest Payment Date (herein defined) next preceding the date of registration and authentication of this 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 Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date; or (c) this Bond is registered and authenticated on or prior to the Regular Record Date (hereinafter defined) next preceding the first Interest Payment Date, in which event this Bond shall bear interest from the Series Issue Date or Conversion Date set forth in the Addendum; or (d) as shown by the records of the Paying Agent (hereinafter defined), interest on this Bond shall be in default, in which event this Bond shall bear interest from the date to which interest was last paid on this Bond.

The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender of this Bond to Commerce Bank/Pennsylvania, National Association, (the “Paying Agent”), as paying agent and tender agent for the Bonds, or to any successor paying agent or tender agent duly appointed by the Issuer, at its Designated Office, as that phrase is defined in the Resolution.

The interest on this Bond is payable on each Interest Payment Date by: (i) check drawn on the Paying Agent and mailed to the Holder of this Bond, at the address of such Holder appearing on the registration books maintained by the Paying Agent, or (ii) wire transfer to a bank account of such Holder in the United States, if such Holder is The Depository Trust Company or its nominee or a successor securities depository or if such Holder is the registered owner of Bonds (hereinafter defined) in an aggregate principal amount of \$1,000,000 or more and shall have made a written request for wire payment of interest to the Paying Agent at least one Business Day prior to the Regular Record Date (hereinafter defined). Payment of the interest hereon shall be made to the Holder of this Bond as of the close of business on the last Business

Day (as hereinafter defined) preceding the Interest Payment Date (each, the “Regular Record Date”). Any interest that is not timely paid or duly provided for shall cease to be payable to the person in whose name ownership of this Bond is registered as of as of the Regular Record Date, and shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such overdue interest (the “Special Record Date”) established by notice mailed by the Paying Agent on behalf of the Issuer not less than fifteen (15) days preceding such Special Record Date and not less than twenty (20) days, but not more than thirty (30) days, prior to the Interest Payment Date. Such notice shall be mailed to the person in whose name this Bond is registered at the Close of business on the fifth (5th) day preceding the date of mailing.

The principal of, redemption premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America.

This Bond is one of a series of bonds of the Issuer, known generally as the “General Obligation Bonds, Series of 200_” (the “Bonds”), in the original aggregate principal amount set forth in the Addendum. The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the “Act”) of the Commonwealth, and by virtue of a duly adopted Resolution (the “Resolution”), as amended and supplemented, of the Issuer. The Act, as such shall have been in effect when the Bonds were authorized, and the Resolution shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds. Capitalized terms and phrases not otherwise defined in this Bond shall have the meanings set forth in the Resolution.

The Issuer has covenanted in the Resolution, to and with registered owners from time to time of the Bonds that shall be outstanding from time to time pursuant to the Resolution, that the Issuer: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof, and, for such budgeting, appropriation and payment, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

INTEREST ON BONDS

General. This Bond shall bear interest at a “Term Rate” which is fixed during the applicable “Term Rate Period” which begins on the “Term Rate Conversion Date” specified in the Addendum and ending on the “Term Rate Period Ending Date” specified hereon. The amount of interest payable on this Bond shall be calculated based on a 360-day year consisting of twelve 30-day months.

Interim Term Rate. The Bond shall bear interest at an “Interim Term Rate” of 12% during any “Interim Term Period”, as defined below. As provided in the Resolution and subject to certain conditions therein set forth, this Bond shall be converted at the end of the Term Rate Period (subject to certain conditions in the Resolution). Notwithstanding any requirement

by the School District to effect a conversion in accordance with the Resolution, such conversion shall not take effect if (i) the Remarketing Agent fails for any reason to determine the interest rate to be effective upon the conversion, (B) if, for any reason, all of the Bonds are not remarketed by 12:00 noon on such Conversion Date, or (C) any other material requirement for such conversion shall not be satisfied, including the delivery to the Tender Agent of an opinion of recognized bond counsel that the interest on the remarketed bonds is excludable from the gross income of the Holder thereof for federal income tax purposes, then such conversion shall not occur, such Bonds shall not be subject to mandatory tender on such date and such Bonds shall bear interest at the Interim Term Rate until an Interim Conversion Date is established under the Resolution.

If on the scheduled Conversion Date any condition precedent to a conversion and mandatory tender described above shall not be satisfied, such conversion and tender shall not occur, this Bond shall not be subject to mandatory tender on such date and this Bond thereafter shall bear interest at the Interim Term Rate during the Interim Term Period, until the Interim Conversion Date, defined as follows:

(i) “Interim Term Rate” shall mean the interest rate payable on this Bond during an Interim Term Period, equal to 12% per annum computed on the basis of the a 360 day year composed of twelve months of thirty (30) days each.

(ii) “Interim Term Period” shall mean the period from the Conversion Date of a failed conversion and mandatory tender of Term Rate Bonds, through but not including the Interim Conversion Date, as described in the Resolution.

(iii) “Interim Conversion Date” shall mean any business day following a failed conversion and mandatory tender of this Bond, and the delivery of at least seven (7) days prior written notice of such Interim Conversion Date to the Holders hereof, established for the conversion and mandatory tender of this Bonds.

The applicable interest rate for the Rate Mode commencing on the Interim Conversion Date shall be determined by the Remarketing Agent in the manner provided in the Resolution, as applicable, on the earliest possible date during the Interim Term Period. An approving Opinion of Counsel and other preconditions to a conversion shall be delivered on or before the Interim Conversion Date. The deferral of the conversion and mandatory tender of this Bond pursuant to the provisions hereof shall not constitute an Event of Default hereunder or under the Resolution.

OPTIONAL AND MANDATORY TENDER

Optional Tender. This Bond in the Term Mode is **not** subject to optional tender by the Holders of such Bonds.

Mandatory Tender. This Bond is **not** subject to mandatory tender prior to the end of the specified Term Rate Period. This Bond shall be subject to mandatory tender on the last day of the Term Rate Period (whether or not the Term Rate actually changes and whether or not the resulting Term Rate Period will be of a different duration than the preceding Term Rate Period), at the Purchase Price thereof, except in the case of an Interim Conversion Period, as described above.

Notice of Mandatory Tender. The Paying Agent is not required to deliver notice of mandatory tender at the end of the scheduled Term Rate Period. The Paying Agent is required to give notice of mandatory tender at the end of an Interim Conversion Date, as provided in the Resolution. All Bonds to be purchased on any date shall be required to be delivered to the designated office of the Paying Agent. No Holder shall have any right to elect to retain Bonds that are subject to mandatory tender.

BY ACCEPTANCE OF THIS BOND, THE HOLDER HEREOF AGREES THAT THIS BOND WILL BE PURCHASED, WHETHER OR NOT SURRENDERED, ON THE MANDATORY TENDER DATE IN CONNECTION WITH ANY MANDATORY TENDER FOR PURCHASE. IN SUCH EVENT, THE HOLDER OF THIS BOND SHALL NOT BE ENTITLED TO RECEIVE FURTHER INTEREST HEREON, SHALL HAVE NO FURTHER RIGHTS UNDER THIS BOND OR THE RESOLUTION EXCEPT FOR PAYMENT OF THE PURCHASE PRICE HELD THEREFOR, AND, IF THIS BOND IS NOT SURRENDERED ON SUCH DATE, SHALL THEREAFTER HOLD THIS BOND AS AGENT FOR THE PAYING AGENT.

OPTIONAL REDEMPTION

This Bond may be subject to optional redemption by the Issuer prior to stated maturity if and to the extent provided in the Addendum.

MANDATORY SINKING FUND REDEMPTIONS

This Bond may be subject to mandatory redemption prior to maturity, on the dates and in the principal amounts provided in the Addendum.

Any such redemption shall be drawn by lot by the Paying Agent on behalf of the Issuer and be upon application of money available for the purpose in the Mandatory Sinking Fund amount established under the Resolution and shall be upon payment of the principal amount to be redeemed, together with accrued interest to

the date fixed for redemption. In lieu of such mandatory redemption, the Paying Agent, on behalf of the Issuer, may purchase from money in the Sinking Fund established under the Resolution, at a price not to exceed the principal amount plus accrued interest, or the Issuer may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption on such date.

GENERAL PROVISIONS

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, as Bond Registrar. The holder of this Bond, by acceptance hereof, shall be deemed to have assented to all terms and conditions of the Resolution. This Bond is issuable only in registered form, without coupons, in the denomination of \$5,000 principal amount and any whole multiple of \$5,000.

This Bond may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations, of the same series, maturity and interest rate, upon surrender of

this Bond to the Paying Agent, with written instructions for exchange satisfactory to the Paying Agent.

The Issuer and the Paying Agent may deem and treat the registered owner of this Bond 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, redemption premium, if any, and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary. This Bond may be transferred by the registered owner hereof upon surrender of this Bond to the Paying Agent, 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 of this Bond or his attorney-in-fact or legal representative. The Paying Agent, as Bond Registrar shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of the same series, maturity and interest rate in an authorized denomination and in the aggregate principal amount which the registered owner is entitled to receive.

If less than all Bonds are to be redeemed at one time, the selection of the Bonds to be redeemed shall be made by lot or by such other method as the Paying Agent deems fair and appropriate; provided that any Bonds owned by the Liquidity Provider in accordance with the terms of the Resolution and the Liquidity Facility shall be redeemed first and any Bonds owned by the Issuer shall be redeemed second.

If Bonds or portions thereof are called for redemption and money for the redemption thereof is held by the Paying Agent on the redemption date, such Bonds or portions thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Resolution.

Notice of redemption shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than 30 days prior to the date fixed for redemption, to the Holder of each Bond to be redeemed in whole or in part at such Holder's address shown on the registration books for the Bonds maintained by the Paying Agent, as Bond Registrar. Notice of optional redemption may be conditioned upon the deposit of money sufficient to affect such redemption in the Sinking Fund established under the Resolution not later than 12:00 noon on the date fixed for redemption and such notice shall be of no effect, and the redemption shall be deemed canceled, unless sufficient money is so deposited.

If this Bond is of a denomination larger than the minimum authorized denomination, a portion of this Bond (in any integral multiple of \$5,000) may be redeemed. In the case of partial redemption of this Bond, payment of the redemption price of the portion of this Bond so called for redemption shall be made only upon surrender of this Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount hereof provided, however, that if this Bond is registered in the name of The Depository Trust Company ("DTC") or Cede & Co., as nominee for DTC, or any other nominee of DTC, or any other successor securities depository or its nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof

and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed.

It hereby is certified that all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the President or Vice President of the Board of School Directors and its official seal or a facsimile of its official seal to be affixed hereto, duly attested by the manual or facsimile signature of its Secretary or Assistant Secretary.

ATTEST:

MARPLE NEWTOWN SCHOOL DISTRICT
Delaware County, Pennsylvania

Secretary

BY: _____
(Vice) President of the
Board of School Directors

(SEAL)

**CERTIFICATE OF AUTHENTICATION
CERTIFICATE AS TO OPINION AND
CERTIFICATE AS TO INSURANCE**

It is certified that:

(i) This Bond is one of the Bonds described in the within mentioned Resolution;

(ii) The opinion of Bond Counsel, Pepper Hamilton LLP, dated and delivered on the date of the original delivery of, and payment for, this Bond, is on file at our corporate trust office, where the same may be inspected; and

(iii) A copy of a municipal bond insurance policy with respect to this Bond is on file at our corporate trust office where the same may be inspected.

as Bond Registrar, Paying Agent and
Tender Agent

BY: _____
Authorized Representative

Date of Registration and
Authentication:

STATEMENT OF INSURANCE

_____ (“_____”), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to _____, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from _____ or the Paying Agent.

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby
sells, assigns and transfers unto

_____ (the “Transferee”)
Name

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 institution that is a participant in a signature
guarantee program recognized by the Securities Transfer Association.

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) appearing 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 must be supplied.

EXHIBIT “C”

FORM OF BOND (FIXED RATE MODE)

MARPLE NEWTOWN SCHOOL DISTRICT

Delaware County, Pennsylvania

GENERAL OBLIGATION BOND,

SERIES OF 200_

The Marple Newtown School District, Delaware County, Pennsylvania (the “Issuer”), a school district existing under laws of the Commonwealth of Pennsylvania (the Commonwealth”), for value received, promises to pay to the order of CEDE & CO., or registered assigns, on the Maturity Date set forth in the attached addendum (the “Addendum”), upon surrender hereof, the principal sum set forth in the Addendum, unless this General Obligation Bond, Series of 200_ (the “Bond”), duly shall have been called for earlier redemption and payment of the redemption price shall have been made or provided for, and to pay interest on said principal sum, at the Interest Rate set forth in the Addendum, until the principal sum hereof is paid or provision for payment thereof has been made as provided in such Resolution. Interest on this Bond is payable from the Interest Payment Date (herein defined) next preceding the date of registration and authentication of this 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 Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date; or (c) this Bond is registered and authenticated on or prior to the Regular Record Date (hereinafter defined) next preceding the first Interest Payment Date, in which event this Bond shall bear interest from the Series Issue Date or Conversion Date set forth in the Addendum; or (d) as shown by the records of the Paying Agent (hereinafter defined), interest on this Bond shall be in default, in which event this Bond shall bear interest from the date to which interest was last paid on this Bond.

The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender of this Bond to Commerce Bank/Pennsylvania, National Association (the “Paying Agent”), as paying agent and tender agent for the Bonds, or to any successor paying agent or tender agent duly appointed by the Issuer, at its Designated Office, as that phrase is defined in the Resolution.

The interest on this Bond is payable on each Interest Payment Date by: (i) check drawn on the Paying Agent and mailed to the Holder of this Bond, at the address of such Holder appearing on the registration books maintained by the Paying Agent, or (ii) wire transfer to a bank account of such Holder in the United States, if such Holder is The Depository Trust Company or its nominee or a successor securities depository or if such Holder is the registered owner of Bonds (hereinafter defined) in an aggregate principal amount of \$1,000,000 or more and shall have made a written request for wire payment of interest to the Paying Agent at least one Business Day prior to the Regular Record Date (hereinafter defined). Payment of the interest hereon shall be made to the Holder of this Bond as of the close of business on the last Business Day (as hereinafter defined) preceding the Interest Payment Date (each, the “Regular Record

Date”). Any interest that is not timely paid or duly provided for shall cease to be payable to the person in whose name ownership of this Bond is registered as of as of the Regular Record Date, and shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such overdue interest (the “Special Record Date”) established by notice mailed by the Paying Agent on behalf of the Issuer not less than fifteen (15) days preceding such Special Record Date and not less than twenty (20) days, but not more than thirty (30) days, prior to the Interest Payment Date. Such notice shall be mailed to the person in whose name this Bond is registered at the Close of business on the fifth (5th) day preceding the date of mailing.

The principal of, redemption premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America.

This Bond is one of a series of bonds of the Issuer, known generally as the “General Obligation Bonds, Series of 200_” (the “Bonds”), in the original aggregate principal amount set forth in the Addendum. The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the “Act”) of the Commonwealth, and by virtue of a duly adopted Resolution (the “Resolution”), as amended and supplemented, of the Issuer. The Act, as such shall have been in effect when the Bonds were authorized, and the Resolution shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds. Capitalized terms and phrases not otherwise defined in this Bond shall have the meanings set forth in the Resolution.

The Issuer has covenanted in the Resolution, to and with registered owners from time to time of the Bonds that shall be outstanding from time to time pursuant to the Resolution, that the Issuer: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof, and, for such budgeting, appropriation and payment, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

INTEREST ON BONDS

This Bond shall bear interest at a “Fixed Rate” which is fixed to the stated maturity date or earlier redemption, as described herein. The amount of interest payable on this Bond shall be calculated based on a 360-day year consisting of twelve 30-day months.

OPTIONAL REDEMPTION

This Bond may be subject to optional redemption by the Issuer prior to stated maturity if and to the extent provided in the Addendum.

MANDATORY SINKING FUND REDEMPTIONS

This Bond may be subject to mandatory redemption prior to maturity, on the dates and in the principal amounts provided in the Addendum.

Any such redemption shall be drawn by lot by the Paying Agent on behalf of the Issuer, and be upon application of money available for the purpose in the Mandatory Sinking Fund amount established under the Resolution and shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption. In lieu of such mandatory redemption, the Paying Agent, on behalf of the Issuer, may purchase from money in the Sinking Fund established under the Resolution, at a price not to exceed the principal amount plus accrued interest, or the Issuer may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption on such date.

GENERAL PROVISIONS

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, as Bond Registrar. The holder of this Bond, by acceptance hereof, shall be deemed to have assented to all terms and conditions of the Resolution. This Bond is issuable only in registered form, without coupons, in the denomination of \$5,000 principal amount and any whole multiple of \$5,000.

This Bond may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations, of the same series, maturity and interest rate, upon surrender of this Bond to the Paying Agent, with written instructions for exchange satisfactory to the Paying Agent.

The Issuer and the Paying Agent may deem and treat the registered owner of this Bond 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, redemption premium, if any, and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary. This Bond may be transferred by the registered owner hereof upon surrender of this Bond to the Paying Agent, 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 of this Bond or his attorney-in-fact or legal representative. The Paying Agent, as Bond Registrar shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of the same series, maturity and interest rate in an authorized denomination and in the aggregate principal amount which the registered owner is entitled to receive.

If less than all Bonds are to be redeemed at one time, the selection of the Bonds to be redeemed shall be made by lot or by such other method as the Paying Agent deems fair and appropriate; provided that any Bonds owned by the Liquidity Provider in accordance with the terms of the Resolution and the Liquidity Facility shall be redeemed first and any Bonds owned by the Issuer shall be redeemed second.

If Bonds or portions thereof are called for redemption and money for the redemption thereof is held by the Paying Agent on the redemption date, such Bonds or portions thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Resolution.

Notice of redemption shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than 30 days prior to the date fixed for redemption, to the Holder of each Bond to be redeemed in whole or in part at such Holder's address shown on the registration books for the Bonds maintained by the Paying Agent, as Bond Registrar. Notice of optional redemption may be conditioned upon the deposit of money sufficient to affect such redemption in the Sinking Fund established under the Resolution not later than 12:00 noon on the date fixed for redemption and such notice shall be of no effect, and the redemption shall be deemed canceled, unless sufficient money is so deposited.

If this Bond is of a denomination larger than the minimum authorized denomination, a portion of this Bond (in any integral multiple of \$5,000) may be redeemed. In the case of partial redemption of this Bond, payment of the redemption price of the portion of this Bond so called for redemption shall be made only upon surrender of this Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount hereof provided, however, that if this Bond is registered in the name of The Depository Trust Company ("DTC") or Cede & Co., as nominee for DTC, or any other nominee of DTC, or any other successor securities depository or its nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed.

It hereby is certified that all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the President or Vice President of the Board of School Directors and its official seal or a facsimile of its official seal to be affixed hereto, duly attested by the manual or facsimile signature of its Secretary or Assistant Secretary.

ATTEST:

MARPLE NEWTOWN SCHOOL DISTRICT
Delaware County, Pennsylvania

Secretary

(SEAL)

BY: _____
(Vice) President of the
Board of School Directors

**CERTIFICATE OF AUTHENTICATION
CERTIFICATE AS TO OPINION AND
CERTIFICATE AS TO INSURANCE**

(i) This Bond is one of the Bonds described in the within mentioned Resolution;

(ii) The opinion of Bond Counsel, Pepper Hamilton LLP, dated and delivered on the date of the original delivery of, and payment for, this Bond, is on file at our corporate trust office, where the same may be inspected; and

(iii) A copy of a municipal bond insurance policy with respect to this Bond is on file at our corporate trust office where the same may be inspected.

BY: _____
Authorized Representative

Date of Registration and
Authentication:

STATEMENT OF INSURANCE

_____ (“_____”), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to _____, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from _____ or the Paying Agent.

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby
sells, assigns and transfers unto

_____ (the “Transferee”)
Name

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 institution that is a participant in a signature
guarantee program recognized by the Securities Transfer Association.

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) appearing 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 must be supplied.

EXHIBIT D

to Resolution of the Board of School Directors of
Marple Newtown School District
Adopted: May 22, 2006

Maturity Schedule

<u>Maturity Date</u>	<u>Maximum Principal Amount</u>	<u>Maximum Interest Rate</u>
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TOTAL	\$70,000,000	
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EXHIBIT E

to Resolution of the Board of School Directors of
The School District
Adopted: May 22, 2006

Mandatory Redemption

Maturity Date

Principal Redemption

Total

\$70,000,000

EXHIBIT F
to Resolution of the Board of School Directors of
The School District
Adopted: May 22, 2006
Annual Appropriations to Sinking Fund

<u>Fiscal Year</u>	<u>Existing Gross Debt Service</u>	<u>G.O Bonds Maximum Amount</u>	<u>Total</u>
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