

NOTICE OF BOND RESOLUTION

The resolution, a summary of which is published herewith, was adopted on March 8, 2016. The validity of the obligations authorized by such resolution may be hereafter contested only if such obligations were authorized for an object or purpose for which the Homer Central School District is not authorized to expend money or if the provisions of law which should have been complied with as of the date of publication of this notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of publication of this notice, or such obligations were authorized in violation of the provisions of the constitution.

Raquel Yacavone
School District Clerk

SUMMARY OF BOND RESOLUTION

A Resolution adopted by the Board of Education of the Homer Central School District (the "District") on March 8, 2016 authorizes the issuance of Refunding (Serial) Bonds to refund the District's outstanding \$1,830,000 of School District (Serial) Bonds, 2006 dated March 15, 2006 originally issued in the aggregate principal amount of \$4,900,000 (the "2006 Bonds") and \$7,380,000 outstanding of School District (Serial) Bonds, 2009 dated July 15, 2009 originally issued in the aggregate principal amount of \$15,767,749 (the "2009 Bonds") (collectively, the "Refunded Bonds"). The Refunded Bonds carry interest rates that are higher than interest rates available in the current capital markets. It is now desired to authorize the Board President, as Chief Fiscal Officer to refund and refinance the Refunded Bonds in order to achieve lower interest rates and present value debt service savings.

For the object or purpose of refunding the outstanding principal balance of the Refunded Bonds (or such portion thereof as the Chief Fiscal Officer shall determine to be in the best financial interests of the District) including providing moneys which, together with the interest earned from the investment of certain of the proceeds of the refunding bonds herein authorized, shall be sufficient to pay (i) the principal amount of the Refunded Bonds, (ii) the aggregate amount of unmatured interest payable on the Refunded Bonds to and including the date on which the Refunded Bonds which are callable are to be called prior to their respective maturities in accordance with the Refunding Financial Plan, as hereinafter defined, (iii) the costs and expenses incidental to the issuance of the Refunding Bonds herein authorized, including, without limitation, the development of the Refunding Financial Plan, as hereinafter defined, costs and expenses of executing and performing the terms and conditions of the Escrow Contract, as hereinafter defined, and fees and charges of the Escrow Holder, as hereinafter defined, (iv) the redemption premium to be paid on the Refunded Bonds which are to be called prior to their respective maturities; and (v) the premium or premiums for a policy or policies of municipal bond insurance or cost or costs of other credit enhancement facility or facilities, for the refunding bonds herein authorized, or any portion thereof, there are hereby authorized to be issued not exceeding \$9,000,000 refunding serial bonds of the District pursuant to the provisions of Sections 90.00 or 90.10 of the Local Finance Law, as applicable, (the "School District Refunding Bonds" or the "Refunding Bonds"), it being anticipated that the amount of Refunding Bonds actually to be issued will be approximately \$8,680,000. It is hereby further determined that (a) such Refunding Bonds may be issued in series, (b) such Refunding Bonds may be sold at private sale at a discount in the manner authorized by subdivision 2 of paragraph f of Section 90.10 of the Local Finance Law, and (c) such Refunding Bonds may be issued as a single consolidated issue. It is hereby further determined that such Refunding Bonds may be issued to refund all, or any portion of, the Refunded Bonds, subject to the limitation relating to approval by the State Comptroller.

The Refunding Bonds may be subject to redemption prior to maturity upon such terms, if any, as the Chief Fiscal Officer shall prescribe, which terms shall be in compliance with the Local Finance Law.

Principal and interest on the Refunding Bonds will be payable in lawful money of the United States of America. The Refunding Bonds shall be issued in registered form and shall not be registrable to bearer or convertible into bearer coupon form. The Board President, as chief fiscal officer of the District, is hereby authorized to enter into an agreement or agreements containing such terms and conditions as he shall deem proper with a bank or trust company or banks or trust companies, to act in connection with the Refunding Bonds, as the Fiscal Agent for the District, to perform the services described in Section 70.00 of the Local Finance Law, and to execute such agreement or agreements on behalf of the District, regardless of whether the Refunding Bonds are initially issued in certificated or non-certificated form.

The Chief Fiscal Officer is hereby further designated all powers of this District Board with respect to agreements for credit enhancement, derived from and pursuant to Section 168.00 of the Local Finance Law, for said Refunding Bonds, including, but not limited to the determination of the provider of such credit enhancement facility or facilities and the terms and contents of any agreement or agreements related thereto.

The Refunding Bonds shall be executed in the name of the District by the manual or facsimile signature of the Board President, and a facsimile of its corporate seal shall be imprinted or impressed thereon. In the event of facsimile signature by the Board President, the Refunding Bonds shall be authenticated by the manual signature of an authorized officer or employee of a bank or trust company acting in the capacity of the Fiscal Agent. The Refunding Bonds shall contain the recital required by subdivision 4 of paragraph j of Section 90.10 of the Local Finance Law and the recital of validity clause provided for in Section 52.00 of the Local Finance Law and shall otherwise be in such form and contain such recitals, in addition to those required by Section 51.00 of the Local Finance Law, as the Board President shall determine. It is hereby determined that it is to the financial advantage of the District not to impose and collect from registered owners of the Refunding Bonds any charges for mailing, shipping and insuring bonds transferred or exchanged by the Fiscal Agent, and, accordingly, pursuant to paragraph c of Section 70.00 of the Local Finance Law, no such charges shall be so collected by the Fiscal Agent.

It is hereby determined that: (a) the maximum amount of the Refunding Bonds authorized to be issued pursuant to this Resolution does not exceed the limitation imposed by subdivision 1 of paragraph b of Section 90.10 of the Local Finance Law; (b) the maximum period of probable usefulness permitted by law at the time of the issuance of the Refunded Bonds was 30 years measured from the date of issue of the original bonds; and (c) the last installment of the Refunding Bonds will mature not later than the expiration of the period of probable usefulness of each object or purpose for which the Refunded Bonds were issued in accordance with the provisions of subdivision 1 of paragraph c of Section 90.10 of the Local Finance Law; and (d) the estimated present value of the total debt service savings anticipated as a result of the issuance of the Refunding Bonds, if any, computed in accordance with the provisions of subdivision 2 of paragraph b of Section 90.10 of the Local Finance Law, is as shown in the Refunding Financial Plan described in Section 7 of the Resolution.

The financial plan for the refunding authorized by this resolution (the "Refunding Financial Plan"), showing the sources and amounts of all moneys required to accomplish such refunding, the estimated present value of the total debt service savings and the basis for the computation of the aforesaid estimated present value of total debt service savings, are set forth in Exhibit A attached hereto and made a part of this Resolution. The Refunding Financial Plan has been prepared based upon the assumption that the Refunding Bonds will be issued in the principal amount of \$8,680,000 and that the Refunding Bonds will mature, be of such terms, and bear interest as set forth in Exhibit A to the Resolution. This Board of Education recognizes that the amount of the Refunding Bonds, maturities, terms, and interest rate or rates borne by the Refunding Bonds to be issued by the District will most probably be different from such assumptions and that the Refunding Financial Plan will also most probably be different from such Exhibit A. The Board President is hereby authorized and directed to determine the amount of the Refunding

Bonds to be issued, the date of such bonds and the date of issue, maturities and terms thereof, the provisions relating to the redemption of Refunding Bonds prior to maturity, if any, whether the Refunding Bonds will be insured by a policy or policies of municipal bond insurance or otherwise enhanced by a credit enhancement facility or facilities, whether the Refunding Bonds shall be sold at a discount in the manner authorized by paragraph e of Section 57.00 of the Local Finance Law, and the rate or rates of interest to be borne thereby, whether the Refunding Bonds shall be issued with substantially level or declining annual debt service and all matters relating thereto, and to prepare, or cause to be provided, a final Refunding Financial Plan for the Refunding Bonds, and all powers in connection therewith are hereby delegated to the Board President; provided, that the terms of the Refunding Bonds to be issued, including the rate or rates of interest borne thereby, shall comply with the requirements of Section 90.10 of the Local Finance Law. The Board President shall file a copy of his certificate determining the details of the Refunding Bonds and the final Refunding Financial Plan with the District Clerk not later than ten (10) days after the delivery of the Refunding Bonds, as herein provided.

The Board President is hereby authorized and directed to enter into an escrow contract (the "Escrow Contract") with a bank or trust company located and authorized to do business in this State as he shall designate (the "Escrow Holder") for the purpose of having the Escrow Holder act, in connection with the Refunded Bonds, as the escrow holder to perform the services described in Section 90.10 of the Local Finance Law.

The faith and credit of the District are hereby irrevocably pledged to the payment of the principal of and interest on the Refunding Bonds as the same respectively become due and payable. To the extent debt service on such bonds is not paid from other sources, there shall annually be levied on all the taxable real property in the District a tax sufficient to pay the principal of and interest on such bonds as the same become due and payable.

All of the proceeds from the sale of the Refunding Bonds, including the premium, if any, but excluding accrued interest thereon, shall immediately upon receipt thereof be placed in escrow with the Escrow Holder for the Refunded Bonds. Accrued interest, if any, on the Refunding Bonds shall be paid to the District to be expended to pay interest on the Refunding Bonds on the first interest payment date thereof. Such proceeds as are deposited in the escrow deposit fund to be created and established pursuant to the Escrow Contract, whether in the form of cash or investments, or both, inclusive of any interest earned from the investment thereof, shall be irrevocably committed and pledged to the payment of the principal of and interest on the Refunded Bonds in accordance with Sections 90.00 and 90.10 of the Local Finance Law, as applicable, and the holders, from time to time, of the Refunded Bonds shall have a lien upon such moneys held by the Escrow Holder. Such pledge and lien shall become valid and binding upon the issuance of the Refunding Bonds and the moneys and investments held by the Escrow Holder for the Refunded Bonds in the escrow deposit fund shall immediately be subject thereto without any further act. Such pledge and lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District irrespective of whether such parties have notice thereof.

Notwithstanding any other provision of the resolution, so long as any of the Refunding Bonds shall be outstanding, the District shall not use, or permit the use of, any proceeds from the sale of the Refunding Bonds in any manner which would cause any of the Refunding Bonds to be "arbitrage" bonds as that term is used in Section 148 of the Internal Revenue Code of 1986, as amended, and, to the extent applicable, the Regulations promulgated by the United States Treasury Department thereunder as then in effect.

In accordance with the terms of the Refunded Bonds and the Bond Certificate relating thereto, as well as the provisions of Section 53.00 and of paragraph h of Section 90.10 of the Local Finance Law, and subject only to the issuance of the Refunding Bonds as herein authorized, the District hereby elects to

call in and redeem each series of Refunded Bonds on their respective first optional redemption date. The sum to be paid therefor on such redemption date shall be the par value thereof plus the redemption premium, if any as provided in the Refunded Bonds Certificate, and the accrued interest to such redemption date. The Escrow Agent for the Refunded Bonds is hereby authorized and directed to cause notice of such call for redemption to be given in the name of the District in the manner and within the times provided in the Refunded Bonds Certificate. Such notice of redemption shall be in substantially the form attached to the Escrow Contract. Upon the issuance of the Refunding Bonds, the election to call in and redeem the callable Refunded Bonds and the direction to the Escrow Agent to cause notice thereof to be given as provided in this paragraph shall become irrevocable, provided that this paragraph may be amended from time to time as may be necessary in order to comply with the publication requirements of paragraph a of Section 53.00 of the Local Finance Law, or any successor law thereto.

The Refunding Bonds shall be sold at public or private sale to Roosevelt & Cross, Inc. (the "Underwriter") for such purchase price as shall be determined by the Board President, plus accrued interest, if any, from the date of the Refunding Bonds to the date of delivery of and payment for the Refunding Bonds, subject to the approval of the terms and conditions of such sale by the State Comptroller as required by subdivision 2 of paragraph f of Section 90.10 of the Local Finance Law. The Board President is hereby authorized to execute and deliver a purchase contract or similar agreement for the Refunding Bonds in the name and on behalf of the District providing the terms and conditions for the sale and delivery of the Refunding Bonds to the Underwriter.

The President and the District Clerk and all other officers, employees and agents of the District are hereby authorized and directed for and on behalf of the District to execute and deliver all certificates and other documents, perform all acts and do all things required or contemplated to be executed, performed or done by this resolution or any document or agreement approved hereby. All other matters pertaining to the terms and issuance of the Refunding Bonds shall be determined by the Board President and all powers in connection thereof are hereby delegated to the Board President.

The validity of the Refunding Bonds, may be contested only if: (a) such obligations are authorized for an object or purpose for which the District is not authorized to expend money, or (b) the provisions of law which should be complied with at the date of the publication of such resolution are not substantially complied with, and an action, suit or proceeding contesting such validity, is commenced within twenty days after the date of such publication, or (c) such obligations are authorized in violation of the provisions of the constitution. The law firm of Trespasz & Marquardt, LLP is appointed bond counsel for the Refunding Bonds, Fiscal Advisors and Marketing Inc. is appointed Financial Advisor for the refunding and Roosevelt & Cross, Inc. is appointed underwriter for the refunding.

A COPY OF THE COMPLETE TEXT OF THIS RESOLUTION TOGETHER WITH ALL EXHIBITS IS ON FILE IN THE OFFICE OF THE DISTRICT CLERK WHERE IT IS AVAILABLE FOR PUBLIC INSPECTION DURING REGULAR BUSINESS HOURS FOR TWENTY DAYS FOLLOWING THIS PUBLICATION.