

NEW ISSUE**S&P Underlying Rating:** “A+” (stable outlook)**S&P Insured Rating for BAM:** “AA” (stable outlook)

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including, in the case of Bonds sold at an original issue discount, the difference between the initial offering price and par) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under §57 of the Internal Revenue Code of 1986, as amended (the “Code”) for purposes of Federal individual or corporate alternative minimum taxes. The Bonds, and the interest income therefrom, are free from taxation for purposes of personal income, corporate net income and personal property taxes within the Commonwealth of Pennsylvania. (See “TAX MATTERS” herein.)

\$6,305,000**STATE PUBLIC SCHOOL BUILDING AUTHORITY****(Commonwealth of Pennsylvania)****\$4,245,000 School Building Revenue Bonds****(Central Pennsylvania Institute Of Science And Technology Project), Series A of 2014****\$2,060,000 School Building Revenue Bonds****(Central Pennsylvania Institute Of Science And Technology Project), Series AA of 2014****Dated:** September 10, 2014**Principal Due:** November 1 (as shown inside cover)**First Interest Payment:** November 1, 2014**Interest Payable:** May 1 and November 1

The State Public School Building Authority, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series A of 2014, in the aggregate principal amount of \$4,245,000 (the “Series A Bonds”) and the State Public School Building Authority, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series AA of 2014, in the aggregate principal amount of \$2,060,000 (the “Series AA Bonds” and together with the Series A Bonds, the “Bonds”) will be issued in fully registered form, without coupons, in the denomination of \$5,000 and integral multiples thereof and registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company (“DTC”), New York, New York. Beneficial ownership of the Bonds may be acquired in the denomination of \$5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. “See “BOOK-ENTRY ONLY SYSTEM” herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of and interest on the Bonds, when due for payment, will be made directly to DTC by U.S. Bank National Association, Pittsburgh, Pennsylvania (the “Trustee”), as Paying Agent, and DTC will in turn remit such payments of DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. If the use of the Book-Entry Only System for the Bonds is ever discontinued, the principal of each of the Bonds will be payable, when due, to the registered owner of such Bond upon surrender of such Bond to the Trustee at its designated corporate trust office and the interest on such Bonds will be payable by check drawn on the Trustee and mailed to the registered owners of such Bonds as of the appropriate Record Date (as defined in the section titled “DESCRIPTION OF THE BONDS” herein). The Bonds are subject to redemption as provided herein (See “REDEMPTION PROVISIONS” herein).

The Bonds will be issued under a Trust Indenture dated as of September 10, 2014 (the “Indenture”), between the State Public School Building Authority (the “SPSBA”) and the Trustee and will be equally and ratably secured under the Indenture by an assignment and pledge by the SPSBA to the Trustee of loan payments payable to the SPSBA under a Loan Agreement dated as of September 10, 2014 by, between and among the SPSBA, the Joint Operating Committee of the Central Pennsylvania Institute of Science and Technology and the Participating Districts (as each is defined herein). **Each of the Participating Districts has provided in resolutions supporting the Bonds and the Loan Agreement with SPSBA to annually budget, appropriate and pay from its general revenues an amount equal to its allocable share. Payment of such allocable shares by the Participating Districts is secured by a pledge of each of the School Districts’ full faith, credit and taxing power. A failure by any of the Participating Districts to appropriate or pay its respective payment in any given year would constitute a failure “to pay or to provide for the payment of any rental or rentals” due the SPSBA, within the meaning of Section 7-785 of the School Code. Consequently, any such non-appropriation or nonpayment would be subject to the intercept provision of the School Code (defined herein).** (See “Commonwealth Enforcement of Lease Rentals and Debt Service Payments” herein.)

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds By Build America Mutual Assurance Company.



The Bonds are limited obligations of the SPSBA. Neither the principal or redemption price of the Bonds, nor the interest accruing thereon, shall constitute a general indebtedness of the SPSBA or an indebtedness of the Commonwealth of Pennsylvania (the “Commonwealth”) or any political subdivision thereof (except for the Participating Districts) within the meaning of any constitutional or statutory provision whatsoever; constitute a charge against the general credit of the SPSBA or the general credit or taxing power of the Commonwealth or any political subdivision thereof (except for the Participating Districts); or be deemed to be a general obligation of the SPSBA or an obligation of the Commonwealth or any political subdivision thereof (except for the Participating Districts). The SPSBA has no taxing power.

The Bonds are offered for delivery when, as and if issued by the SPSBA and received by the Underwriter, and subject to the approving legal opinion of Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the SPSBA by its counsel, Hartman Underhill & Brubaker, LLC, Lancaster, Pennsylvania, and for the Institute of Science and Technology by its solicitor, Campbell Miller Williams Benson Etter & Consiglio, Inc., State College, Pennsylvania. It is expected that the Bonds will be available for delivery in New York, New York on or about September 10, 2014.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

BAIRD**Date:** August 7, 2014

\$6,305,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)

Dated: September 10, 2014

First Interest Payment: November 1, 2014

Principal Due: November 1 (as shown below)

Interest Payable: May 1 and November 1

\$4,245,000 School Building Revenue Bonds
(Central Pennsylvania Institute Of Science And Technology Project), Series A of 2014

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate %</u>	<u>Offering Price</u>	<u>CUSIP Base #85733A (1)</u>
2014	\$425,000	2.000	100.240	ER9
2015	375,000	2.000	101.705	ES7
2016	380,000	2.000	102.715	ET5
2017	395,000	3.000	106.265	EU2
2018	405,000	3.000	106.498	EV0
2019	415,000	4.000	110.911	EW8
2020	435,000	4.000	111.197	EX6
2021	455,000	4.000	111.135	EY4
2022	470,000	4.000	110.365	EZ1
2023	490,000	4.000	108.603	FA5

\$2,060,000 School Building Revenue Bonds
(Central Pennsylvania Institute Of Science And Technology Project), Series AA of 2014

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate %</u>	<u>Offering Price</u>	<u>CUSIP Base #85733A (1)</u>
2014	\$65,000	2.000	100.233	FB3
2015	35,000	2.000	101.590	FC1
2016	35,000	2.000	102.499	FD9
2017	35,000	2.000	102.708	FE7
2018	35,000	2.000	101.878	FF4
2019	35,000	3.000	105.262	FG2
2020	35,000	3.000	104.570	FH0
2021	35,000	3.000	103.515	FJ6
2022	40,000	4.000	109.212	FK3
2023	40,000	4.000	107.472	FL1
2024	415,000	4.000	107.397	FM9
2025	430,000	4.000	106.207	FN7
2026	450,000	4.000	105.397	FP2
2027	375,000	4.000	104.813	FQ0

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the SPSBA as Issuer or the Underwriter and are included solely for the convenience of the holders of the Bonds. Neither the SPSBA as Issuer nor the Underwriter is responsible for the selection of the CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent action including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Bonds referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Bonds other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the SPSBA, the Central Pennsylvania Institute of Science and Technology and the Participating Districts. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the SPSBA, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Bonds described herein that is deemed final by the SPSBA as of the date hereof (or of any such supplement or amendment).

The information in this Official Statement has been obtained from the SPSBA (only with respect to the information under the heading "The Authority" and the information insofar as it relates to the SPSBA, under the heading "Absence of Litigation"), the Central Pennsylvania Institute of Science and Technology and the Participating Districts and The Depository Trust Company and other sources that are believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Underwriter"). The Underwriter has provided the following sentence of inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the Central Pennsylvania Institute of Science and Technology and the Participating Districts or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Bonds will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE BONDS ARE RELEASED FOR SALE AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "APPENDIX G – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

TABLE OF CONTENTS

TABLE OF CONTENTS.....	iv
STATE PUBLIC SCHOOL BUILDING AUTHORITY.....	v
JOINT OPERATING COMMITTEE MEMBERS.....	vi
ADMINISTRATION.....	vi
SUMMARY STATEMENT.....	vii
INTRODUCTION.....	1
PURPOSE OF THE ISSUE.....	1
PLAN OF FINANCE.....	2
THE AUTHORITY.....	2
CENTRAL PENNSYLVANIA INSTITUTE OF SCIENCE AND TECHNOLOGY.....	3
CENTRE COUNTY VOCATIONAL-TECHNICAL SCHOOL AUTHORITY.....	4
SOURCES AND USES OF FUNDS.....	4
SECURITY FOR THE BONDS.....	4
COMMONWEALTH ENFORCEMENT OF LEASE RENTALS AND DEBT SERVICE PAYMENTS.....	6
BOND INSURANCE.....	6
DESCRIPTION OF THE BONDS.....	7
BOOK-ENTRY ONLY SYSTEM.....	9
REDEMPTION PROVISIONS.....	10
LEGALITY FOR INVESTMENTS.....	11
REVENUE FROM STATE SOURCES TO PARTICIPATING DISTRICTS.....	11
PARTICIPATING SCHOOL DISTRICTS POST EMPLOYMENT PROGRAMS.....	12
TAXING POWERS OF THE PARTICIPATING DISTRICTS.....	12
LABOR RELATIONS OF THE INSTITUTE OF SCIENCE AND TECHNOLOGY.....	15
INSTITUTE OF SCIENCE AND TECHNOLOGY FINANCIAL HISTORY.....	15
PARTICIPATING DISTRICTS FINANCIAL HISTORY.....	15
FUTURE FINANCING.....	15
TAX EXEMPTION AND OTHER TAX MATTERS.....	16
CONTINUING DISCLOSURE UNDERTAKING.....	17
SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE.....	19
ABSENCE OF LITIGATION.....	21
CERTAIN LEGAL MATTERS.....	22
RATING.....	22
THE TRUSTEE.....	22
UNDERWRITING.....	22
MISCELLANEOUS.....	23
APPENDIX A – Summaries of Financial Statements of the Central Pennsylvania Institute of Science and Technology.....	A-1
APPENDIX B – Description of the Institute of Science and Technology and Financial Factors.....	B-1
APPENDIX C – Description of the Bald Eagle Area School District and Financial Factors.....	C-1
APPENDIX D – Description of the Bellefonte Area School District and Financial Factors.....	D-1
APPENDIX E – Description of the Penns Valley Area School District and Financial Factors.....	E-1
APPENDIX F – Bond Amortization Schedules.....	F-1
APPENDIX G – Specimen Municipal Bond Insurance Policy.....	G-1
APPENDIX H – Proposed Form of Opinion of Bond Counsel.....	H-1
APPENDIX I – Draft Continuing Disclosure Certificate.....	I-1

STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)

BOARD MEMBERS

Honorable Thomas W. Corbett
Governor of the Commonwealth of Pennsylvania..... President

Honorable Michael J. Folmer
Designated by the President Pro Tempore of the Senate Vice President

Honorable Andrew E. Dinniman
Designated by the Minority Leader of the Senate Vice President

Honorable Warren E. Kampf
Designated by the Speaker of the House of Representatives..... Vice President

Honorable Robert M. McCord
State Treasurer.....Treasurer

Honorable Sheri L. Phillips
Secretary of General Services.....Secretary

Honorable Anthony M. DeLuca
Designated by the Minority Leader of the House of RepresentativesBoard Member

Honorable Eugene A. DePasquale
Auditor GeneralBoard Member

Honorable Carolyn C. Dumaresq
Acting Secretary of Education..... Board Member

EXECUTIVE DIRECTOR

Robert Baccon

COUNSEL TO THE AUTHORITY

(Appointed by the Office of General Counsel)
Hartman Underhill & Brubaker, LLC
Lancaster, Pennsylvania

BOND COUNSEL

(Appointed by the Office of General Counsel)
Dinsmore & Shohl LLP
Pittsburgh, Pennsylvania

UNDERWRITER

Robert W. Baird & Co.
Exton, Pennsylvania

TRUSTEE, PAYING AGENT, TRANSFER AGENT, AND REGISTRAR

U.S. Bank National Association
Pittsburgh, Pennsylvania

CENTRAL PENNSYLVANIA INSTITUTE OF SCIENCE AND TECHNOLOGY

JOINT OPERATING COMMITTEE MEMBERS

Henry Yeagley..... Penns Valley Area School District	Chairman
Jeffrey Turner..... Bald Eagle Area School District	Vice Chairman
Charles Aikens..... Bellefonte Area School District	Member
Michael Danneker..... Bellefonte Area School District	Member
Maryann Hamilton..... Bald Eagle Area School District	Member
Theresa Brickley..... Central Pennsylvania Institute of Science and Technology	Secretary*

* Non-voting member

ADMINISTRATION

Mr. Brian Griffith.....	Superintendent of Record
Dr. Richard C. Makin.....	President
Mr. David A. Van Buskirk.....	Director of Business & Development/Treasurer

School Address

540 North Harrison Road
Pleasant Gap, Pennsylvania 16823

School Solicitor

Campbell Miller Williams Benson Etter & Consiglio, Inc.
State College, Pennsylvania

SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information in this Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise use it without the entire Official Statement. A full review of the entire Official Statement should be made by potential bond purchasers.

Issuer	State Public School Building Authority (“SPSBA”), Commonwealth of Pennsylvania. See “THE AUTHORITY” herein.
Bonds	The State Public School Building Authority, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series A of 2014, in the aggregate principal amount of \$4,245,000 and the State Public School Building Authority, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series AA of 2014, in the aggregate principal amount of \$2,060,000* dated the date of issuance and delivery thereof, will mature in various principal amounts (as herein described) on November 1, with interest payable semi-annually on May 1 and November 1 of each year, beginning November 1, 2014 (each, an “Interest Payment Date”). See “DESCRIPTION OF THE BONDS” herein.
Redemption Provisions	The Bonds maturing on or after November 1, 2023 are subject to optional redemption, in whole or in part, on or after November 1, 2022, at 100% of the principal amount thereof. The Bonds may also be subject to mandatory redemption prior to maturity. See “REDEMPTION PROVISIONS” herein.
Form of the Bonds	Book-Entry Only. See “BOOK-ENTRY ONLY SYSTEM” and “DESCRIPTION OF THE BONDS” herein.
Application of Proceeds	The proceeds to be derived by the SPSBA from the issuance and sale of the Bonds, will be used to (1) currently refund the SPSBA’s outstanding School Revenue Bonds, (Central Pennsylvania Institute of Science and Technology Project), Series A of 2009; (2) currently refund the SPSBA’s outstanding School Revenue Bonds, (Central Pennsylvania Institute of Science and Technology Project), Series AA of 2009; and (3) pay all costs and expenses incurred by the SPSBA and Institute of Science and Technology in connection with the issuance and sale of the Bonds. See “PURPOSE OF THE ISSUE” and “SOURCES AND USES OF FUNDS” herein.
Security for the Bonds	Each of the Participating Districts has provided in resolutions supporting the Bonds and the Loan Agreement with SPSBA to annually budget, appropriate and pay from its general revenues an amount equal to its allocable share. Payment of such allocable shares by the Participating Districts is secured by a pledge of each of the School Districts’ full faith, credit and taxing power. A failure by any of the Participating Districts to appropriate or pay its respective payment in any given year would constitute a failure “to pay or to provide for the payment of any rental or rentals” due the SPSBA, within the meaning of Section 7-785 of the School Code. Consequently, any such non-appropriation or nonpayment would be subject to the intercept provision of the School Code (defined herein). (See “Commonwealth Enforcement of Lease Rentals and Debt Service Payments” herein.) The Bonds are limited obligations of the State Public School Building Authority. Neither the principal or redemption price of the Bonds, nor the interest accruing thereon, shall constitute a general indebtedness of the Authority or an indebtedness of the Commonwealth or any political subdivisions thereof (other than the Participating School Districts) within the meaning of any constitutional or statutory provision whatsoever; constitute a charge against the general credit of the Authority or the general credit or taxing power of the Commonwealth or any political subdivision thereof (other than the Participating School Districts); or be deemed to be a general obligation of the Authority or an obligation of the Commonwealth or any political subdivision thereof (other than the Participating School

Districts). The Authority has no taxing power. A failure by any of the Participating Districts to appropriate or pay its respective payment in any given year would constitute a failure “to pay or to provide for the payment of any rental or rentals “due the SPSBA, within the meaning of Section 7-785 of the School Code. Consequently, any such non-appropriation or non-payment would be subject to the intercept. See “SECURITY FOR THE BONDS” herein.

Insurance The payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy (the “Municipal Bond Insurance Policy”) to be issued by Build America Mutual Assurance Company (“BAM”). See “BOND INSURANCE” herein.

Ratings The Bonds have received an underlying credit rating of “A+” (stable outlook) from Standard and Poor’s Ratings Services (“S&P”), and are expected to receive a credit rating of “AA” (stable outlook) with the understanding that the above-described Municipal Bond Insurance Policy will be issued at the time of settlement of the Bonds by BAM. See “MISCELLANEOUS - Ratings” herein.

Record Date The 15th day immediately preceding each Interest Payment Date. See “DESCRIPTION OF THE BONDS” herein.

OFFICIAL STATEMENT

\$6,305,000

STATE PUBLIC SCHOOL BUILDING AUTHORITY **(Commonwealth of Pennsylvania)**

\$4,245,000 School Building Revenue Bonds
(Central Pennsylvania Institute Of Science And Technology Project), Series A of 2014
\$2,060,000 School Building Revenue Bonds
(Central Pennsylvania Institute Of Science And Technology Project), Series AA of 2014

INTRODUCTION

This Official Statement, including the Cover Page hereof and the Appendices hereto, is provided to furnish certain information concerning the State Public School Building Authority (the "Authority" or "SPSBA"), School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series A of 2014, in the aggregate principal amount of \$4,245,000 (the "Series A Bonds") and State Public School Building Authority, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series AA of 2014, in the aggregate principal amount of \$2,060,000 (the "Series AA Bonds" and together with the Series A Bonds, the "Bonds").

The Bonds are being issued pursuant to the State Public School Building Authority Act of 1947, P.L. 1217, as supplemented and amended (the "Act"), a Resolution duly adopted by the SPSBA on July 17, 2014, and a Trust Indenture dated as of September 10, 2014 (the "Indenture") between the SPSBA and U.S. Bank National Association (the "Trustee"), as trustee, registrar, transfer agent, and paying agent.

The Central Pennsylvania Institute of Science and Technology (the "Institute of Science and Technology" or "CPI") is situated on real estate in the City of Pleasant Gap, Spring Township, Centre County, Pennsylvania on which the educational facilities of the Institute of Science and Technology are located (the "Educational Facilities"). The Centre County Vocational-Technical School Authority (the "Vo-Tech Authority") is the owner of the property on which the Educational Facilities are located. The Institute of Science and Technology is sponsored by the following three public school districts in the area of Centre County: Bald Eagle Area School District, Bellefonte Area School District, and Penns Valley Area School District (collectively, the "Participating Districts"). The Institute of Science and Technology and the Educational Facilities are wholly owned, *prorata*, by the Participating Districts in accordance with the School Code (defined herein) and the Articles of Agreement (defined herein).

The SPSBA is a body corporate and politic created in 1947 by the Act. Under the Act, the SPSBA is constituted a public corporation and governmental instrumentality, having perpetual existence, for the purpose of acquiring, financing, refinancing, constructing, improving, maintaining and operating public school and educational broadcasting facilities, and furnishing and equipping the same for use as part of the public school system of the Commonwealth of Pennsylvania (the "Commonwealth") under the jurisdiction of the Pennsylvania Department of Education (the "Department"). Under the Act and Article XVIII of the Public School Code, Act of September 12, 1961, P.L. 1272, No. 31, Section 1 et seq., as amended (the "School Code"), the SPSBA also has for its purpose the acquiring, financing, refinancing, construction, improvement, maintenance and operation of area vocational-technical schools and school buildings and furnishing and equipping them for use, to the extent permitted by law. (See "THE AUTHORITY" herein.)

The information which follows contains summaries of the Bonds, the Resolution, and the Institute of Science and Technology's budget and financial statements. Such summaries do not purport to be complete and reference is made to such information and documents, copies of which are on file and available for examination at the offices of the Institute of Science and Technology.

PURPOSE OF THE ISSUE

The proceeds to be derived by the SPSBA from the issuance and sale of the Bonds will be used to (1) currently refund the SPSBA's outstanding School Revenue Bonds, (Central Pennsylvania Institute of Science and Technology Project), Series A of 2009 (the "2009 A Bonds"); (2) currently refund the SPSBA's outstanding School Revenue Bonds, (Central Pennsylvania Institute of Science and Technology Project), Series AA of 2009 (the "2009 AA Bonds"); and (3) pay all costs and expenses incurred by the SPSBA and Institute of Science and Technology in connection with the issuance and sale of the Bonds (the "Project"). The 2009 A Bonds together with the 2009 AA Bonds are hereinafter referred to as the "Refunded Bonds".

PLAN OF FINANCE

A portion of the proceeds of the Bonds will be irrevocably deposited in the sinking funds maintained by U.S. Bank National Association, as paying agent for the Refunded Bonds, and applied, together with certain funds held in the funds and accounts relating to the Refunded Bonds, to pay the principal and interest due on the Refunded Bonds through November 1, 2014 and redeem the remaining outstanding Refunded Bonds on November 1, 2014, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date, pursuant to the optional redemption provisions applicable to the Refunded Bonds.

THE AUTHORITY

The SPSBA and the Pennsylvania Higher Educational Facilities Authority (the "PHEFA") share an executive, fiscal and administrative staff, and operate under a joint administrative budget. The SPSBA has issued, and may continue to issue, other series of bonds for the purpose of financing other projects under the Act. Each such series of bonds is or will be secured by instruments separate and apart from the Indenture securing the Bonds.

Under the Act, the members of the Authority are the Governor of the Commonwealth, the State Treasurer, the Auditor General, the Secretary of the Department of Education, the Secretary of the Department of General Services, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives. Pursuant to Section 791.3 of the Act, the President Pro Tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives may designate any member of his or her legislative bodies to act as a member of the SPSBA in his or her stead. The members of the SPSBA serve without compensation but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The powers of the SPSBA are exercised by a governing body consisting of the members of the SPSBA acting as a board.

The following are key staff members of the SPSBA who are involved in the administration of the financing and projects:

Robert Baccon Executive Director

Mr. Baccon has served as an executive with the SPSBA and the PHEFA since 1984. He is a graduate of St. John's University with a bachelor's degree in management, and holds a master's degree in international business from the Columbia University Graduate School of Business. Prior to his present post, Mr. Baccon held financial management positions with multinational U.S. corporations and was Vice President - Finance for a major highway construction contractor.

David Player Comptroller & Director of Financial Management

Mr. Player serves as the Comptroller & Director of Financial Management of both the SPSBA and the PHEFA. He has been with the Authorities since 1999. Prior to his present post, he served as Senior Accountant for both Authorities and as an auditor with the Pennsylvania Department of the Auditor General. Mr. Player is a graduate of the Pennsylvania State University, Certified Public Accountant and Certified Internal Auditor.

Beverly M. Nawa Administrative Officer

Mrs. Nawa has served as the Administrative Officer of both the SPSBA and the PHEFA since 2004. She is a graduate of Alvernia University with a bachelor's degree in business administration. Prior to her present employment, Mrs. Nawa served as an Audit Senior and an Accounting Systems Analyst with the Pennsylvania Department of the Auditor General.

The Bonds are being issued under the Act pursuant to a resolution of the Authority duly adopted on July 17, 2014, and pursuant to the Indenture.

The Authority has issued, and may continue to issue, other series of revenue bonds and notes for the purpose of financing projects for other eligible institutions in the Commonwealth. Except for other series of bonds which may be issued by the Authority on behalf of the Institute of Science and Technology under the Indenture, none of the revenues of the Authority with respect to any of

the revenue bonds and notes referred to above are pledged as security for the Bonds and, conversely, the revenue bonds and notes referred to above are not payable from or secured by the revenues of the Authority under the Indenture or other monies securing the Bonds. See "Security and Sources of Payment" herein.

The Bonds are limited obligations of the Authority and are secured under the provisions of the Indenture, and are payable solely from the funds held under the Indenture and from the Payments to be made by the Participating Districts and the Institute of Science and Technology pursuant to the Loan Agreement between the Authority and the Joint Operating Committee of the Central Pennsylvania Institute of Science and Technology and the Participating Districts, as described herein. Neither the principal of the Bonds, nor the interest accruing thereon, shall ever constitute a general indebtedness of the Authority or an indebtedness of the Commonwealth of Pennsylvania or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever, or shall ever constitute or give rise to a pecuniary liability of the Authority or of the Commonwealth of Pennsylvania or any political subdivision thereof or a charge against the general credit of the Authority or the general credit or taxing power of the Commonwealth of Pennsylvania or any political subdivision thereof, nor will the Bonds be, or be deemed to be, a general obligation of the Authority or an obligation of the Commonwealth of Pennsylvania or any political subdivision thereof. The Authority has no taxing power.

The Authority has not prepared or assisted in the preparation of this Official Statement except for the statements under this section in respect of the Authority, and, except as aforesaid, the Authority is not responsible for any statements made herein and will not participate in, or otherwise be responsible for, the sale of the Bonds. Accordingly, except as aforesaid, the Authority disclaims responsibility for the disclosure set forth herein made in connection with the sale of the Bonds.

CENTRAL PENNSYLVANIA INSTITUTE OF SCIENCE AND TECHNOLOGY

The Institute of Science and Technology is an Area Vocational Technical School created pursuant to Article XVIII of the Pennsylvania School Code of 1949, as amended (the "School Code"), for the purpose of providing career and technical education to the students in its participating school districts.

The Institute of Science and Technology was created and operates under the Fifth Amendment to and Restatement of the Articles of Agreement for the Operation of the Central Pennsylvania Institute of Science and Technology, dated February 20, 2002, as amended (the "Articles of Agreement") among the Participating Districts in Centre County, Pennsylvania, which are: Bald Eagle Area School District, Bellefonte Area School District, and Penns Valley Area School District. The expiration date of the Fifth Amendment to and Restatement of the Articles of Agreement was extended to the last day of the 2030-31 fiscal year in June of 2009 by the Participating Districts.

Under the Articles of Agreement, the annual operating costs of CPI, including any capital costs, (the "Costs") are allocated to and paid by the Participating Districts in proportion to the enrollment of students in each Participating District as of November 15 of the previous year, as more fully described in the Articles of Agreement. Such Costs further include note payments to amortize capital financings (including payments under the Loan Agreement) or capital outlays.

Pursuant to the School Code and the Articles of Agreement, the Area Board of the Institute of Science and Technology (the "Area Board") consists of all of the members of the boards of school directors of the three Participating Districts -- a total of 27 members. The Area Board has various powers, including, without limitation, formulating policies relating to the operation of the Institute of Science and Technology, adopting budgets for the Institute of Science and Technology and designating a superintendent of the Institute of Science and Technology. The current superintendent is Mr. Brian Griffith, who is also the superintendent of Penns Valley Area School District, one of the Participating Districts.

Pursuant to the School Code and the Articles of Agreement, the Institute of Science and Technology also has a Joint Operating Committee consisting of two (2) members from each Participating District. The Area Board has delegated to the Joint Operating Committee certain powers related to the operation, administration and management of the Institute of Science and Technology.

THE PAYMENT OBLIGATIONS OF THE PARTICIPATING DISTRICTS UNDER THE LOAN AGREEMENT, AS ALLOCATED BY THE ARTICLES OF AGREEMENT, ARE DEBT OBLIGATIONS OF THE PARTICIPATING DISTRICTS, AND THE TAXING POWERS OF THE PARTICIPATING DISTRICTS ARE SPECIFICALLY PLEDGED THEREFOR.

The Articles of Agreement shall remain in full force and effect until all obligations for financing the construction, remodeling and/or alteration of the Institute of Science and Technology and all obligations created in connection therewith or in the financing of any subsequent capital expenditures shall have been paid in full. No Participating District may withdraw from the Articles of

Agreement unless (a) all of the other Participating Districts approve the withdrawal, and (b) the withdrawing Participating District pays to the Institute of Science and Technology an amount approved by the other Participating Districts equal to the withdrawing Participating District's portion of the total "unamortized costs" of land, buildings, facilities, equipment and related costs for the Institute of Science and Technology. For purposes of this provision, "unamortized costs" means the outstanding principal balance of any debt obligation relating to the Institute of Science and Technology, plus, if such debt obligations cannot be prepaid at the time of the withdrawal, an amount equal to the present value of interest payments on such debt obligations until they can be prepaid. Such present value shall be determined by discounting all future interest payments to the withdrawal rate using the average interest rate on such debt obligation as the discount rate. Each Participating District agrees under the Articles of Agreement, that, so long as any financing of Institute of Science and Technology facilities remains outstanding, it will not approve any amendment to the foregoing provision relating to the term of the Articles of Agreement or withdrawal therefrom by a Participating District.

The Area Board has approved the Project and its financing through the issuance of the Bonds by the SPSBA and has delegated to the Joint Operating Committee the power to approve the final terms of the Bonds and the financing documents.

CENTRE COUNTY VOCATIONAL-TECHNICAL SCHOOL AUTHORITY

The Centre County Vocational-Technical School Authority (the "Vo-Tech Authority") was formed effective June 13, 1967, by of the Participating Districts, under and pursuant to the Pennsylvania Municipality Authorities Act, (now codified at 53 PA Cons. Stat. §5601-5622), as amended (the "Municipality Authorities Act"). The Vo-Tech Authority has by its by-laws, five members appointed by the Participating Districts. The Vo-Tech Authority, in August 1967, acquired title, by direct purchase from the private owners, to a tract of land located in Spring Township, Centre County, Pennsylvania. This land remains titled in the name of the Vo-Tech Authority. The Vo-Tech Authority entered into a Lease Agreement dated as of September 1, 2009, (the "2009 Lease"), whereby the Vo-Tech Authority leased the tract of land to the Institute of Science and Technology for the purpose of providing for the Institute of Science and Technology's operation of its Educational Facilities on the Leased Premises (as defined in the Lease).

SOURCES AND USES OF FUNDS

Sources of Funds

Proceeds	\$6,305,000.00
Original Issue Premium	<u>418,572.10</u>
Total Sources of Funds	\$6,723,572.10

Uses of Funds

Deposit to Redeem Refunded Bonds	\$6,605,583.75
Rounding Amount	3,949.16
Financing Costs (1)	<u>114,039.19</u>
Total Uses of Funds	\$6,723,572.10

(1) Includes underwriter's discount, bond insurance, legal, printing, rating, CUSIP, Trustee, bond redemption fees, filing fees and miscellaneous costs.

SECURITY FOR THE BONDS

The Authority will enter into a Loan Agreement dated as of September 10, 2014, (the "Loan Agreement") with the Participating Districts and CPI (through the Joint Operating Committee) pursuant to which the Authority will lend the proceeds of the Bonds to the Participating Districts for the purpose of financing the Project. Under the Loan Agreement, each Participating District will agree to repay its proportionate share of such loan in such amounts and at such times as will provide sufficient funds to meet their related share of the debt service requirements on the Bonds. Each Participating District will deliver its general obligation promissory note dated as of September 10, 2014 (collectively, the "Notes") to the Authority evidencing its obligations under the Loan Agreement.

The Bonds will be secured under the Indenture by the assignment and pledge to the Trustee of the payments under the Notes and the Loan Agreement. The full faith, credit and taxing power of the School Districts have been pledged for the timely payment of all amounts due under the Notes. The payments due under the Notes are payable from the respective School Districts' tax and other general revenues, from whatever source derived, which include ad valorem taxes (limited as to rate) and State reimbursement. See "School Tax Data" and "Taxpayer Relief Act" herein.

The Authority, at the time of the settlement for the Bonds, will assign all its right (except the right to indemnification, the right to payment of certain fees and expenses, if any, and the right to receive notices), title and interest in the Notes and Loan Agreement and the payments thereunder to the Trustee. The Bonds will be secured by and payable under the Indenture from the funds held by the Trustee and payments made pursuant to the Notes and Loan Agreement. The execution of the Notes by each of the School Districts constitutes the issuance of general obligation debt by such School District and must be approved by the Department of Community and Economic Development. This approval will be obtained prior to issuance and delivery of the Bonds. Any necessary approvals of the Department of Education will also be obtained.

Provisions of the Public School Code of 1949, as amended (the "Public School Code") require that, should any school district fail to make its required debt service payments with respect to a general obligation note such as the Notes, the Secretary of Education of the Commonwealth is required to withhold from such school district, out of any subsidy payment of any type due such school district, an amount equal to the debt service payments owed by such school district. Any amounts so withheld are assigned to the sinking fund depository for the general obligation bonds or notes issued to finance such school's project. These withholding provisions are not part of any contract with the holders of the bonds or notes, and may be amended by future legislation. The Public School Code also provides that in the event a school district is in default with respect to the general obligation debt or lease rental debt to a municipal authority or the Authority, there shall be a withholding from subsidy payment of amounts necessary to remedy such defaults, on an equal basis with default payment under such debt. In addition, the Local Government Unit Debt Act (the "Act") prescribes certain other remedies. In the event of a failure of a school district to pay principal of or interest on general obligation notes such as the Notes for a period of 30 days from when it becomes due and payable, the holder of the note shall have the right to recover the amount due by bringing an action in assumpsit in the Count of Common Pleas in the county in which the school district is located. The Act provides that any judgment shall have an appropriate priority upon moneys next coming into the treasury of the school district. The Act further provides that upon a default in the payment of principal or interest which continues at least 30 days, holders of a least 25% of such defaulted debt may appoint a trust to represent them. The Act provides certain other provisions and further qualifies the above-described remedies.

All public school subsidies in the Commonwealth are subject to appropriation by the General Assembly. Although the Constitution of the Commonwealth provides that "the General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth", the General Assembly is not legally obligated to appropriate such subsidies and there can be no assurance that it will do so in the future. The allocation formula pursuant to which the Commonwealth distributes such subsidies to the various school districts throughout the Commonwealth may be amended at any time by the General Assembly. Moreover, the Commonwealth's ability to make such disbursement will depend upon its own financial condition. At various times in the past, the enactment of budget and appropriation laws by the Commonwealth has been delayed, resulting in interim borrowing by school district, pending the authorization and payment of state aid. Consequently, there can be no assurance that financial support from the Commonwealth for schools, either for capital projects or education programs in general, will continue at present levels or that moneys will be payable to a school district if indebtedness of such school is not paid when due.

THE BONDS DO NOT PLEDGE THE CREDIT OF THE SPSBA OR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF EXCEPT THE PARTICIPATING DISTRICTS PURSUANT TO THE NOTES. THE SPSBA HAS NO TAXING POWER. THE INSTITUTE OF SCIENCE AND TECHNOLOGY HAS NO TAXING POWER. HOWEVER, IF DEBT SERVICE PAYMENTS ARE NOT APPROPRIATED OR PAID BY PARTICIPATING DISTRICTS, THE COMMONWEALTH MAY WITHHOLD OUT OF ANY STATE APPROPRIATIONS DUE TO SUCH PARTICIPATING DISTRICT, THE AMOUNT DUE FOR ITS DEBT SERVICE OBLIGATION (See "COMMONWEALTH ENFORCEMENT OF LEASE RENTALS AND DEBT SERVICE PAYMENTS" below).

Each Participating District's allocable share of payments is based on the enrollment of students from each district as compared to total for all districts on November 15th of each year. Accordingly, although the total of all payments will not change, the allocable share of each Participating District will change from year to year as enrollments change. Based on the most recent year's enrollment as of November 15, 2013, the allocable shares of the Participating Districts were: Bald Eagle School District, 41.07%, Bellefonte Area School District, 39.18%, Penns Valley Area School District, 19.75%. See below chart.

<u>Participating District</u>	<u>Students Enrolled November 15, 2013</u>	<u>Percentage of Costs</u>
Bald Eagle Area School District	131	41.07%
Bellefonte Area School District	125	39.18%
Penns Valley Area School District	63	19.75%

COMMONWEALTH ENFORCEMENT OF LEASE RENTALS AND DEBT SERVICE PAYMENTS

Section 7-785 of the School Code, as amended, presently provides that if any school district fails to pay any rental, payment or rentals or payments due the SPSBA for any period in accordance with the terms of any lease, loan agreement or other lending instrument or contract entered into under the terms of subdivision (f) of Article VII of the School Code, the Secretary of Education shall notify the Participating District of its obligation and shall withhold out of any state appropriation due such school district an amount equal to the amount of the rental, payment or rentals or payments owing by such school district to the SPSBA and pay over the amount so withheld to the SPSBA in the payment of the rental or payment.

The withholding provisions of Section 785 described above are not part of any contract with the registered owners of the Bonds and may be amended or repealed by future legislation. The effectiveness of Section 785 may be limited by the application of other withholding provisions contained in the School Code, such as the provisions for withholding and paying over of appropriations for payment of teachers' salaries. Enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles effecting the enforcement of creditors' rights generally. There can be no assurance that any payments pursuant to such withholding provision will be made by the date on which such payment is due to the Bondholders.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an APPENDIX G to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2014 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$478.6 million, \$12.7 million and \$465.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/.

Obligor Disclosure Briefs. Subsequent to closing, BAM posts an Obligor Disclosure Brief on every issue insured by BAM, including the Bonds. BAM Obligor Disclosure Briefs provide information about the gross par insured by CUSIP, maturity and coupon; sector designation (e.g. general obligation, sales tax); a summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. The Obligor Disclosure Briefs are also easily accessible on BAM's website at buildamerica.com/obligor/.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM and have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and they assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

DESCRIPTION OF THE BONDS

General Provisions

The Bonds shall be dated as of the date of their issuance and delivery, shall mature on the dates and in the amounts set forth on the inside cover hereof and shall be payable as to interest on May 1 and November 1 of each year, commencing November 1, 2014 (each an "Interest Payment Date"), at the rates set forth on the inside front cover. The Bonds shall be subject to redemption prior to maturity as described below.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), as registered owner. Purchases of Bonds may be made in book-entry only form, in denominations of \$5,000 principal amount or any integral multiple thereof, but only through brokers and dealers who are, or act through, DTC Participants (see "Book-Entry Only System" herein). Purchasers of Bonds ("Beneficial Owners") will not receive certificates representing their interests in the Bonds and must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant, so long as they desire to retain an ownership interest in Bonds. So long as Cede & Co. is the registered owner of the Bonds, references herein to the registered owners or holders of the Bonds shall mean Cede & Co., and not the Beneficial Owners of the Bonds.

Payments of principal and interest on the Bonds will be made directly to DTC by the Trustee on behalf of the SPSBA, and DTC will, in turn, remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants (defined below), as more fully described below.

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds (see "Book-Entry Only System" herein), payments of principal of and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the SPSBA with respect to, and to the extent of, principal and interest so paid. If the date for the payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the jurisdiction in which the corporate trust payment office is located are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions in which the corporate trust payment office is located are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs:

The principal of the Bonds will be paid, when due, to the registered owners thereof or their transferees upon presentation and surrender of the Bonds at the designated corporate trust office of the Trustee presently located in Pittsburgh, Pennsylvania.

Interest will be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to November 1, 2014, in which event such Bond shall bear interest from the date of issuance and delivery thereof, or (d) as shown by the records of the Trustee, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest shall be paid initially on November 1, 2014, and thereafter semiannually on May 1 and November 1 of each year until the principal sum thereof is paid. Interest on each Bond will be payable by check drawn on the Trustee, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day of the month (whether or not a business day) next preceding each Interest Payment Date (the "Record Date"), on the registration books maintained by the Trustee, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the SPSBA shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for the payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions in the Commonwealth are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

Transfer, Exchange and Registration of Bonds

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

Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Trustee, at its designated corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Trustee shall enter any transfer of ownership of Bonds 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 authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The SPSBA and the Trustee may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the SPSBA and the Trustee shall not be affected by any notice to the contrary.

The SPSBA and the Trustee shall not be required to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifth (5th) day next preceding any date of selection of Bonds to be

redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed, or to register the transfer of or exchange any portion of any Bond selected for redemption until the redemption date.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from materials provided by DTC for such purpose. The SPSBA (herein referred to as the “Issuer”) and the Underwriter do not guaranty the accuracy or completeness of such information, and such information is not to be construed as a representation of the SPSBA or the Underwriter.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

REDEMPTION PROVISIONS

Optional Redemption

The Bonds maturing on or after November 1, 2023 are subject to optional redemption prior to maturity by the SPSBA at the direction of the Institute of Science and Technology, in any order of maturity or portion of a maturity, either in whole or in part and if in part, within a maturity by lot, on November 1, 2022, or any date thereafter, at a redemption price of 100% plus accrued interest to the date fixed for redemption.

Mandatory Redemption

The Bonds are not subject to mandatory sinking fund redemption prior to maturity.

Manner of Redemption

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the SPSBA, the Trustee and DTC and, if less than all Bonds of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in such Bonds to be redeemed shall be determined by the governing arrangement among them, subject to a statutory or regulatory requirement as may be in effect front time to time. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding redemption of Bonds registered in the name of Cede & Co.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing that number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Notice of Redemption

So long as Cede & Co., as nominee of DTC, is the registered over of the Bonds, the SPSBA and Trustee shall send notices only to DTC or its nominee, as registered owner of the Bonds. Conveyance of any such notices to the Beneficial Owners by DTC and by Direct Participants and Indirect Participants will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If at any time the book-entry only system shall be discontinued with respect to certificated Bonds, the Resolution provides that any redemption of Bonds shall be upon notice effected by depositing a copy of the redemption notice in first class mail, postage prepaid, addressed to the registered owners of Bonds to be redeemed, not less than thirty (30) and not more than sixty (60) days prior to the date

fixed for redemption, at the addresses shown on the registration books kept by the Trustee as of the day such Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

If at the time of mailing of a notice of redemption the SPSBA shall not have deposited with the Trustee (or, in the case of a refunding, with another bank or depository acting as refunding escrow agent) money sufficient to redeem all Bonds called for redemption, the notice of redemption may state that it is conditional i.e., that it is subject to the deposit of sufficient redemption money with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such money is so deposited.

On the date designated for redemption, money for payment of the principal and accrued interest being held by the Trustee, 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 the Resolution, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal being redeemed and accrued interest thereon to the date fixed for redemption.

If the date for payment of the principal of, premium, if any, or interest on any of the Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the municipality where the designated corporate trust office of the Trustee is located are authorized by law or executive order to close, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or on a day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

LEGALITY FOR INVESTMENTS

Under the Act, the Bonds are securities in which all officers of the Commonwealth and its political subdivisions and municipal officers and administrative departments, boards and commissions of the Commonwealth, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other person carrying on a banking business, all insurance companies, insurance associations and other person carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons who are authorized to invest in bonds or other obligations of the Commonwealth may properly and legally invest any funds, including capital belonging to them or within their control, and the Bonds are securities which may properly and legally be deposited with, and received by, any Commonwealth or municipal officer or agency of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is authorized by law.

REVENUE FROM STATE SOURCES TO PARTICIPATING DISTRICTS

School districts in the Commonwealth of Pennsylvania receive financial assistance from the Pennsylvania Department of Education. The amount of such assistance is based upon (i) the market value of real estate per weighted average daily membership, (ii) income per weighted average daily membership and (iii) the school district's tax effort, all as compared with such figures on a state-wide basis. The basic instructional subsidy received by a School District is calculated by multiplying the number of students in weighted average daily membership by the School District's Market Value/Personal Income Aid Ratio and by the factor for educational expense.

Pennsylvania school districts receive financial assistance from the Commonwealth in a number of forms, all subject to statutory provisions and annual appropriation by the Pennsylvania General Assembly.

Debt Service and sinking fund reimbursement from the Commonwealth for school projects is determined by the "Reimbursable Percentage" assigned to the school building project and by the school district's "Market Value Aid Ratio" or "Capital Account Reimbursement Factor", whichever is higher for the Participating District. Most school building projects in Pennsylvania are eligible for Commonwealth reimbursement. Certain school building projects, such as school administration buildings and vehicle maintenance buildings, are ineligible for reimbursement. A reimbursable percentage, based upon the rated pupil capacity of the new or renovated structure and certain other costs, is assigned to the building project. This reimbursement percentage multiplied by the School District applicable aid ratio determines the Commonwealth's share of the annual lease rental or debt service for that school year.

PARTICIPATING SCHOOL DISTRICTS POST EMPLOYMENT PROGRAMS

Pension Program

School districts in Pennsylvania (including the Participating Districts and the Institute of Science and Technology) are required to participate in a statewide pension program administered by the State Public School Employees Retirement Board ("PSERS"). All of the Participating Districts and the Institute of Science and Technology full-time employees, part-time employees who work more than 80 days in a school year, and hourly employees who work over 500 hours a year are required to participate in the program.

The Commonwealth, School Districts and employees each contribute a share of the employee's pension account. The Commonwealth shares in the employer contribution at a rate which is at least one-half of the total employer rate. The contribution rates are set by the Pennsylvania Public School Code of 1949, 24 Pa.C.S. §8101 et seq. which requires contributions by active members, employers and the Commonwealth. Active members who began contributions prior to July 22, 1983, contribute at 5.25% or at 6.50% of the member's qualifying compensation. Members who began contributions after July 22, 1983 and who are active or inactive as of July 1, 2001, contribute at 6.25% or at 7.50% of the member's qualifying compensation. For all new hires the higher contribution rates began with service rendered on or after January 1, 2002. The contributions required of employers are based on an actuarial valuation and are expressed as a percentage of annual covered payroll during the period for which the amounts are determined.

Present rates are set at 5.25% to 7.50% for the employee contribution. On December 10, 2010, the PSERS Board certified a new employer contribution rate, to be paid by the School District, of 5.64% for the 2010-11 fiscal year (such 5.64% consisting of 5.00% toward pension and 0.64% toward health care), and the PSERS Board projected, based on June 30, 2010 valuations, employer contribution rates ranging from approximately 12.63% to 26.96% per year for fiscal years 2012-13 to 2019-20.

The PSERS Board of Trustees set the employer contribution rate of 12.36% for the 2012-13 fiscal year. The employer rate for the 2013-14 fiscal year is 16.93%.

The Participating Districts and the Institute of Science and Technology have been current in making its required contributions.

PSERS is primarily responsible for administering a defined benefit pension plan for public school employees in the Commonwealth of Pennsylvania. The rate of return on investment was 3.43% for the fiscal year ended June 30, 2012, 20.37% for the fiscal year ended June 30, 2011, 14.59% for the fiscal year ended June 30, 2010, -26.5% for the fiscal year ended June 30, 2009, -2.8% for the fiscal year ended June 30, 2008 and 22.9% for the fiscal year ended June 30, 2007.

PSERS' total plan net assets decreased by \$16.24 billion from \$62.7 billion at June 30, 2008 to \$43.1 billion at June 30, 2009 and then increased to \$46.5 billion at June 30, 2010. As of June 30, 2011, PSERS' had net assets of \$51.4 billion and a membership of over 282,000 active school employees and 184,000 retirees. As of June 30, 2012, PSERS' had net assets of \$48.8 billion and a membership of over 279,000 active school employees and 195,000 retirees.

PSERS' funded ratio as of the latest actuarial valuation dated June 30, 2012 was 66.3%. The Fund's complete report is available on the PSERS website on the Internet: www.psers.state.pa.us.

Other Post-Employment Benefits

The Participating Districts may provide "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the Participating District and have satisfied specified eligibility standards of the Participating District's plan.

TAXING POWERS OF THE PARTICIPATING DISTRICTS

Powers under School Code and Local Tax Enabling Act

Subject to certain limitations imposed by the Taxpayer Relief Act, Act No. 1 of the Special Session of 2006 (see below), each of the Participating Districts are empowered by the School Code and other statutes to levy the following taxes:

1. A basic annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.

2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:
 - a. for minimum salaries and increments of the teaching and supervisory staff;
 - b. to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;
 - c. to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the school district; and
 - d. to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July, 1959.
3. An annual per capita tax on each resident or inhabitant over 18 years of age of not more than \$5.00.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended (“The Local Tax Enabling Act”). These taxes, which may include, among others, an additional per capita tax, wage and other earned income taxes, real estate transfer taxes, gross receipts taxes, and occupation taxes, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth – “STEB”) multiplied by twelve mills. The Local Tax Enabling Act was amended by Act 222 of 2004 to authorize all taxing authorities to exempt from per capita, occupation, emergency and municipal service or earned income taxes any person whose total income from all source is less than \$12,000 per year.

The Taxpayer Relief Act (Act 1)

Pennsylvania Act No. 1 of the Special Session of 2006 (“Act 1”), which became effective June 27, 2006, provides, *inter alia*, that a school district may not, in fiscal year 2007-2008 or in any subsequent fiscal year, levy any tax for the support of the public schools which was not levied in the 2006-2007 fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act (Act 511), or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one of the exceptions provided therein. On June 30, 2011, the General Assembly adopted legislation (Act 25 of 2011) amending Act 1 eliminating several exceptions previously permitted under Act 1 and providing for the rescission of certain prior approved referendum exceptions for disaster/emergency costs, implementation of a court order, school construction and non-academic school construction (effective after the last payment of principal and interest on debt incurred to finance same). (Act 1 together with Act 25 of 2011 will hereinafter be referred to as the “Taxpayer Relief Act”). The exceptions available under the Taxpayer Relief Act are summarized as follows:

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004, or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004 (the School District did not so elect); to pay interest and principal on any indebtedness approved by the voters at referendum;
2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances;
3. To make payments into the State Public School Employees’ Retirement System when the increase in the actual dollar amount of estimated payments between the current year and the upcoming year is greater than the Index.

A school district intending to utilize the foregoing exceptions is entitled to apply to the Pennsylvania Department of Education (“PDE”) for approval thereof, if and to the extent a tax increase greater than the Index is needed in any particular fiscal year. The Taxpayer Relief Act provides that PDE shall approve a school district’s request if a review of the data demonstrates that the school district qualifies for the exception sought and the sum of the dollar amounts of all exceptions for which the school district qualifies is not more than what is necessary to balance the budget after giving effect to the revenue to be raised by the allowable increase under the Index. There can be no assurance; however, that approval will be given by PDE to utilize a referendum exception in any future fiscal year or years.

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 1 above may not exceed the anticipated dollar amount of the expenditure, and any revenue derived from an increase in the rate of any tax allowed pursuant to any other exception enumerated above may not exceed the rate increase required, as determined by the court or PDE, as the case may be. If a school district’s petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

The Index (to be determined and reported by PDE by September of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the State Department of Labor and

Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the preceding 12-month period beginning July 1 and ending June 30. If and when a school district has a Market Value/Income Aid Ratio greater than 0.40 for the prior school year, however, the Index is adjusted upward by multiplying the unadjusted Index by the sum of 0.75 and such Aid Ratio.

Status of the Series A Bonds Under Act 1

The Series A Bonds are refunding the 2009 A Bonds, which in turn, refunded debt which was incurred by the Participating Districts under the Act prior to June 27, 2006, the effective date of the Taxpayer Relief Act. Therefore, under the Taxpayer Relief Act, the Participating Districts are entitled to apply to the Pennsylvania Department of Education (“PDE”) for an approval to utilize a refunding exception, to the extent a tax increase greater than the Index is needed to pay principal and interest on the Bonds in any particular fiscal year (see “The Taxpayer Relief Act” above and “Budgeting Process in School Districts under the Taxpayer Relief Act” in Appendix A hereto). The Taxpayer Relief Act provides that PDE shall approve a school district’s request if a review of the data demonstrates that the school district qualifies for the exception sought and the sum of the dollar amount of all exceptions for which the school district qualifies is not more than what is necessary to balance the budget after giving effect to the revenue to be raised by the allowable increase under the Index. There can be no assurance; however, that approval will be given by PDE to utilize a refunding or any other exception in any future fiscal year or years.

Status of the Series AA Bonds Under Act 1

The Series AA Bonds are refunding the 2009 AA Bonds which were not incurred before the effective date of Act 1 and, therefore, the Series AA Bonds are not “Grandfathered” and the Participating Districts cannot be granted an exception to the Act 1 referendum requirement on the basis of the debt service due and payable with respect to the Series AA Bonds if a tax increase greater than the Index is needed.

THE FOREGOING SUMMARY OF THE TAXPAYER RELIEF ACT IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF THE TAXPAYER RELIEF ACT NOR A LEGAL INTERPRETATION OF ANY PROVISION OF THE TAXPAYER RELIEF ACT, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF THE TAXPAYER RELIEF ACT AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Act 130 of 2008

Act 130 of 2008 of the Commonwealth amended the Local Tax Enabling Act so as to authorize school districts levying an occupation tax to replace that occupation tax with an increased earned income tax or, if the school district has implemented a personal income tax in accordance with the Taxpayer Relief Act, an increased personal income tax, in a revenue neutral manner. To so replace an occupation tax, the board of school directors must first hold at least one public hearing on the matter and then place a binding referendum question on the ballot at a general or municipal election for approval by the voters.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 130. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 130 NOR A LEGAL INTERPRETATION OF ANY PROVISIONS OF ACT 130. A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 130 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Act 24 of 2001

Act 24 of 2001 authorizes a board of school directors to schedule a public hearing and to conduct a ballot referendum to approve replacement of the school district’s occupation tax with an increase in the local earned income tax. Currently, school districts in Pennsylvania share a 1.0% local earned income tax on the annual amount of resident’s wages and other earned income (which excludes unearned or investment income). The occupation tax is a flat amount for all employed individuals, or assessed by various trade, occupation and professional titles, regardless of income. Upon approval of a referendum, the occupation tax is authorized to be discontinued and the local earned income tax is permitted to be increased by the percentage necessary to generate revenue equal to the amount collected during the preceding year on the occupation tax. The restructured tax is designed to be revenue neutral to the school district.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 24. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 24 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 24. A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 24 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Act 48 of 2003

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes for the school year 2005-2006 or any subsequent school year, unless the school district has adopted a budget for such school year that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

Total Budgeted Expenditures:	Estimated Ending Unreserved Undesignated Fund Balance as a Percentage of Total budgeted Expenditures:
Less than or equal to \$11,999,999	12.0%
Between \$12,000,000 and \$12,999,999	11.5%
Between \$13,000,000 and \$13,999,999	11.0%
Between \$14,000,000 and \$14,999,999	10.5%
Between \$15,000,000 and \$15,999,999	10.0%
Between \$16,000,000 and \$16,999,999	9.5%
Between \$17,000,000 and \$17,999,999	9.0%
Between \$18,000,000 and \$18,999,999	8.5%
Greater than or equal to \$19,000,000	8.0%

“Estimated ending unreserved fund balance” is defined in Act 2003-48 as that portion of the fund balance which is appropriate for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district’s budget was adopted and held in the general fund accounts of the school district.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 48. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 48 NOR A LEGAL INTERPRETATION OF ANY PROVISIONS OF ACT 48. A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 48 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

LABOR RELATIONS OF THE INSTITUTE OF SCIENCE AND TECHNOLOGY

There are approximately 88 employees (58 full-time and 30 part-time), of the Central Pennsylvania Institute of Science and Technology, including 21 secondary teachers, 45 post-secondary teachers (15 full-time and 30 part-time), 5 administrators, and 17 support personnel including secretaries, aides, and maintenance/custodial staff.

The school’s teachers are represented by the Centre County Area Vocational-Technical Education Association, an affiliate of the American Federation of Teachers (AFT), under a six year contract which began July 1, 2014 and expires June 30, 2020. This agreement determines such items as wage rates, holidays, sick pay and certain fringe benefits.

INSTITUTE OF SCIENCE AND TECHNOLOGY FINANCIAL HISTORY

The Institute of Science and Technology has never defaulted on the payment of lease rentals or debt service.

The status of the Institute of Science and Technology’s present indebtedness is shown in the table entitled “Summary of School Financing” in Appendix B. See also “APPENDIX B, Description of the Institute of Science and Technology and Financial Factors.”

PARTICIPATING DISTRICTS FINANCIAL HISTORY

A description of each of the Participating School Districts and their respective financial factors are described herein. See APPENDIX B, APPENDIX C, and APPENDIX D.

FUTURE FINANCING

The Institute of Science and Technology does not plan any future additional financing at this time.

TAX EXEMPTION AND OTHER TAX MATTERS

State Tax Matters

In the opinion of Bond Counsel, the Bonds, and the interest income therefrom, are free from taxation for purposes of personal income, corporate net income and personal property taxes within the Commonwealth of Pennsylvania.

The residence of a holder of a Bond in a state other than Pennsylvania, or being subject to tax in a state other than Pennsylvania, may result in income or other tax liabilities being imposed by such other state or its political subdivisions based on the interest or other income from the Bonds.

Federal Income Tax Matters

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including, in the case of Bonds sold at an original issue discount, the difference between the initial offering price and par) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of Federal individual or corporate alternative minimum taxes.

Original Issue Premium

The Bonds (for this purpose, each a "Tax-Exempt Premium Bond") are being sold at an original issue premium ("OIP"). An amount equal to the excess of the issue price of a Tax-Exempt Premium Bond over its stated redemption price at maturity constitutes OIP on such Tax-Exempt Premium Bond. An initial purchaser of a Tax-Exempt Premium Bond must amortize any OIP over the term of such Tax-Exempt Premium Bond using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Tax-Exempt Premium Bonds callable prior to their maturity, by amortizing the OIP to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As OIP is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Tax-Exempt Premium Bond is reduced by the same amount--resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Tax-Exempt Premium Bond prior to its maturity. However, even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Tax-Exempt Premium Bonds should consult with their tax advisors with respect to the determination and treatment of OIP for federal income tax purposes and with respect to the state and local tax consequences of owning a Tax-Exempt Premium Bond.

Continuing Compliance

The Code imposes various terms, restrictions, conditions and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The Authority, CPI and the Participating Districts have covenanted to comply with all such requirements, including non-arbitrage requirements under Section 148 of the Code, that are necessary to ensure that interest on the Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with the aforesaid covenants. Moreover, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax-exempt status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Indenture, Loan Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Such changes or actions could constitute an exchange or other tax event with respect to the Bonds, which could result in gain or loss to the holder of a Bond, and a consequent tax liability.

Pursuant to its continuing disclosure obligations made pursuant to SEC Rule 15c2-12 (see "Continuing Disclosure Undertaking" herein), CPI and the Participating Districts may be required to provide notice of such changes or actions, as Material Events under said Rule. However, holders of the Bonds should consult their own tax advisors as to the effect of such changes or actions with respect to their federal tax liability.

Collateral Tax Liabilities

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for Federal and Pennsylvania income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may result in other collateral effects on a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion; each Bondholder or potential Bondholder is urged to consult with its own tax advisors with respect to the effects of purchasing, holding or disposing of the Bonds on its tax liabilities.

For example, corporations are required to include interest on the Bonds in determining "adjusted current earnings" under Section 56(c) of the Code, which may increase the amount of any alternative minimum tax owed. Other tax consequences for certain taxpayers include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability of certain S corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of social security or railroad retirement benefits under Section 86 of the Code, limiting the use of the Earned Income Credit under Section 32 of the Code, limiting the use of the refundable credit for coverage under a qualified health plan under Section 36B of the Code, and denying an interest expense deduction to certain financial institutions under Section 265 of the Code (unless, and in the circumstance when, the Bonds have been designated by the issuer as "qualified tax-exempt obligations").

Change in Law; Adverse Determinations

From time to time, certain legislative proposals may be introduced, or are pending, in the Congress of the United States or the various state legislatures, including some that carry retroactive effective dates, that, if, enacted, could alter or amend the federal and state tax matters described above or affect the market value of the Bonds. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") regularly audits tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No prediction can be made whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures, the Service may treat the Authority as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until such time as the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, such as the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or to any Bondholder who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns.

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL, STATE AND LOCAL TAX LAWS WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE BONDS OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE EFFECT ON THEIR FEDERAL, STATE OR LOCAL TAX LIABILITY AND GENERAL FINANCIAL AFFAIRS OF HOLDING THE BONDS OR RECEIVING INTEREST THEREON.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the Institute of Science and Technology and each of the Participating Districts (each of which is an "obligated person" with respect to the Bonds within the meaning of the Rule) will agree:

(i) to provide at least annually to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access (EMMA) system, the following annual financial information and operating data (together the "Annual Information") with respect to the Institute of Science and Technology or the applicable Participating District for each of its fiscal years, beginning

with the fiscal year ending June 30, 2014, within 180 days following the end of such fiscal year: (A) its financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units and audited in accordance with generally accepted auditing standards; and (B) a summary of its annual budget for the current fiscal year.

(ii) within ten (10) business days after the occurrence of the event, to file with the MSRB in such electronic format as is proscribed by the MSRB and accompanied by such identifying information as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Institute of Science and Technology; (13) the consummation of a merger, consolidation, or acquisition involving the Institute of Science and Technology or the sale of all or substantially all of the assets of the Institute of Science and Technology, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and (15) failure to make Annual Information filings on a timely basis;

(iii) to file, in a timely manner, to the MSRB and accompanied by such identifying information as prescribed by the MSRB, notice of a failure of the Institute of Science and Technology or a Participating District to submit the Annual Information to the MSRB for any fiscal year on or before the date specified above.

The Institute of Science and Technology or a Participating District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Institute of Science and Technology and the Participating Districts do not commit to provide any such notice of the occurrence of any events except those specifically listed above.

Each of the Institute of Science and Technology and each of the Participating Districts reserve the right to terminate its obligation to provide annual financial information and notices of reportable events, as set forth above, if and when the Institute of Science and Technology or such Participating District no longer remains an "obligated person" with respect to the Bonds within the meaning of the Rule. Each of the Institute of Science and Technology and the Participating Districts acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders or beneficial owners of the Bonds and shall be enforceable by the holders or beneficial owners of such Bonds; provided that the Bondholders' right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Institute of Science and Technology's or such Participating District's obligations hereunder and any failure by the Institute of Science and Technology or such Participating Districts to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

Notwithstanding any other provisions of the Disclosure Certificate, any filing required by the Disclosure Undertaking may be made with such depositories and using such electronic filing systems as may be approved by the SEC or the MSRB (in lieu of the procedures otherwise set forth in the Disclosure Undertaking).

The Institute of Science and Technology has complied with all prior written undertakings under the Rule to provide ongoing disclosure of annual financial information and notice of material events affecting its securities. The Institute of Science and Technology has submitted documents for the fiscal years ended June 30, 2009, 2010, 2011, 2012, and 2013; however the Institute of Science and Technology provided its continuing disclosure more than 180 days after the end of their fiscal year. The Institute of Science and Technology has established procedures to assure that information is provided in a timely manner in the future. The Institute of Science and Technology will continue to provide ongoing disclosure of annual financial information and notice of material events affecting its securities by filing with the MSRB through EMMA System in the future.

The Institute of Science and Technology may have from time to time missed certain material event postings including rating downgrades by insurance companies.

The Bald Eagle Area School District has complied with all prior written undertakings under the Rule to provide ongoing disclosure of annual financial information and notice of material events affecting its securities. The Bald Eagle Area School District has submitted documents for the fiscal years ended June 30, 2009, 2010, 2011, 2012, and 2013; however the Bald Eagle Area School District provided its continuing disclosure more than 180 days after the end of its fiscal year. The Bald Eagle Area School District will continue to provide ongoing disclosure of annual financial information and notice of material events affecting its securities by filing with the MSRB through EMMA System in the future.

The Bellefonte Area School District has complied with all prior written undertakings under the Rule to provide ongoing disclosure of annual financial information and notice of material events affecting its securities. The Bellefonte Area School District has submitted documents for the fiscal years ended June 30, 2009, 2010, 2011, 2012, and 2013; however the School District provided its continuing disclosure for June 30, 2009 and 2010 more than 180 days after the end of its fiscal year. The Bellefonte Area School District will continue to provide ongoing disclosure of annual financial information and notice of material events affecting its securities by filing with the MSRB through EMMA System in the future.

The Penns Valley Area School District has complied with all prior written undertakings under the Rule to provide ongoing disclosure of annual financial information and notice of material events affecting its securities. The Penns Valley Area School District has submitted documents for the fiscal years ended June 30, 2009, 2010, 2011, 2012, and 2013; however the School District provided its continuing disclosure for June 30, 2009 more than 180 days after the end of its fiscal year. The Penns Valley Area School District will continue to provide ongoing disclosure of annual financial information and notice of material events affecting its securities by filing with the MSRB through EMMA System in the future.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE

The following pages contain descriptions of certain provisions of the Loan Agreement and the Indenture. The Bonds are secured by the Indenture and are payable from payments due under the Loan Agreement. These descriptions are brief summaries and do not purport to be and should not be regarded as complete statement of the terms of either the Loan Agreement or the Indenture or as complete synopses thereof. Reference is made to the documents in their entirety, copies of which may be obtained from the Trustee, for a complete statement of the terms and conditions thereof.

Loan Agreement

In connection with the issuance of the Bonds, the Authority will enter into the Loan Agreement with the Participating Districts and CPI (through its the Joint Operating Committee) pursuant to which the Authority will loan the proceeds of the Bonds to the Participating Districts. The Loan Agreement requires the Participating Districts to make loan repayment to the Authority in the amounts sufficient to pay the debt service on the Bonds. The Participating Districts are obligated under the Loan Agreement to pay only their respective shares, as set forth below. The failure of one of the Participating Districts to pay its proportionate share will not increase the liabilities or obligations of any other Participating District, or require such other Participating Districts to remedy such a payment default.

Representations, Warranties and Covenants: The Participating Districts make certain representations, warranties and covenants under the Loan Agreement, including without limitation, with respect to the existence and authority of the Participating Districts, the enforceability of the Loan Agreement and Notes and the absence of material litigation.

Source of Debt Service Payments: The debt service payments are payable by the Participating Districts from their revenues from whatever source derived which include ad valorem taxes (limited as to rate) and State reimbursements. Each Participating District has covenanted to include payment due in each fiscal year in its operating budget for such fiscal year during the term of the Loan Agreement and to make the loan payments required to be paid the Authority with respect to such Participating Districts' Note and the Loan Agreement. The obligation of each of the Participating Districts the Loan Agreement and their current proportionate share are shown on the following table:

<u>School District</u>	<u>Initial Share</u>	<u>Principal Amount</u>
Bald Eagle Area SD	41.07%	\$2,589,464
Bellefonte Area SD	39.18%	\$2,470,299
Penns Valley Area SD	19.75%	\$1,245,237

Assignment of Loan Agreement: Loan payments shall be paid directly to the Trustee under an assignment by the Authority to the Trustee of such payments for the benefit and security of the Bondholders under the Indenture.

Unconditional Obligation: The obligations of the Participating Districts to pay the principal and interest due under the Notes and Loan Agreement and all other sums payable under the Loan Agreement are absolute and unconditional. The payment are required to be made in full directly to the trustee, as assignee, when due without delay or diminution for any cause whatsoever, including without limitation thereto, destruction of any educational facilities, and without right of set-off for default on the part of the Authority under the Loan Agreement.

Events of Default: Any one or more of the following event shall constitute an “Event of Default” under the Loan Agreement:

- (a) A Participating District fails to make any payment required under its respective Note;
- (b) A Participating District or the Joint Operating Committee shall fail or refuse to comply with its tax covenants set forth in the Loan Agreement;
- (c) A Participating District or the Joint Operating Committee shall default in the due and punctual performance of any other of the covenants and agreements contained in the Loan Agreement and such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Participating District or the Joint Operating Committee by the Authority;
- (d) If an event of Default shall have occurred and be continuing under the Indenture and as a result of such Event or Default the Bonds shall have been declared due and payable by acceleration in accordance with the Indenture; or
- (e) The Participating Districts and the Joint Operating Committee shall fail, discontinue or cause unreasonable delay in carrying out the Project and shall fail to remedy such failure, discontinuance or delay within 30 days of notice thereof by the Authority.

Remedies: If an Event of Default has occurred and is continuing:

- (a) The Authority (or the Trustee as its assignee) may, in addition to its other rights and remedies as may be provided in the Loan Agreement or may exist at the time at law or in equity, exercise any one or more of the following remedies:
 - (1) Upon notice to the Participating District, declare all sums due or to become due under the Loan Agreement and under the Notes to be immediately due and payable; or
 - (2) By suit, action or proceeding at law or in equity, enforce all rights of the Authority, and require the Participating Districts and the Joint Operating Committee to carry out any agreements with or for the benefit of the owners of the Bonds and to perform their duties under the Act, the Loan Agreement and the Notes; or
- (b) Upon the occurrence of an Event of Default described in paragraph (a) under “Events of Default” above, the Authority shall, in addition to the exercise of any other remedy hereunder, notify the Secretary of the Department of Education of such Event of Default and request the Secretary, in accordance with the appropriate provision of Pennsylvania law, to notify the defaulting Participating Districts of their obligations under the Loan Agreement and to withhold out of any appropriation due such School District under the Pennsylvania School Code an amount equal to the sum or sums owing by such School District to the Authority under the Loan Agreement and under the respective Notes, and shall pay over the amount so withheld to the Trustee, as sinking fund depository for the Notes, on behalf of the Authority.

Indenture

Limited Obligations of the Authority: The Bonds are limited obligations of the Authority and are secured by a pledge and assignment to the Trustee of the Pledged Revenues and other revenues or income derived by or for the Authority from or with respect to the Loan Agreement and all moneys to be paid over to the Trustee under the provision of the Indenture. The Authority has no taxing power. Neither the general credit of the Authority nor the credit or taxing power of the United States of America, the Commonwealth of Pennsylvania or any of its other Participating Districts or any other political subdivision thereof is pledged for the payment of the principal or, or the interest on the Bonds; nor shall the Bonds be deemed to be an obligation of the Authority, the Commonwealth of Pennsylvania, its other Participating Districts or any other political subdivision thereof. The Participating Districts are empowered to levy ad valorem taxes, in order to make the payment in the amount required under the Notes and the Loan Agreement as described herein subject to certain limitations (see “Limitations on the Taxing Power of the Participating Districts – Act 1 Special Session of 2006 (Taxpayer Relief Act)”) herein.

Pledge and Assignment of Certain Revenues: The Authority has assigned to the Trustee, in the Indenture, a security interest in all loan payments, and other sums payable under the Loan Agreement, for the benefit and security of the Registered Owners of the Bonds issued under such Indenture.

Revenue Fund: All payments under the Loan Agreement are required to be deposited to the Revenue Fund established with the Trustee, at the times set forth in the Indenture. All moneys in the Revenue Fund are required to be transferred by the Trustee at the times set forth in the Indenture to the various other Funds established under the Indenture.

Debt Service and Sinking Fund: There is established under the Indenture a Debt Service Fund from moneys in the Revenue Fund, on or before each interest payment date moneys in an amount sufficient to make the interest payments due on the Bonds on each such date and to make principal payments (including mandatory sinking fund redemption) due on the Bonds each year when due.

Rebate Fund: The Trustee shall establish a Rebate Fund. The Authority will periodically, and upon retirement of the last Bond, determine the sum required to be deposited in the Rebate Fund (if any) and direct the Trustee to transfer such sum from the other funds and accounts established under the Indenture. The Authority will direct the Trustee to pay to the United States Government the sums on

deposit in the Rebate Fund at the times and in the amount (if any) required by the Internal Revenue Code of 1986, as amended, and all extant regulations promulgated thereunder.

Investment of Funds: Moneys held in the Revenue Fund and the Debt Service Fund thereunder will be invested in accordance with the Indenture.

Additional Bonds: The Indenture permits, under certain circumstances and conditions, the issuance of additional bonds for the purposes of refunding any series of outstanding bonds of the Authority issued on behalf of the Institute of Science and Technology or financing additional projects for the Institute of Science and Technology, authorized by the School Code for which the Authority is authorized to issue bonds under the Act.

Default and Remedies: The Act provides remedies to the Bondholders in the event of default or failure on the part of the Authority to fulfill its covenants under the Indenture.

Under the Indenture, in the event of any such event of default (as defined in the Indenture), the Trustee may enforce, and upon the written request of the holders of 25% in principal amount of the Bonds then outstanding accompanied by indemnity as provided in the Indenture and the consent of the Bond Insurer, shall enforce for the benefit of all Bondholders all their rights of entry, of bringing suit, action or proceeding at law or in equity and of having a receiver appointed.

Neither the Trustee nor any receiver, however, may sell, assign, mortgage or otherwise dispose of any assets of the Authority. For a more complete statement of rights and remedies of the Bondholders and of the limitations thereon, reference is made to the Indenture.

Annual Audit: The Authority covenants that it will keep proper books of record and account in which complete and correct entries shall be made of all transactions of the Authority and which, at all reasonable times, will be subject to the inspection of the Trustee or its representative duly authorized in writing. The Authority, within 120 days after the end of the fiscal year, will cause its books and accounts to be audited by an independent (as defined in the Indenture) certified public accountant or a firm of independent certified public accountants.

Modifications and Amendments: Amendments to the Indenture are permitted without consent of Bondholders for certain purposes, including the imposition of additional restrictions and conditions respecting issuance of bonds, the addition of covenants and agreements by the Authority, the modification of the Indenture to conform the same with governmental regulations (so long as the rights of Bondholders issued thereunder are not adversely affected thereby), the curing of any ambiguity, defect of inconsistency in the Indenture and the making of provision for matters which are necessary or desirable and which do not adversely affect the interest of Bondholders. Certain other modifications may be made to the Indenture, but only with consent of owners of not less than 66 2/3% in principal amount or in maturity value of outstanding Bonds (as defined in the Indenture) issued thereunder.

Reserved Rights: Under the terms of the Indenture, the SPSBA has reserved the right to receive payment of any fees, costs and expenses from the Institute of Science and Technology and the Participating Districts and its right to indemnification by the Institute of Science and Technology and the Participating Districts. Such rights are not assigned to the Trustee.

Defeasance: Whenever all Bonds outstanding under the Indenture and all other sums due thereunder have been paid, or provision shall have been made for payment, then the rights, title and interest of the Trustee under the Indenture shall cease and the Trustee shall release and discharge the lien of the Indenture. Provision for payment of the Bonds may be made by depositing any combination of direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America with the Trustee.

Insurance Provisions: Certain rights are granted to the Bond Insurer, under the Indenture. These rights include, among others, the approval of amendments, consents in addition to bondholder consents, control and direction of remedies, receipt and copies of notices, and third-party beneficiary status.

ABSENCE OF LITIGATION

There is no litigation of any nature now pending, or, to the SPSBA's knowledge, threatened against it restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds, the Indenture, or any proceedings of the SPSBA taken in connection with the issuance or sale of the Bonds, the pledge or application of any moneys or security provided for the payment of the Bonds, or the existence or powers of the SPSBA.

There is no litigation, individually or in the aggregate, currently pending or to the knowledge of the Institute of Science and Technology threatened against it, which will have a material adverse affect on its financial condition or which will affect the validity or enforceability of the Loan Agreement or which in any way contests the existence or powers of the Institute of Science and Technology.

CERTAIN LEGAL MATTERS

Purchase of the Bonds by the Underwriter is subject to the receipt of the approving legal opinion of Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, Bond Counsel. Certain legal matters relating to the SPSBA will be passed upon by Hartman Underhill & Brubaker, LLC, Lancaster, Pennsylvania, SPSBA Counsel, and certain legal matters relating to the Institute of Science and Technology will be passed upon by Campbell Miller Williams Benson Etter & Consiglio, Inc., State College, Pennsylvania, Solicitor to the Institute of Science and Technology.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinions.

RATING

Standard & Poor's Ratings Services ("S&P") has assigned the underlying "A+" (stable outlook) rating to the Bonds. S&P is also expected to assign its municipal bond rating of "AA" (stable outlook) to the issue of the Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of the principal of and the interest on the Bonds will be issued by BAM. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Standard & Poor's, 55 Water Street, New York, New York 10041. There is no assurance that such rating will remain for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if in their judgment circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

THE TRUSTEE

The Authority has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application of the proceeds of such Bonds by the Authority. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the Project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

UNDERWRITING

The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the SPSBA at a purchase price of \$6,676,284.60, plus accrued interest, if any. The Underwriter's obligation to purchase the Bonds is subject to certain conditions precedent; however, the Underwriter is obligated to purchase all such Bonds if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

MISCELLANEOUS

The SPSBA has no responsibility for the Institute of Science and Technology’s compliance or any Participating District’s compliance with the Continuing Disclosure Agreement or for the contents of, or any omissions from, the financial information, operating data, or notices provided thereunder.

The references herein to the Indenture, the Loan Agreement, the Bonds, the Continuing Disclosure Agreement, the Act, the School Code and other materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof.

The information contained in this Official Statement has been compiled or prepared from official and other sources deemed to be reliable and, although not guaranteed as to completeness or accuracy, are believed to be correct as of this date. Statements involving matters of opinion, whether or not expressly so stated are intended as such and not as representations of fact.

The information contained in this Official Statement should not be construed as representing all the conditions affecting the SPSBA, the Institute of Science and Technology, the Participating Districts or the Bonds.

The SPSBA has not assisted in the preparation of this Official Statement, except for the statements under the section captioned “The SPSBA” herein and, except for that section, the SPSBA is not responsible for any statement made in this Official Statement except for the authorization, execution and delivery of documents required to affect the issuance of the Bonds, the SPSBA has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except aforesaid, the SPSBA assumes no responsibility for the disclosures set forth in this Official Statement.

The undersigned, being the duly appointed Executive Director of the SPSBA and being duly authorized so to do, does hereby certify that the foregoing Official Statement is in form and content as authorized by the Board of the SPSBA, and that as of the date hereof, the Official Statement as it relates to the SPSBA, does not contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statement contained herein, in light of the circumstances under which they were made, not misleading.

STATE PUBLIC SCHOOL BUILDING AUTHORITY
Commonwealth of Pennsylvania

By: /s/ Robert Baccon

Mr. Robert Baccon,
Executive Director

The Institute of Science and Technology hereby approves the use and distribution of this Official Statement in connection with the issuance and sale of the Bonds and hereby certifies that, as of the date hereof, the statements contained in this Official Statement relating to the Institute of Science and Technology do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

CENTRAL PENNSYLVANIA INSTITUTE OF SCIENCE AND TECHNOLOGY
Centre County, Pennsylvania

By: /s/ Henry Yeagley

Mr. Henry Yeagley,
Chairman, Joint Operating Committee

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APPENDIX A

**Summaries of
Financial Statements of the
Central Pennsylvania Institute of Science and Technology**

FINANCIAL REVIEW

The following Exhibit on page A-3 is a summary only and is not intended to be a complete report. For more complete information, the individual financial statements and the Budget of the Institute of Science and Technology should be reviewed at the Institute of Science and Technology's Business Office, Pleasant Gap, Pennsylvania.

Review of Recent General Fund Audited Financial Statements and Budget

The exhibit on page A-3 is a five-year comparison of the Institute of Science and Technology's Audited General Fund Revenues and Expenditures for Fiscal Years ending 2011-2013, and the fiscal year 2013-2014 and 2014-2015 Budgets. The figures have been extracted from the Institute of Science and Technology's financial statements for the years considered and arranged in a form believed to be convenient for the purposes of this Official Statement.

Accounting Method

The Institute of Science and Technology keeps their books and prepares their financial reports according to a modified accrual basis of accounting. Major accrual items are payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units. Their financial statements are audited annually by independent certified public accountants, as required by State law.

Budgeting Process in School Districts under the Taxpayer Relief Act

In General. School districts (including the Participating Districts) budget and expend funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by school district administrative officials on a uniform form furnished by such Department and submitted to the board of school directors for approval prior to the beginning of the fiscal year on July 1.

Procedures for Adoption of the Annual Budget. Under the Taxpayer Relief Act, effective for the fiscal year beginning on or after January 1, 2007 all school districts of the first class A, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days' public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the Pennsylvania Department of Education (PDE) no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (*see* "**The Taxpayer Relief Act**" in the main body of the Official Statement) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, seek voter approval for the tax increase at the upcoming election or seek approval to utilize one of the referendum exceptions authorized under The Taxpayer Relief Act.

With respect to the utilization of any of the Taxpayer Relief Act referendum exceptions (*see* "**The Taxpayer Relief Act**" in the main body of the Official Statement), the school district must publish notice of its intent to seek PDE approval not less than one week before submitting its request for approval to PDE and, if PDE determines to schedule a public hearing on the request, a notice of the date, time and place of such hearing. PDE is required by the Taxpayer Relief Act to rule on the school district's request and inform the school district of its decision no later than 55 days prior to the upcoming election so that, if PDE denies the school district's request, the school district may submit a referendum question to the local election officials at least 50 days before the upcoming election, if it so chooses.

If a school district seeks voter approval to increase taxes at a rate higher than the applicable Index, whether or not it first seeks approval to utilize one of the referendum exceptions available under the Taxpayer Relief Act, and the referendum question is not approved by a majority of the voters voting on the question, the board of school directors may not approve an increase in the tax rate greater than the applicable Index.

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public

notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

CENTRAL PENNSYLVANIA INSTITUTE OF SCIENCE AND TECHNOLOGY
Comparative Statement of General Fund Revenues
and Expenditures for the Fiscal Years ending
June 30, 2011-2013 & June 30, 2014-2015 Budgets

	2010-11 <u>Audited</u>	2011-12 <u>Audited</u>	2012-13 <u>Audited</u>	2013-14 <u>Budgeted</u>	2014-15 <u>Budgeted</u>
<u>REVENUES:</u>					
Local Sources	\$5,965,389	\$6,812,054	\$6,820,597	\$6,354,347	\$7,328,776
State Sources	893,051	835,406	876,374	2,171,964	967,617
Federal Sources	821,051	160,876	209,428	11,200	83,145
Other Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	\$7,679,491	\$7,808,336	\$7,906,399	\$8,537,511	\$8,379,538
<u>EXPENDITURES:</u>					
Instruction	\$5,311,561	\$5,508,725	\$5,016,741	\$4,232,163	\$4,595,687
Support Services	1,387,370	1,498,923	2,021,064	1,984,646	2,283,454
Non-instructional Services	15,485	0	8,437	3,000	3,000
Facilities	0	460,591	0	0	0
Debt Service	157,239	163,799	717,550	686,612	651,405
Other uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$6,871,655	\$7,632,038	\$7,763,792	\$6,906,421	\$7,533,546
Other Sources/(Uses)	*(546,697)	*(563,380)	**(1,057,031)	***(-1,200,000)	0
Net increase (decrease) in General Fund Balance:	261,139	(387,082)	(914,424)	431,090	845,992
Opening Fund Balance (July 1)	1,956,480	2,217,619	1,830,537	916,113	1,347,203
Ending Fund Balance (June 30)	<u>\$2,217,619</u>	<u>\$1,830,537</u>	<u>\$916,113</u>	<u>\$1,347,203</u>	<u>\$2,193,195</u>

* Transfer to Debt Service Reserve Fund

** Transfer to Capital Project Fund

*** RACP receipts of \$2,000,000, transfer to Capital Project Fund \$3,200,000

Source: Institute of Science and Technology's financial records

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APPENDIX B

**Description of the
Institute of Science and Technology
and
Financial Factors**

DESCRIPTION OF THE INSTITUTE OF SCIENCE AND TECHNOLOGY AND FINANCIAL FACTORS

Introduction

The Central Pennsylvania Institute of Science and Technology (the “Institute of Science and Technology” or “CPI”) is a joint venture operated in accordance with the Articles of Agreement by its three member school districts, Bald Eagle Area School District, Bellefonte Area School District, and Penns Valley Area School District all located in Centre County. CPI is located in Pleasant Gap, Pennsylvania and it provides vocational education and technical training to secondary level students of its Participating Districts. The Institute of Science and Technology receives funding primarily from contributions from its Participating Districts and from state and federal government sources. The Institute of Science and Technology is governed by its Joint Operating Committee, consisting of five members, who are appointed by the Participating Districts.

The Institute of Science and Technology is considered an Area Vocational Technical School by the Pennsylvania Department of Education. The Institute of Science and Technology offers High School Programs as well as Adult Education Programs, all listed below.

The Institute of Science and Technology

The Central Pennsylvania Institute of Science & Technology was established in 1969 as the Centre County Vocational-Technical School. In November 1998, the school's name was changed to Central Pennsylvania Institute of Science and Technology to reflect its competencies in scientific and technical education for high school students and the adult community.

Today, CPI offers more than 18 secondary programs, over 60 in-house adult & continuing education programs, and more than 350 online courses. In addition to exceptional classroom and hands-on instruction from a highly qualified, experienced faculty, CPI offers certification in a wide range of disciplines, a notable advantage to CPI graduates and their employers.

Conveniently located on 32 scenic acres in the heart of beautiful Nittany Valley, CPI is adjacent to exit 80 (Harrison Road) of the I-99 extension near Pleasant Gap, PA. The 32-acre campus includes two beautifully landscaped courtyards, a central auditorium, comfortable classrooms, and workshops equipped with state-of-the-art equipment.

High School Programs:

Advertising and Commercial Arts	Heating Ventilation & Air-Conditioning
Automotive Science & Technology	Heavy Equipment Operation
Building Trades Maintenance	Horticulture & Landscaping Design
Carpentry & Building Construction Technology	IT/Cisco Networking Academy
Collision Repair Technology	Masonry & Building Technology
Cosmetology	Medical Science & Technology
Culinary Arts	Precision Machine Technology
Dental Assistant Program	Protective Services
Diesel Repair Technology	Welding & Metal Fabrication Technology
Early Childhood Education	

Adult Education Programs:

Practical Nursing	Computers/Information Technology
Transportation/CDL	HVAC/R
Welding	Food Service
Construction	Automotive Technology
Dental Assisting	Heavy Equipment Operator
Emerging Energy & Infrastructure	Diesel Repair
Healthcare	

Source: <http://www.cpi.edu/>

Demographic Characteristics

The following tables provide population trends, age, and housing indices for Centre County and the Commonwealth.

Population

	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
Centre County	153,990	135,758	123,786	112,760
Commonwealth	12,702,379	12,281,054	11,881,643	11,863,895

Age Composition (2010)

	<u>Under 18</u>	<u>Under 18 as %</u>	<u>65 or Over</u>	<u>65 or Over as %</u>
Centre County	24,422	15.86	17,366	11.28
Commonwealth	2,792,155	21.98	1,959,307	15.42

Occupied Housing (2010)

	<u>Total Housing Units</u>	<u>Occupied Housing Units</u>	<u>% Occupied Housing</u>	<u>Owner-Occupied Housing Units</u>	<u>% Owner Occupied</u>
Centre County	63,297	57,573	90.96	33,716	58.56
Commonwealth	5,567,315	5,018,904	90.15	3,491,722	69.57

Source: The Pennsylvania State University Data Center

Educational Institutions

The main campus of the Pennsylvania State University is located in Centre County and was chartered in 1855 and designated a land grant institution in 1863. Penn State is the only institution of higher education located in the County which offers bachelor’s degrees and higher. Annual enrollment at the University Park campus totals more than 45,000 graduate and undergraduate students, making it one of the largest universities in the United States.

Lock Haven University is located northeast of CPI and offers many degree programs. The South Hill School of Business and Technology has three locations including State College, Altoona and Lewistown offering residents associate degree and certifications in numbers fields of study.

Transportation

The County is well served by major highways including Interstate 80 and 99, U.S. Routes 22, 220 and 322, and State Routes 26, 45, 64, 144, 150, and 192. Access to Harrisburg and the Pennsylvania Turnpike is provided by the U.S. Route 322.

The University Park Airport is located four miles north of State College. Daily flights to Pittsburgh, Harrisburg, Philadelphia, Baltimore and Washington, D.C. are provided by Allegheny Commuter Airlines; and daily service to Dulles Airport in Washington, D.C. is also provided by United Express Airlines, which is operated by Air Wisconsin. Air ambulance, freight and sightseeing services are also provided by Nittany Air Charter Service.

AMTRAK provides passenger rail service through arrivals and departures at Altoona and Lewistown to the south, and freight service is provided by Conrail. Intercity bus service is provided by Greyhound, and regional bus service is provided by Centre Line and Town & Campus through the Centre Area Transportation Authority. Several companies also offer regional and local transportation by bus and taxi services.

Health Facilities

Mount Nittany Health is a regional health care system with multiple locations including hospitals, urgent care and physicians services throughout Centre County. HealthSouth Nittany Valley Rehabilitation Hospital is located in Pleasant Gap and offers

comprehensive inpatient and outpatient rehabilitation services. Geisinger Health System also serves residents with multiple locations throughout the region including Port Matilda.

Source: www.mountnittany.org/ and www.nittanyvalleyrehab.com/

Recreational Facilities

Numerous recreational opportunities are found in the area. There are six Pennsylvania state parks in Centre County including: Bald Eagle State Park, Black Moshannon State Park, with excellent boating and fishing resources, McCalls Dam State Park, Penn-Roosevelt State Park, Poe Paddy State Park, and Poe Valley State Park. Two state fish hatcheries, at Benner Spring and Pleasant Gap, are open to the public daily. The Centre Region Parks and Recreation Department maintains and operates some 27 park facilities and two outdoor swimming pools. The Recreation Department sponsors a wide variety of programs for all ages throughout the year in sports, fitness and the arts. The Centre Region Senior Citizens Center offers a variety of programs and activities for those 55 and over.

Some twenty-six intercollegiate varsity sports are played on the campus of The Pennsylvania State University. The Central Pennsylvania Festival of The Arts is held each year in July, which includes sidewalk sales and events. Two bowling alleys serve the area with one located in Bellefonte and one in State College, and fishing is available in more than 37 streams and lakes throughout the County. Multiple public golf courses, including the PSU White Course, the PSU Blue Course and Toftrees Golf Club, are found in the area. Excellent opportunities for hunting, ice skating, tennis, swimming and skiing are also available.

THE ECONOMY

Trends in Centre County Labor Market Area Employment and Unemployment

The trend in total employment rates in Centre County, compared with the same rates for Pennsylvania and the United States, since 2000, is shown as follows:

Year	CENTRE COUNTY				
	<u>Civilian Labor Force</u>	<u>Total Employment</u>	<u>Percentage County</u>	<u>Percentage PA</u>	<u>Percentage U.S.</u>
2000	66,500	64,800	2.6	3.8	3.7
2001	67,700	65,500	3.3	4.5	5.4
2002	68,300	65,900	3.5	5.5	5.7
2003	69,200	67,100	3.1	4.7	5.4
2004	73,100	69,900	4.3	5.7	5.4
2005	73,600	71,100	3.5	4.7	4.9
2006	75,000	72,300	3.6	4.6	4.5
2007	75,300	72,600	3.5	4.3	4.8
2008	75,600	71,800	5.0	6.4	7.1
2009	74,800	70,300	6.0	8.5	9.7
2010	74,400	70,200	5.7	8.1	9.1
2011	75,200	71,400	5.0	7.2	8.3
2012	78,400	73,800	5.9	7.9	7.6
2013	76,700	73,200	4.6	6.2	6.5
2014 (June)	72,900	69,500	4.8	5.8	6.3

Source: Center for Workforce Information and Analysis, Pennsylvania Dept of Labor and Industry

Major Employers in the Area

	<u>Employer</u>	<u>Product or Service</u>	<u>Estimated Employees</u>
1	Pennsylvania State University	Higher Education	2,567
2	Mount Nittany Medical Center	Medical	2,168
3	State Government	Government	1,605
4	State College Area School District	Public Education	1,275
5	Glenn O Hawbaker Inc.	Construction	780
6	Wal-Mart/Sam's Club	Retail	693
7	Weis Markets Inc.	Grocer	656
8	County of Centre	Government	600
9	Meadows/Universal Health	Medical	545
10	HRI Inc.	Construction	475

Source: Institute of Science and Technology Officials and Chamber of Business & Industry of Centre County, <http://www.cbicc.org/>

SCHOOL FACILITIES AND ENROLLMENT

<u>School Facility</u>	<u>Original Construction Date</u>	<u>Renovations or Additions</u>	<u>2013-14 Enrollment</u>
Central Pennsylvania Institute	1969	2005, 2012	864

Source: Institute of Science and Technology Officials

Pupil Enrollment Historical and Projected

The following Table presents recent trends in school enrollment and projections of enrollment for over the next two years, as prepared by Institute of Science and Technology officials.

<u>Historical</u>		<u>Projected</u>	
<u>School Year</u>	<u>Total</u>	<u>School Year</u>	<u>Total</u>
2004-05	967	2014-15	900
2005-06	974	2015-16	950
2006-07	983		
2007-08	972		
2008-09	964		
2009-10	952		
2010-11	940		
2011-12	933		
2012-13	855		
2013-14	864		

Source: Institute of Science and Technology Officials

DEBT SUMMARY AND RELATED INFORMATION

Composition of Financing

<u>Lease Revenue</u>	<u>Long Term Debt Outstanding</u>	<u>Estimated Project Reimbursement</u>
Bonds, Series A of 2014	\$4,245,000	54.38%
Bonds, Series AA of 2014	\$2,060,000	0.00%

Central Pennsylvania Institute of Science and Technology

<u>Participating District</u>	<u>Aid Ratio (1)</u>	<u>Estimated Reimbursement (2)</u>
Bald Eagle Area	63.83%	34.71%
Bellefonte Area	51.65%	28.09%
Penns Valley Area	50.00%	27.19%

(1) School District's MVAR or 50.00%, whichever is higher.

(2) Aid Ratio multiplied by Reimbursement Percentage

APPENDIX C
Description of the
Bald Eagle Area School District
And Financial Factors

DESCRIPTION OF THE BALD EAGLE AREA SCHOOL DISTRICT

Introduction

Bald Eagle Area School District, Centre County, Pennsylvania (the "School District") is comprised of the Boroughs of Howard, Milesburg, Port Matilda, Snow Shoe, and Unionville and the Townships of Boggs, Burnside, Howard, Huston, Snow Shoe, Union and Worth. The School District lies in the northern portion of Centre County, Pennsylvania in the Bald Eagle Valley and extends north to the western branch of the Susquehanna River. The School District is located some twenty miles northwest of the Borough of State College and one hundred forty miles northeast of the City of Pittsburgh, Pennsylvania. The School District encompasses a land area of approximately 345 square miles.

The School District is a third class school district and operates under and pursuant to the School Code, as amended and supplemented. The School District is governed by a nine-member Board of School Directors comprised of residents of the School District who are elected on a staggered basis for four-year terms of office. The daily operations and management of the School District are overseen by the Superintendent of Schools, who serves as the chief education officer of the School District. Budget preparation and control are overseen by the Business Manager and the Superintendent.

Source: Bald Eagle Area School District, GOB Series of 2009 Official Statement; <http://www.emma.msrb.org/>

TAX REVENUES OF THE SCHOOL DISTRICT

Ten Largest Taxpayers in the School District

The ten largest real estate taxpayers in the School District and the 2012-13 assessed valuation of their real estate are as follows:

<u>Taxpayer</u>	<u>Property</u>	<u>Assessed Valuation</u>
C. C. Water Acquisition, Co.	Bottled Water	\$2,812,450
Penn Centre Logistics (Wintron)	Electronics	1,277,940
Ionlan I Limited Partnership	Lodging & Restaurant	1,143,020
Hiley Ployloch Real Estate Holdings	Plastic Bag Production	879,575
Dublin One Property Associates	N/A	626,300
Sheetz	Convenience Store	466,725
Haven Homes	Modular Home Manufacturer	421,500
Snow Shoe Refractories	N/A	480,735
T/A Leasong	N/A	464,925
Davidson Brothers	Trucking	<u>378,420</u>
	Total:	\$9,012,060

Source: Bald Eagle Area School District Officials and <http://www.emma.msrb.org/>

Market and Assessed Values of Real Property

Market values of real property in the Bald Eagle Area School District, as reported by the Pennsylvania State Tax Equalization Board, are listed below.

<u>Year</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
2000	\$358,044,700	\$190,399,940	53.18
2001	358,413,500	190,785,870	53.23
2002	390,600,000	197,711,660	50.62
2003	400,103,800	201,811,545	50.44
2004	431,552,500	203,150,780	47.07
2005	440,313,500	206,570,905	46.91
2006	496,918,800	213,825,860	43.03
2007	514,087,900	219,685,378	42.73
2008	577,086,000	221,635,868	38.41
2009	573,124,821	223,590,830	39.01
2010	625,834,607	225,475,290	36.03
2011	629,721,457	226,714,665	36.00
2012	677,302,260	231,013,550	34.11
2013	679,289,463	231,222,210	34.04

Source: Pennsylvania State Tax Equalization Board

Real Property Tax Collection Record

Tax notices are due for mailing to taxpayers at the beginning of July each year. A discount of 2% is allowed on all property taxes paid within two months from the date tax bills are mailed. After the discount period expires a two-month period is allowed for payment of taxes at par. Taxes paid after these times are subject to a 10% penalty. Local tax collectors submit a list of names of all taxpayers that have not paid their current real estate taxes to the Tax Claim Bureau of Centre County on December 31 of that calendar year. All delinquent real estate taxes are subsequently paid to this office, which in turn remits a monthly list of delinquent collections to the School District.

<u>Year</u>	<u>Assessed Valuation</u>	<u>Millage Rate</u>	<u>Total Flat Billing</u>	<u>Current Year Collections</u>	<u>Percent Current Collections</u>	<u>Current and Delinquent Collections</u>	<u>Percent Total Collections</u>
2003-04	\$182,258,064	31.00	\$5,710,000	\$5,738,908	100.50	\$6,279,533	110.10
2004-05	202,874,015	33.00	6,694,842	6,213,018	92.80	6,705,558	100.20
2005-06	206,727,285	33.43	7,117,620	6,567,182	92.30	7,153,795	100.50
2006-07	206,727,285	36.26	7,496,154	7,281,918	97.10	7,957,984	106.20
2007-08	213,825,860	37.76	7,515,861	6,587,368	87.60	7,173,265	95.40
2008-09	222,320,213	39.76	5,950,222	6,024,739	101.25	6,573,870	110.48
2009-10	223,590,830	41.96	6,062,425	6,255,305	103.18	6,772,949	111.72
2010-11	225,901,080	43.68	6,673,091	6,724,327	100.76	7,222,897	108.24
2011-12	226,699,555	46.55	7,131,935	7,312,699	102.53	7,710,662	108.11
2012-13	231,023,080	48.55	7,710,786	7,884,607	102.25	8,493,546	110.15

Source: Bald Eagle Area School District Officials and <http://www.emma.msrb.org/>

Tax Rates for Fiscal Year 2012-13

Real Estate (mills)	Bald Eagle Area SD	50.55
Earned Income	Bald Eagle Area SD	2.05%
	Municipalities Ranges from	0.50% to 1%
Real Estate Transfer	Bald Eagle Area SD	0.50%
	Municipalities	0.50%
Local Services Tax	Bald Eagle Area SD	\$10.00
	Boggs Township	\$47.00
Per Capita Tax	Bald Eagle Area SD	\$10.00
	Certain Municipalities	\$5.00

Note: In addition to the taxes listed above, some of the municipalities within the School District charge a Fire Equipment tax.

Source: Bald Eagle Area School District Officials and <http://www.emma.msrb.org/>

Employment and Employee Relations

The School District employs 16 administrative/supervisory personnel, 152 professional and instructional personnel and 123 support personnel (including cooks and custodians). Professional and instructional employees of the School District are represented for purposes of collective bargaining by the Bald Eagle Area Education Association, an affiliate of the Pennsylvania State Education Association. The expiration date of this collective bargaining agreement is June 30, 2014. Some support personnel are represented for purposes of collective bargaining by Local 820 of the ALF-CIO; the expiration date of this contract is also June 30, 2014. The School Board considers the relationship with both employee organizations to be satisfactory.

SCHOOL FACILITIES AND ENROLLMENTS

The Bald Eagle Area School District consists of four elementary schools, housing grades K-5. The secondary program is housed in one junior/senior high school. The School District’s buildings are described on the following table.

<u>School Facility</u>	<u>Original Construction Date</u>	<u>Renovations or Additions</u>	<u>Grades Served</u>	<u>Student Capacity</u>	<u>2012-13 Enrollment</u>
<u>Elementary Schools:</u>					
Howard	1925	1997	K-5	200	85
Port Matilda	1963	1997	K-5	300	155
Snow Shoe	1961	1994	K-5	300	178
Wingate	1952	1991, 2011	K-5	725	178
<u>Secondary School:</u>					
Junior-Senior High	1956	1992	6-12	1,237	1,021
Total Enrollment:					1,617

Source: Bald Eagle Area School District Officials and <http://www.emma.msrb.org/>

Pupil Enrollment – History & Projected

Student enrollment trends for the School District are illustrated by the following record of actual enrollments based on School District records and a projection of future enrollments, as developed by School District administrative officials.

<u>School Year</u>	<u>Historical</u>		<u>Total</u>	<u>School Year</u>	<u>Projected</u>		<u>Total</u>
	<u>Elementary</u>	<u>Secondary</u>			<u>Elementary</u>	<u>Secondary</u>	
2003-04	996	1,049	2,045	2013-14	965	835	1,800
2004-05	969	1,035	2,004	2014-15	966	814	1,780
2005-06	989	1,023	2,012	2015-16	946	866	1,812
2006-07	978	987	1,965	2016-17	963	855	1,818
2007-08	955	960	1,915	2017-18	961	856	1,817
2008-09	947	961	1,908				
2009-10	979	900	1,879				
2010-11	942	877	1,819				
2011-12 (1)	800	1,022	1,822				
2012-13	774	1,021	1,795				

(1) Building realignment moved grade 6 to the high school

Source: Bald Eagle Area School District Officials and <http://www.emma.msrb.org/>

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APPENDIX D
Description of the
Bellefonte Area School District
And Financial Factors

DESCRIPTION OF THE BELLEFONTE AREA SCHOOL DISTRICT

The Bellefonte Area School District (the “School District”) is located in the extreme north-central part of Centre County in the central part of Pennsylvania. The School District covers approximately 114.7 square miles and is coterminous with the political boundaries of the Borough of Bellefonte and the townships of Marion, Spring, Walker and portion of Benner Township. The School district is located in a growing rural, small town setting. The Borough of Bellefonte is located at the geographic center of Pennsylvania and is the county seat of Centre County. The area represent a wealth of business and industries that manufacture electronic components, extrusion presses, lime, research chemical, brass and building products. A short district from the main campus of Pennsylvania State University, the School district offers residents recreation, affordable housing plus many conveniences.

The School District is a third class school district and operates under and pursuant to the School Code, as amended and supplemented. The School District is governed by a nine-member Board of School Directors comprised of residents of the School District who are elected on a staggered basis for four-year terms of office. The daily operations and management of the School District are overseen by the Superintendent of Schools, who serves as the chief education officer of the School District. Budget preparation and control are overseen by the Business Manager and the Superintendent.

Source: Bellefonte Area School District, GOB Series of 2013 Official Statement; <http://www.emma.msrb.org/>

TAX REVENUES OF THE SCHOOL DISTRICT

Ten Largest Taxpayers in the School District

The ten largest real estate taxpayers in the School District and their current assessed valuation of their real estate are as follows:

<u>Taxpayer</u>	<u>Assessed Valuation</u>
Centre County Ind. Dev. Corp.	\$2,648,540
Pennsylvania HRT Inc.	2,580,945
Weis Markets Inc.	2,367,520
Centre County Ind. Dev. Corp	2,324,900
SAC Corporation	1,981,330
Bellefonte Lime Company, Inc.	1,629,755
Allegheny Lutheran Social Ministries	1,528,440
Penn State Federal Credit Union	1,334,060
Continental Courts	1,280,145
Dominion Transmission	<u>1,222,720</u>
Total:	\$18,898,360

The total assessed valuation of these ten largest taxpayers is equal to 3.82% of the assessed valuation of the School District.

Source: Bellefonte Area School District, GOB Series of 2013 Official Statement; <http://www.emma.msrb.org/>

Market and Assessed Values of Real Property

Market values of real property in the Bellefonte Area School District, as reported by the Pennsylvania State Tax Equalization Board, are listed below.

<u>Year</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
2000	\$618,076,400	\$337,202,760	54.56
2001	631,343,700	344,178,960	54.52
2002	681,603,000	353,525,645	51.87
2003	707,249,600	365,378,395	51.66
2004	786,559,800	378,856,260	48.17
2005	821,855,500	393,962,140	47.94
2006	933,889,900	411,612,850	44.08
2007	974,292,400	425,970,150	43.72
2008	1,107,726,400	441,548,700	39.86
2009	1,142,783,000	454,223,895	39.75
2010	1,246,515,531	466,615,660	37.43
2011	1,273,375,848	475,813,754	37.37
2012	1,352,950,210	483,880,834	35.77
2013	1,377,285,512	492,706,074	35.77

Source: Pennsylvania State Tax Equalization Board and Bellefonte Area School District, GOB Series of 2013 Official Statement; <http://www.emma.msrb.org/>

Real Estate Tax Collection Record

The School District's real estate tax is collected by the tax collector or treasurer of each municipality. Crawford and Mercer Counties determine assessed valuation and also act as delinquent tax collectors. The taxes are levied in July and are due by November 30. A 2% discount is permitted if paid prior to September 30. A penalty of 10% is imposed after November 30. The individual tax collectors settle and are exonerated for non-collection by December 31.

<u>Year</u>	<u>Assessed Valuation</u>	<u>Mills</u>	<u>Gross Adjusted Levy</u>	<u>Current Collections</u>	<u>Percent Current Collections</u>	<u>Current and Delinquent Collections</u>	<u>Percent Total Collections</u>
2007-08	\$432,729,735	39.692	\$17,175,909	\$16,270,062	94.70	\$17,041,921	99.20
2008-09	448,163,437	41.080	17,240,431	16,382,399	95.00	17,150,994	99.50
2009-10	459,665,980	42.975	18,583,140	17,610,344	94.80	18,336,410	98.70
2010-11	471,291,887	44.605	19,872,134	18,792,001	94.60	19,536,048	98.30
2011-12	479,152,159	45.405	20,582,657	19,596,292	95.20	20,395,285	99.09
2012-13	489,402,424	46.404	21,536,893	20,564,181	95.50	21,282,365	98.82
2013-14	495,263,749	47.411	22,308,372	21,304,602	95.50	22,004,602	98.64

Source: Bellefonte Area School District Officials and GOB Series of 2013 Official Statement; <http://www.emma.msrb.org/>

Tax Rates Fiscal Year 2014-15

Real Estate (mills)	Bellefonte Area SD	47.9001
Wage and Income	Bellefonte Area SD	1.05%
Real Estate Transfer	Bellefonte Area SD	1.00%
Local Services Tax	Bellefonte Area SD	\$10.00

Source: Bellefonte Area School District Officials and GOB Series of 2013 Official Statement; <http://www.emma.msrb.org/>

SCHOOL FACILITIES AND ENROLLMENTS

The Bellefonte Area School District consists of four elementary schools, housing grades K-5. The secondary program is housed in one middle school and one senior high school. The School District's buildings are described on the following table.

<u>School Facility</u>	<u>Original Construction Date</u>	<u>Renovations or Additions</u>	<u>Grades Served</u>	<u>Student Capacity</u>	<u>2013-14 Enrollment</u>
<u>Elementary Schools:</u>					
Bellefonte Borough	1942	1964	K-5	575	408
Benner	1962	----	K-5	300	267
Marion-Walker	1962	2007	K-5	375	346
Pleasant Gap	1950	1974	K-5	350	236
<u>Secondary Schools:</u>					
Middle School	1964	1998	6-8	964	635
High School	1956	1970, 2008	9-12	1,200	774
Total Enrollment:					2,666

Source: Bellefonte Area School District Officials and GOB Series of 2013 Official Statement; <http://www.emma.msrb.org/>

Pupil Enrollment Historical and Projected

The following Table presents recent trends in school enrollment and projections of enrollment for over the next four years, as prepared by School District officials.

<u>Historical</u>				<u>Projected</u>			
<u>School Year</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>	<u>School Year</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>
2006-07	1,205	1,798	3,003	2014-15	1,273	1,460	2,733
2007-08	1,240	1,707	2,947	2015-16	1,269	1,486	2,755
2008-09	1,268	1,666	2,934	2016-17	1,270	1,492	2,762
2009-10	1,296	1,614	2,910	2017-18	1,272	1,478	2,750
2010-11	1,335	1,579	2,914				
2011-12	1,326	1,534	2,860				
2012-13	1,328	1,493	2,821				
2013-14	1,257	1,409	2,666				

Source: Bellefonte Area School District Officials, and GOB Series of 2013 Official Statement; <http://www.emma.msrb.org/>

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APPENDIX E
Description of the
Penns Valley Area School District
And Financial Factors

DESCRIPTION OF THE PENNS VALLEY AREA SCHOOL DISTRICT

The Penns Valley Area School District (the “School District”) is comprised of the Boroughs of Centre Hall and Millheim and the Townships of Gregg, Haines, Miles, Penn and Potter and encompasses an area of 254.0 square miles in the eastern portion of Centre County, approximately ten miles from the Borough of State College and Pennsylvania State University. Due to its location, the School District is primarily rural in nature. Direct access is provided via State Routes 45, 192, 322 and 144.

The School District is a third class school district and operates under and pursuant to the School Code, as amended and supplemented. The School District is governed by a nine-member Board of School Directors comprised of residents of the School District who are elected on a staggered basis for four-year terms of office. The daily operations and management of the School District are overseen by the Superintendent of Schools, who serves as the chief education officer of the School District. Budget preparation and control are overseen by the Business Manager and the Superintendent.

TAX REVENUES OF THE SCHOOL DISTRICT

Ten Largest Taxpayers in the School District

The ten largest real estate taxpayers in the School District and the current assessed valuation of their real estate are as follows:

<u>Taxpayer</u>	<u>Assessed Valuation</u>
UHS of Pennsylvania, Inc.	\$3,231,370
Yearick, Earl W Jr. & Jody L	1,668,070
Powdr-Woodward PA LLC. (1)	1,648,190
Powdr-Woodward PA LLC. (1)	1,482,530
Centre Hall Associates	1,443,150
Romanini, Ernest Jr. & Susan D.	1,413,890
Hill, Gastiger Carve & Collins	1,234,310
Coursen, Susan A.	1,012,640
Centre Co Pomona Grange	959,240
Centre Co Pomona Grange	<u>955,800</u>
Total:	\$15,045,170

Total represents 5.66% of the total assessed valuation in the District.

Source: Penns Valley Area School District, GOB Series of 2012 Official Statement; <http://www.emma.msrb.org/>

Market and Assessed Values of Real Property

Market values of real property in the Penns Valley Area School District, as reported by the Pennsylvania State Tax Equalization Board, are listed below.

<u>Year</u>	<u>Market Value</u>	<u>Assessed Valuation</u>	<u>Ratio</u>
2000	\$391,236,700	\$202,102,115	51.66
2001	398,012,200	205,047,740	51.52
2002	425,129,900	211,282,340	49.70
2003	440,421,900	218,250,515	49.55
2004	492,042,800	225,336,465	45.80
2005	512,077,500	233,026,585	45.51
2006	596,866,800	245,854,965	41.19
2007	605,842,600	248,903,765	41.08
2008	678,365,987	254,889,940	37.57
2009	694,397,873	259,951,045	37.44
2010	752,267,626	262,478,475	34.89
2011	756,278,405	263,653,015	34.86
2012	791,795,487	265,792,205	33.57
2013	804,067,428	269,761,700	33.55

Source: Pennsylvania State Tax Equalization Board

Tax Collection Record

Tax notices are due for mailing to taxpayers at the beginning of July each year. A discount of 2% is allowed on all property taxes paid within two months from the date tax bills are mailed. After the discount period expires a two-month period is allowed for payment of taxes at par. Taxes paid after these times are subject to a 10% penalty. Local tax collectors submit a list of names of all taxpayers that have not paid their current real estate taxes to the Tax Claim Bureau of Centre County on February 1 of the following calendar year. All delinquent real estate taxes are subsequently paid to this office, which in turn remits a monthly list of delinquent collections to the School District.

<u>Year</u>	<u>Total Adjusted Flat Billing</u>	<u>Total Current Collections</u>	<u>Current Collections Percentage</u>	<u>Current and Delinquent Collections</u>	<u>Total Collections Percentage</u>
2003-04	\$6,920,686	\$6,704,147	96.8	\$7,061,297	102.0
2004-05	7,207,985	6,873,084	95.3	7,075,115	98.1
2005-06	9,000,327	8,679,534	96.4	8,973,551	99.7
2006-07	9,360,068	9,065,336	96.8	9,265,589	98.9
2007-08	9,557,325	9,241,893	96.7	9,420,082	98.6
2008-09	9,184,267	8,890,701	96.8	9,180,854	99.96
2009-10	9,447,784	9,105,475	96.4	9,440,793	99.93
2010-11	10,089,534	9,785,726	96.7	10,085,694	99.96
2011-12	10,470,698	10,096,924	96.4	10,465,939	99.95

Source: and Penns Valley Area School District, GOB Series of 2012 Official Statement; <http://www.emma.msrb.org/>

Tax Rates Fiscal Year 2011-12

Real Estate (mills)	Penns Valley Area SD	38.33
Earned Income	Penns Valley Area SD	1.30%
Real Estate Transfer	Penns Valley Area SD	0.50%
	Municipalities	0.50%
Local Services Tax	Penns Valley Area SD	\$10.00
Per Capita	Penns Valley Area SD	\$5.00

Source: Penns Valley Area School District, GOB Series of 2012 Official Statement; <http://www.emma.msrb.org/>

SCHOOL FACILITIES AND ENROLLMENTS

The Penns Valley Area School District presently operates three elementary schools, and one junior/senior high school. The School District’s buildings are described on the following table.

School Facility	Grades Served	Student Capacity	2011-12 Enrollment
<u>Elementary Schools:</u>			
Centre Hall-Potter	K-4	375	222
Miles Township	PreK-4	200	106
Penns Valley Area	K-6	775	482
<u>Secondary Schools:</u>			
Junior/High School	7-12	1,375	665
Total Enrollment:			1,475

Source: School District Officials and Penns Valley Area School District, GOB Series of 2012 Official Statement; <http://www.emma.msrb.org/>

Pupil Enrollment History

The following Table presents recent trends in school enrollment. Projections were not provided by School District officials.

<u>School Year</u>	Historical		<u>Total</u>
	<u>Elementary</u>	<u>Secondary</u>	
2006-07	814	832	1,646
2007-08	781	757	1,538
2008-09	782	769	1,551
2009-10	792	753	1,545
2010-11	783	675	1,458
2011-12	810	665	1,475
2012-13	Not provided	Not provided	
2013-14	Not provided	Not provided	

Source: School District Officials and Penns Valley Area School District, GOB Series of 2012 Official Statement; <http://www.emma.msrb.org/>

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APPENDIX F

Bond Amortization Schedules

STATE PUBLIC SCHOOL BUILDING AUTHORITY

Bond Amortization Schedule

**School Building Revenue Bonds, (Central Pennsylvania Institute of Science and Technology Project)
Series A of 2014
Semiannual Debt Service**

<u>DATE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>SEMI-ANNUAL DEBT SERVICE</u>	<u>ANNUAL DEBT SERVICE</u>
11/1/2014	\$425,000	2.000%	\$19,578.33	\$444,578.33	
5/1/2015			64,850.00	64,850.00	\$509,428.33
11/1/2015	375,000	2.000%	64,850.00	439,850.00	
5/1/2016			61,100.00	61,100.00	500,950.00
11/1/2016	380,000	2.000%	61,100.00	441,100.00	
5/1/2017			57,300.00	57,300.00	498,400.00
11/1/2017	395,000	3.000%	57,300.00	452,300.00	
5/1/2018			51,375.00	51,375.00	503,675.00
11/1/2018	405,000	3.000%	51,375.00	456,375.00	
5/1/2019			45,300.00	45,300.00	501,675.00
11/1/2019	415,000	4.000%	45,300.00	460,300.00	
5/1/2020			37,000.00	37,000.00	497,300.00
11/1/2020	435,000	4.000%	37,000.00	472,000.00	
5/1/2021			28,300.00	28,300.00	500,300.00
11/1/2021	455,000	4.000%	28,300.00	483,300.00	
5/1/2022			19,200.00	19,200.00	502,500.00
11/1/2022	470,000	4.000%	19,200.00	489,200.00	
5/1/2023			9,800.00	9,800.00	499,000.00
11/1/2023	<u>490,000</u>	4.000%	<u>9,800.00</u>	<u>499,800.00</u>	
5/1/2024					<u>499,800.00</u>
	\$4,245,000		\$768,028.33	\$5,013,028.33	\$5,013,028.33

STATE PUBLIC SCHOOL BUILDING AUTHORITY

Bond Amortization Schedule

**School Building Revenue Bonds, (Central Pennsylvania Institute of Science and Technology Project)
Series AA of 2014
Semiannual Debt Service**

<u>DATE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>SEMI-ANNUAL DEBT SERVICE</u>	<u>ANNUAL DEBT SERVICE</u>
11/1/2014	\$65,000	2.000%	\$10,943.75	\$75,943.75	
5/1/2015			37,975.00	37,975.00	\$113,918.75
11/1/2015	35,000	2.000%	37,975.00	72,975.00	
5/1/2016			37,625.00	37,625.00	110,600.00
11/1/2016	35,000	2.000%	37,625.00	72,625.00	
5/1/2017			37,275.00	37,275.00	109,900.00
11/1/2017	35,000	2.000%	37,275.00	72,275.00	
5/1/2018			36,925.00	36,925.00	109,200.00
11/1/2018	35,000	2.000%	36,925.00	71,925.00	
5/1/2019			36,575.00	36,575.00	108,500.00
11/1/2019	35,000	3.000%	36,575.00	71,575.00	
5/1/2020			36,050.00	36,050.00	107,625.00
11/1/2020	35,000	3.000%	36,050.00	71,050.00	
5/1/2021			35,525.00	35,525.00	106,575.00
11/1/2021	35,000	3.000%	35,525.00	70,525.00	
5/1/2022			35,000.00	35,000.00	105,525.00
11/1/2022	40,000	4.000%	35,000.00	75,000.00	
5/1/2023			34,200.00	34,200.00	109,200.00
11/1/2023	40,000	4.000%	34,200.00	74,200.00	
5/1/2024			33,400.00	33,400.00	107,600.00
11/1/2024	415,000	4.000%	33,400.00	448,400.00	
5/1/2025			25,100.00	25,100.00	473,500.00
11/1/2025	430,000	4.000%	25,100.00	455,100.00	
5/1/2026			16,500.00	16,500.00	471,600.00
11/1/2026	450,000	4.000%	16,500.00	466,500.00	
5/1/2027			7,500.00	7,500.00	474,000.00
11/1/2027	<u>375,000</u>	4.000%	<u>7,500.00</u>	<u>382,500.00</u>	
5/1/2028					<u>382,500.00</u>
	\$2,060,000		\$830,243.75	\$2,890,243.75	\$2,890,243.75

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APPENDIX G

Specimen Municipal Bond Insurance Policy



BAM

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIAL MEMBER

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

APPENDIX H

Proposed Form of Opinion of Bond Counsel

FORM OF BOND COUNSEL OPINION

The form of the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Bond Counsel has no duty, and has assumed no obligation, to revise, update or supplement its opinion to address or reflect a change or changes in such circumstances subsequent to the date of delivery of the Bonds, whether or not it has notice or obtains knowledge of the same, and whether or not this Official Statement shall be recirculated. The approving legal opinion of Bond Counsel represents its considered professional judgment, following a comparison of relevant factual certifications to applicable law. Such opinion is not a guarantee of a particular result, nor is such opinion binding on any administrative or judicial tribunal.

We have served as Bond Counsel to State Public School Building Authority (the "Authority") and do hereby undertake to advise you in connection with the issuance, sale and delivery of the Authority's \$6,305,000, aggregate principal amount, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series of 2014 consisting of \$4,245,000, aggregate principal amount, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series A of 2014 (the "2014A Bonds") and \$2,060,000, aggregate principal amount, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series AA of 2014 (the "2014AA Bonds" and together with the 2014A Bonds, the "Bonds"), issued in fully registered form, denominated in \$5,000.00 or any multiple thereof, dated and bearing interest from September 10, 2014, maturing on November 1 of various years during the term of the Bonds, with final maturity November 1, 2027, and subject to redemption at the option of the Authority upon the direction of the Joint Committee (herein defined) beginning November 1, 2022.

In that capacity, we have examined the Constitution of the Commonwealth of Pennsylvania; the State Public School Building Authority Act, Act of July 5, 1947, P.L. 1217, as amended (the "Authority Act"); the Articles of Incorporation of the Authority; the Local Government Unit Debt Act, Act of December 19, 1996, P.L. 1158, No. 177, as amended (the "Debt Act"); the Trust Indenture dated as of September 10, 2014 from the Authority to U.S. Bank National Association, as Trustee, setting forth terms and conditions of, and providing for the security of, the Bonds (the "Indenture"); the formal action of the Board of the Authority authorizing the Bonds (the "Bond Resolution"); the formal actions of the Governing Bodies of each of the Bald Eagle Area School District, the Bellefonte Area School District and the Penns Valley Area School District (collectively, the "School District(s)") authorizing the incurrence of nonelectoral debt (the "Debt Ordinance(s)") to be evidenced by their respective general obligation notes (the "Note(s)") delivered under the Loan Agreement dated as of September 10, 2014 between and among the School Districts and the Central Pennsylvania Institute of Science and Technology Joint Operating Committee (the "Joint Committee") of Central Pennsylvania Institute of Science and Technology (the "School"), as borrower, and the Authority, as lender (the "Loan Agreement"); the corresponding Certificates of Approval of the Department of Community and Economic Development; the Internal Revenue Code of 1986, as amended (the "Tax Code"); the Federal Income Tax Certificate of an authorized officer of the Authority (the "Tax Certificate"); the Bond Purchase Agreement dated August 8, 2014 (the "Purchase Proposal"), (the Bonds, the Indenture, the Loan Agreement, the Purchase Proposal and the Tax Certificate are collectively referred to as the "Authority Documents" and the Loan Agreement and the Notes are collectively referred to as the "School District Documents"); and such other certificates, proceedings and law as we deemed necessary in order to render this opinion. Unless separately noted, we have not independently verified factual certifications either contained in the official statement, prospectus or other similar document used in connection with the sale of the Bonds or made to us by either the Authority or the School Districts, nor their officers and agents, during the course of our engagement.

Both principal of and interest on the Bonds are payable at the designated corporate trust office of U.S. Bank National Association, Pittsburgh, Pennsylvania, as Trustee under the Indenture.

We have not been engaged nor undertaken to review the adequacy of disclosure in the Official Statement nor in any other securities offering material produced in respect of the Bonds and, except as to matters set forth in this opinion and described as such in said Official Statement, we express no opinion or belief with respect thereto.

Based on such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Authority Documents have been duly authorized, executed and delivered by the Authority and constitute valid, binding and enforceable obligations of the Authority except as the enforceability of the same may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and to the exercise of judicial discretion in accordance with general principles of equity.

2. The School District Documents have been duly authorized, executed and delivered by each of the School Districts and each constitutes the valid, binding and enforceable obligation of its respective School District, except as the enforceability of the same may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and to the exercise of judicial discretion in accordance with general principles of equity.

3. The Bonds have been duly authorized and executed and all conditions precedent to their sale and delivery have been satisfied. The Bonds constitute special limited obligations of the Authority and the principal of, premium, if any, and interest on Bonds are payable solely from the revenues and other moneys pledged and assigned by the Indenture to secure that payment.

4. All right, title and interest of the Authority in and to the Loan Agreement and to each of the Notes (except for payments with respect to certain fees, expenses and indemnifications) have been validly assigned to the Trustee. Each of the Notes is a valid and binding general obligation of the respective School District which issued such Note, secured by its full faith, credit and taxing power. Each School District has effectively covenanted in its Debt Ordinance to include the amount of debt service due in respect of its Note, for each fiscal year in which such sums are due, in its budget for that year, to appropriate such amounts in respect of said debt service, and to pay or cause to be paid the principal of its Note and the interest thereon on the dates, at the place and in the manner stated in its Note.

5. Presently included among the general revenues of a School District available for the payment of its respective Note are ad valorem real estate taxes which may be levied upon all taxable real property situate within the corporate limits of such School District, subject to the limitations on the rate of such taxation set forth in Pennsylvania's Act 1 of Special Session 2006.

6. Assuming continuing compliance by the Authority and the School Districts and the Joint Committee with certain covenants related to meeting the requirements of Section 103 of the Tax Code, under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Bonds is excludible from gross income for Federal income tax purposes. Furthermore, interest on the Bonds will not be treated as an item of tax preference, under Section 57(a)(5) of the Tax Code, in computing the alternative minimum tax for individuals and corporations. We express no other opinion as to the federal tax consequences of purchasing, holding or disposing of the Bonds.

7. The Bonds, and the interest income therefrom, are free from taxation for purposes of personal income, corporate net income and personal property taxes within the Commonwealth of Pennsylvania.

In rendering this opinion, we have relied upon certifications and representations of facts, estimates and expectations by the Authority, the School Districts and the Joint Committee contained in various bond closing documents, which we have not independently verified. This opinion is given as of the date hereof. We assume no obligation to update this opinion or to advise you of any changes in facts or laws subsequent to the date hereof. This opinion is limited to the matters set forth herein, and no opinion may be inferred or implied beyond the matters expressly stated in this letter.

APPENDIX I

Draft Continuing Disclosure Certificate

\$6,305,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(COMMONWEALTH OF PENNSYLVANIA)
SCHOOL BUILDING REVENUE BONDS
(CENTRAL PENNSYLVANIA INSTITUTE OF SCIENCE AND TECHNOLOGY PROJECT)
\$4,245,000 - SERIES A OF 2014
\$2,060,000 - SERIES AA OF 2014

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Joint Operating Committee of the Central Pennsylvania Institute of Science and Technology (the "Joint Committee"), in connection with the issuance, on its behalf, by State Public School Building Authority (the "Issuer") of \$6,305,000, aggregate principal amount, School Building Revenue Bonds (Central Pennsylvania Institute of Science and Technology Project), Series A & AA of 2014 (the "Bonds"). The Bonds are being issued pursuant to resolutions duly adopted by the Boards of the Issuer on July 17, 2014 and of the Joint Committee on August 4, 2014 (the "Resolutions") and under and pursuant to the terms of a Trust Indenture (the "Indenture") from the Issuer to U.S. Bank National Association dated the date hereof. The Joint Committee is joined, in its execution and delivery of this Continuing Disclosure Certificate, by each of the School Districts which are members of the Joint Committee, pursuant to their collective execution and delivery, by an authorized officer, of a certain "Business Manager Certificate" dated the date hereof. The Joint Committee, by its execution and delivery of this Certificate, and the School Districts, by their collective execution and delivery of the respective Business Manager Certificates, each, for themselves, acknowledge and agree that they each constitute an "obligated person" with respect to the Bonds for purposes of the herein-described Rule of the Securities and Exchange Commission.

The Joint Committee covenants and agrees as follows:

Section 1. ***Purpose of the Disclosure Certificate.*** This Disclosure Certificate is being executed and delivered by the Joint Committee for the benefit of the Bondholders and in order to comply, and constitutes the written undertaking for the benefit of the holders of the Bonds required, by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12) (the "Rule").

Section 2. ***Definitions.*** In addition to the definitions set forth in the Indenture and in the Loan Agreement dated September 10, 2014 between and among the Authority, the Joint Committee and the School District, which secures the Bonds, which definitions apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings

"*Annual Report*" means any Annual Report provided by the Joint Committee or any School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Disclosure Representative*" means the Business Manager of the Joint Committee or of any School District or his or her designee, or such other officer or employee as the Joint Committee shall designate from time to time.

"*Dissemination Agent*" means any person or entity designated by the Joint Committee.

"EMMA" means the continuing disclosure service of the MSRB's Electronic Municipal Market Access system, as established by SEC Release No. 34-58256, as amended, and approved by SEC Release No. 34-59061.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate, if such event is material with respect to the Bonds.

"Operating Data" means an update of the Operating Data including the following, in respect of the Joint Committee and each of the School Districts, as appropriate: the financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units and audited in accordance with generally accepted auditing standards; a summary of the budget for the current fiscal year; the assessed value and market value of all taxable real estate for the current fiscal year; the taxes and millage rates imposed for the current fiscal year; the real property tax collection results for the most recent fiscal year, including (1) the real estate levy imposed (expressed both as a millage rate and an aggregate dollar amount), (2) the dollar amount of real estate taxes collected that represented current collections (expressed both as a percentage of such fiscal year's levy and as an aggregate dollar amount), (3) the amount of real estate taxes collected that represented taxes levied in prior years (expressed as an aggregate dollar amount), and (4) the total amount of real estate taxes collected (expressed both as a percentage of the current year's levy and as an aggregate dollar amount); and a list of the ten (10) largest real estate taxpayers and, for each, the total assessed value of real estate for the current fiscal year; pupil enrollment figures, including enrollment at the end of the most recent fiscal year, current enrollment and projected enrollment for the beginning of the next fiscal year, including a breakdown between elementary and secondary enrollment (to the extent reasonable feasible).

"Tax-exempt" means that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 3. **Provision of Annual Reports.** The Joint Committee and each of the School Districts shall provide its respective Annual Report within 180 days following the end of each fiscal year (the "Report Date"), beginning with the fiscal year ending June 30, 2014 to EMMA which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate, provided that the audited financial statements of the Joint Committee may be submitted separately from the balance of the Annual Report.

Section 4. **Content of Annual Reports.** The Joint Committee's, and each of the School District's respective, Annual Reports shall contain or incorporate by reference that entity's audited financial statements, prepared in accordance with generally accepted accounting practices, together with a summary of its annual budget for the current fiscal year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Joint Committee or any of the School Districts or related public entities, which have been submitted to EMMA. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board or EMMA. The Joint Committee and each School District shall clearly identify each such other document so incorporated by reference.

Section 5. **Reporting of Significant Events.** (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701-TEB) or other similar events affecting the tax-exempt status of the security;
- (vii) modifications to the rights of security holders, if material;
- (viii) bond calls, except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event;
- (ix) tender offers and defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event, such as determination of distressed status, affecting the Joint Committee or any of the School Districts;
- (xiii) the consummation of a merger, consolidation, or acquisition of the Joint Committee or any of the School Districts or the sale of all or substantially all of the assets of the Joint Committee or any of the School Districts, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Joint Committee or any of the School Districts obtains knowledge of the occurrence of a Listed Event, such person shall as soon as practicable determine if such event is material information for holders of Bonds, provided, that any event under subsection (a)(xi) will always be deemed to be material.

(c) If the Joint Committee or any of the School Districts has determined that knowledge of the occurrence of a Listed Event is material, that person shall promptly notify the Trustee in writing and report the event pursuant to subsection (d).

(d) If the Joint Committee or any School District determines to report the occurrence of Listed Events pursuant to subsection (c) above, then such person shall file a notice of such occurrence with EMMA. Notwithstanding the foregoing: notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Indenture.

Section 6. **Termination of Reporting Obligation.** The obligations of the Joint Committee and the School Districts under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. **Dissemination Agent.** The Joint Committee or any of the School Districts may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its respective obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. If no replacement Dissemination Agent is appointed, such person shall undertake and resume all obligations thereof hereunder.

Section 8. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the Joint Committee, with notice to each of the School Districts, may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Joint Committee, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. **Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the Joint Committee or any of the School Districts from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Joint Committee or any of the School Districts chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, such person shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. **Default.** In the event of a failure of the Joint Committee or any of the School Districts (or any Dissemination Agent on their behalf) to comply with any provision of this Disclosure Certificate any holder of Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Joint Committee or the School Districts, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a default under the Indenture or the Bonds and the rights and remedies provided by the Indenture or the Bonds upon the occurrence of a default shall not apply to any such failure. The sole remedy under this Disclosure Certificate in the event of any failure of the Joint Committee, any of the School Districts or any Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. **Immunities of Individuals.** No recourse shall be had for any claim based hereon against any member, officer or employee, past, present or future, of the Joint Committee, of any of the School Districts or the officers of the Joint Committee, or of any of the School Districts, or of any successor body, as such.

Section 12. **Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the Joint Committee, the School Districts, the Issuer, Robert W. Baird & Co. (the initial purchaser of the Bonds) and holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. **Notices.**

Any notices or communications to or with the Joint Committee may be given as follows:

Central Pennsylvania Institute of Science and Technology
540 North Harrison Road
Pleasant Gap, PA 16823
Attention: Executive Director

IN WITNESS WHEREOF, the Joint Committee has caused its duly authorized officer to execute this Certificate as of this 10th day of September, 2014.

Joint Operating Committee of the
CENTRAL PENNSYLVANIA INSTITUTE OF
SCIENCE AND TECHNOLOGY

By: _____
Henry Yeagley
Chairman