COUNTY OF CENTRE
Commonwealth of Pennsylvania

ORDINANCE NO. 3 OF 2006

AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CENTRE, COMMONWEALTH OF PENNSYLVANIA (THE "COUNTY") AUTHORIZING AND DIRECTING ISSUANCE OF GENERAL OBLIGATIONS IN THE AGGREGATE PRINCIPAL AMOUNT OF $10,000,000, AS PERMITTED BY AND PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 Pa.C.S. § 8001 *et seq.*, AS AMENDED (THE "DEBT ACT"), CONSISTING OF GENERAL OBLIGATION BONDS, SERIES OF 2006, IN THE AGGREGATE PRINCIPAL AMOUNT OF $10,000,000 (THE "BONDS") FOR THE PURPOSES OF PROVIDING FUNDS TO BE APPLIED FOR AND TOWARD A PROJECT CONSISTING OF (A) THE ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING PRINCIPAL BALANCE OF THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES OF 2003 (THE "REFUNDED 2003 BONDS"), AND (B) PAYING THE COSTS OF ISSUING AND INSURING THE BONDS, THE FOREGOING BEING REFERRED TO AS THE "2006 PROJECT," DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THE COUNTY; FINDING A PRIVATE SALE BY NEGOTIATION TO BE IN THE BEST INTEREST OF THE COUNTY; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; PROVIDING FOR MATURITIES AND INTEREST RATES WITH RESPECT TO THE BONDS; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; PROVIDING FOR THE TERMS OF THE BONDS INCLUDING DENOMINATIONS, DATE, INTEREST PAYMENT DATES AND RECORD DATES; PROVIDING FOR THE REGISTRATION AND TRANSFER OF THE BONDS; AUTHORIZING THE EXECUTION AND AUTHENTICATION OF THE BONDS; AUTHORIZING THE INITIAL ISSUANCE OF THE BONDS IN THE BOOK ENTRY ONLY FORMAT; COVENANTING TO PAY DEBT SERVICE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER FOR THE PAYMENT OF THE BONDS; SETTING FORTH REDEMPTION FEATURES AND PROCEDURES; ESTABLISHING A SINKING FUND IN CONNECTION WITH THE BONDS AS REQUIRED BY THE DEBT ACT; APPROPRIATING PROCEEDS DERIVED FROM THE SALE OF THE BONDS; REAFFIRMING THE ESTIMATED USEFUL LIVES PREVIOUSLY SPECIFIED FOR THE CAPITAL PROJECTS FUNDED OR REFUNDED, IN PART, WITH PROCEEDS OF THE 2003 BONDS; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF THE BONDS AND DESIGNATING THE BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS PURSUANT TO SECTION 265 (b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND FILING OF A TRANSCRIPT OF PROCEEDINGS, INCLUDING THE DEBT STATEMENT AND BORROWING

BASE CERTIFICATE, WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING AND DIRECTING OFFICERS AND OFFICIALS OF THE COUNTY TO EXECUTE AND DELIVER DOCUMENTS AND TO TAKE ACTION AS MAY BE NECESSARY RELATING TO THE ISSUANCE OF THE BONDS; RATIFYING THE PRELIMINARY OFFICIAL STATEMENT AND THE DISTRIBUTION THEREOF AND AUTHORIZING THE APPROVAL AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT AND THE USE THEREOF IN CONNECTION WITH THE SALE OF THE BONDS; CREATING A CLEARING ACCOUNT AND AN ESCROW ACCOUNT; SETTING FORTH CERTAIN PROVISIONS AND COVENANTS RELATING TO PROVISIONS FOR THE REFUNDING, DEFEASANCE, AND RETIREMENT OF A PORTION OF THE 2003 BONDS, AT MATURITY OR UPON REDEMPTION; DIRECTING THE IRREVOCABLE DEPOSIT OF A PORTION OF THE PROCEEDS OF THE BONDS INTO THE ESCROW ACCOUNT FOR THE REFUNDED 2003 BONDS THAT, AS INVESTED THEREIN OR AT MATURITY, WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ACCRUED ON THE REFUNDED 2003 BONDS UPON MATURITY OR REDEMPTION PRIOR TO MATURITY; AUTHORIZING AN ESCROW AGREEMENT WITH RESPECT TO THE REFUNDED 2003 BONDS AND THE APPOINTMENT OF AN ESCROW AGENT; AUTHORIZING THE PURCHASE OF A POLICY OF MUNICIPAL BOND INSURANCE; AUTHORIZING THE PAYMENT OF EXPENSES; PROVIDING GUIDELINES FOR PERMITTED INVESTMENTS; AUTHORIZING THE PURCHASE OF A POLICY OF MUNICIPAL BOND INSURANCE; UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE; PROVIDING FOR THE AUTHORIZATION OF OFFICERS; ADOPTING A FORM OF BOND FOR EACH SERIES; PROVIDING FOR SEVERABILITY OF PROVISIONS AND REPEALING INCONSISTENT ORDINANCES.

ENACTED OCTOBER 3, 2006

WHEREAS, The County of Centre ("County"), is a county of the fifth class existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") and is a Local Government Unit, as defined in the Local Government Unit Debt Act [53 Pa.C.S. § 8001 *et seq.*] (the "Debt Act"); and

WHEREAS, Pursuant to an ordinance enacted on December 12, 2002 (the "2003 Ordinance"), the County heretofore issued its General Obligation Bonds, Series of 2003 (the "2003 Bonds"), in the aggregate principal amount of $39,985,000, of which sum $33,910,000 principal amount presently remains outstanding; and

WHEREAS, The County issued the 2003 Bonds to provide funds to be applied for and toward the 2003 Project, as such term is defined and identified in the 2003 Ordinance, which 2003 Project consisted of (A) a refunding project (the "2003 Refunding Project") consisting of (1) the advance refunding and defeasance, and thereafter, redemption of (a) all of the $7,125,000 outstanding principal amount of the 1993 Series A Bonds (the "Refunded 1993 Series A Bonds"), (b) all of the $2,275,000 outstanding principal amount of the 1993 Series B Bonds (the "Refunded 1993 Series B Bonds"), and (c) all of the $6,800,000 outstanding principal amount of

the 1996 Bonds (the "Refunded 1996 Bonds"), (2) the current refunding and redemption of all of the $1,205,000 outstanding principal amount of the 1997 Bonds maturing on January 1 in each of the years 2004 and 2005 (the "Refunded 1997 Bonds" and collectively with the foregoing, the "Refunded Bonds") in order to reduce the total debt service from that of the Refunded Bonds pursuant to Section 8242(b)(1) of the Debt Act and (3) the payment of the costs of issuance of the County's bonds for such 2003 Refunding Project, and (B) certain capital projects (the "2003 Capital Projects"), which include, but are not limited to, the following projects: (1) the planning, design, acquisition and construction of a new County corrections facility, (2) the planning, design, purchase, acquisition and construction of a County fire training facility, (3) the planning, design, acquisition and construction of improvements and renovations to the County courthouse and other County buildings and facilities, and (4) to pay the costs relating to the issuance of the County's bonds for such 2003 Capital Projects;

WHEREAS, The County, as set forth in the 2003 Ordinance, determined, in connection with the issuance of the 2003 Bonds, that the estimated useful lives of the 2003 Capital Projects funded with proceeds of the 2003 Bonds were, at least, forty (40) years, which term of years is greater than the scheduled final maturity of the 2003 Bonds in 2020; and

WHEREAS, The County, as set forth in the 2003 Ordinance, reaffirmed, in connection with the issuance of the 2003 Bonds, the estimated useful lives of the capital projects funded with proceeds of the prior bonds thereafter refunded, in whole or in part, with proceeds of the 2003 Bonds, which term of years is greater than the scheduled final maturity of the 2003 Bonds in 2020; and

WHEREAS, Section 8241(b)(1) of the Debt Act authorizes refundings for the purpose of reducing total debt service over the life of the series; and

WHEREAS, The County has determined to undertake a refunding project (the "2006 Refunding Project") consisting of (A) the advance refunding, defeasance and redemption of a portion of the $33,910,000 outstanding principal amount of the 2003 Bonds, being a portion of the principal amount of the 2003 Bonds scheduled to mature on July 1 in each of the years 2015 through, and including, 2018 and on July 1, 2020 (the "Refunded 2003 Bonds") for the purpose of reducing total debt service over the life of the 2003 Bonds as compared to the Bonds and (B) the payment of the costs of issuing and insuring the Bonds for the 2006 Refunding Project; and

WHEREAS, The County has obtained cost estimates for the 2006 Refunding Project and for the costs of issuing and insuring the Bonds from consultants and professionals qualified by education, training or experience; and

WHEREAS, The County desires that the financing of the costs and expenses of the 2006 Refunding Project, to the extent required, shall be accomplished by the issuance of the Bonds which are to be sold at private sale by negotiation pursuant to the Debt Act; and

WHEREAS, The County desires to reaffirm and declare that the useful lives of the various capital projects funded or refunded with proceeds of the 2003 Bonds, and further, to declare that the remaining portion of such useful lives are, as measured from the date of issuance of the 2003 Bonds, exceed the final maturity of the 2003 Bonds nor of the Bonds; and

WHEREAS, The County has heretofore engaged PNC Capital Markets Inc., Wilkes-Barre, Pennsylvania, to assist the County in developing a financing plan for the 2006 Refunding Project and thereafter to serve as underwriter with respect to the purchase and marketing of the

Bonds (the "Purchaser"), and further, Purchaser has presented to the Board of Commissioners of the County a proposal (the "Bond Purchase Contract") for the purchase of the Bonds; and

WHEREAS, the County desires to approve and authorize (i) the 2006 Refunding Project, (ii) issuance of the Bonds to pay therefor and for the costs of issuing and insuring the Bonds, (iii) acceptance of the Purchaser's Bond Purchase Contract, (iv) the form of the Bonds, (v) the purchase of a municipal bond insurance policy insuring debt service on the Bonds, (vi) the refunding, defeasance and redemption of the Refunded 2003 Bonds, (vii) designation of the Bonds as "tax exempt" and "bank qualified" obligations, (viii) such further provisions as are required by law for the issuance of general obligation debt and (ix) further actions by its officers consistent with this Ordinance, the Debt Act, and all applicable law.

NOW, THEREFORE, BE AND IT HEREBY IS ORDAINED AND ENACTED by the Board of Commissioners of the County of Centre that:

SECTION 1. The 2006 Project.

The County hereby approves and authorizes the 2006 Refunding Project and the payment of costs of issuance of and insurance on the Bonds for purposes of financing the 2006 Refunding Project (collectively, the "2006 Project"), and approves and undertakes as a project, as such term is defined in the Debt Act, the 2006 Project. The description of the 2006 Refunding Project contained in the recitals to this Ordinance is hereby incorporated into this Section by reference as if set out at length. The foregoing recitals and all terms defined therein are incorporated herein, and such defined terms may hereafter be used as if set out at length. The aggregate principal amount of the Refunded 2003 Bonds is $9,040,000 and are more specifically identified as to annual principal amount and maturity date at Schedule A, which is attached hereto and incorporated herein by reference as if set out here at length.

The 2006 Refunding Project is an authorized purpose established in Section 8241(b)(1) of the Debt Act.

SECTION 2. Incurrence of Indebtedness.

For the purpose of providing funds for and toward the payment of costs, as such term is used in the Debt Act, of the Refunding Project, and the payment of the costs and expenses related to the issuance of the debt obligations, the incurring of nonelectoral debt by the County in the principal amount of $10,000,000 is hereby authorized. Such debt shall be evidenced by the issue of tax-exempt, general obligations of the County designated "County of Centre, General Obligation Bonds, Series of 2006" in the aggregate principal amount of $10,000,000 (the "Bonds").

SECTION 3. Approval of Private Sale By Negotiation.

After considering the advantages and disadvantages of the manners of sale of the Bonds permitted by the Debt Act, and of current market conditions, and of the assistance provided by Purchaser in structuring the financing for the 2006 Project, the Board of Commissioners hereby determines that a private sale by negotiation is in the best financial interest of the County.

SECTION 4. Acceptance of Bond Purchase Proposal.

The Bond Purchase Proposal presented to this meeting by the Purchaser is hereby accepted. The Bonds are hereby awarded and sold to the Purchaser at a negotiated sale at the price stated on Schedule B, which is attached hereto and incorporated herein by reference as if set out here at length. Proper officers of the County, as hereinafter defined, are authorized and directed to execute and deliver an acceptance of the Bond Purchase Proposal to the Purchaser. Hereinafter, the Bond Purchase Proposal shall be referred to as the "Bond Purchase Contract." One counterpart of the Bond Purchase Contract shall be filed with the records of the County.

SECTION 5. Maturity, Interest Rates and Original Issue Discount.

The Bonds shall bear interest, shall mature and shall be sold, if applicable, with original issue discount, as set out on Schedule B heretofore incorporated herein by reference.

SECTION 6. Appointment of Paying Agent.

Commerce Bank, National Association is hereby appointed Paying Agent ("Paying Agent") and Registrar ("Registrar") for the Bonds and Sinking Fund Depository ("Sinking Fund Depository") for the Series of 2006 Bonds Sinking Fund created hereby. The Chairman or the Vice Chairman is hereby authorized and directed to contract with Commerce Bank, National Association, having a corporate trust office in Harrisburg, Pennsylvania, for its services as Sinking Fund Depository, Paying Agent and Registrar at such initial and annual charges as shall be appropriate and reasonable for such services. The County may, by resolution, from time to time appoint a successor Paying Agent, Sinking Fund Depository or Registrar to fill a vacancy or for any other reason.

SECTION 7. Forms of Bond, Interest Payment Dates and Record Dates.

The Bonds shall be issued in fully registered form without coupons and shall be numbered in such manner as may be satisfactory to the County and the Paying Agent. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. Each Bond shall be dated as of November 1, 2006. The Bonds shall be issued in denominations of $5,000 or any whole multiple thereof, and shall bear interest payable initially on January 1, 2007 and on each July 1 and January 1 thereafter (each an "Interest Payment Date") from the Interest Payment Date, as the case may be, next preceding the date of registration and authentication of each Bond, unless: (a) such Bond is registered and authenticated as of an Interest Payment Date, in which event such Bond shall bear interest from such 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 prior to the Record Date (hereinafter defined) preceding January 1, 2007, in which event such Bond shall bear interest from November 1, 2006; or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond, until the principal sum thereof is paid.

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

The term "Record Date" with respect to any Interest Payment Date shall mean the fifteenth (15th) day (whether or not a business day) next preceding such Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, except if and to the extent that the County defaults in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds are registered at the close of business on a Special Record Date established by the Paying Agent not more than fifteen (15) days preceding such Special Record Date. Such notice of a Special Record Date shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5) day preceding the date of mailing.

SECTION 8. Bond Register, Registrations and Transfer.

The County shall cause to be kept at the designated corporate trust office of the Paying Agent a register ("Bond Register") in which, subject to such reasonable regulations as it may prescribe, the County shall provide for the registration of Bonds and the registration of transfers and exchanges of Bonds. No transfer or exchange of any Bond shall be valid unless made at such office and registered in the Bond Register.

Upon surrender of any Bond at the designated corporate trust office of the Paying Agent for registration of transfer, the County shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same interest rate and maturity, and in the same aggregate principal amount as the Bond so surrendered.

Any Bond shall be exchangeable for other Bonds of the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the Bond or Bonds presented for exchange. Upon surrender of any Bond for exchange at the designated corporate trust office of the Paying Agent, the County shall execute and the Paying Agent shall authenticate and deliver in exchange therefor the Bond or Bonds which the owner making the exchange shall be entitled to receive.

All Bonds issued upon any registration of transfer or exchange shall be valid obligations of the County, evidencing the same debt and entitled to the same benefits under this Ordinance as the Bonds surrendered for such registration of transfer or exchange.

Every Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the County and the Registrar, duly executed by the registered owner thereof or his duly authorized agent or legal representative.

No service charge shall be made for any transfer or exchange of any Bond, but the County may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The County shall not be required to: (a) issue, or register the transfer or exchange of, any Bond during a period of fifteen (15) days before either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending on the close of business on such Interest

Payment Date or date on which the applicable notice of redemption is given, respectively; or (b) register the transfer or exchange of any Bond after it has been selected for redemption, in whole or in part.

SECTION 9. Execution and Authentication.

The Bonds shall be executed on behalf of the County by the Chairman or the Vice Chairman of the Board of Commissioners, and shall have the corporate seal of the County affixed thereto, duly attested by the Chief Clerk and said officers are hereby authorized and directed to execute the Bonds. Any member of the Board of Commissioners not hereby required to execute the Bonds may, nevertheless, execute them. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Paying Agent. No Bond shall be valid until such Certificate of Authentication shall have been duly executed by the Paying Agent and such authentication shall be conclusive and the only proof that any Bond has been issued pursuant to this Ordinance and is entitled to any benefits conferred thereon under the provisions of this Ordinance. To the extent that any one signature on a Bond (including the signature of an officer of the Paying Agent) is manual, all other signatures may be by facsimile. The Chairman of the Board of Commissioners or Chief Clerk or any of such officers is hereby authorized and directed to deliver the Bonds to the Purchaser and receive payment therefor on behalf of the County after sale of the same in the manner required by law and this Ordinance.

SECTION 10. Book-Entry-Only Registration.

The County authorizes and approves the purchase of the Bonds under the book-entry only system instituted and operated by The Depository Trust Company, New York, New York ("DTC"). Proper officers of the County are authorized and directed to execute the DTC Blanket Issuer Letter of Representations, in substantially the form submitted to the County concurrent with its consideration of this Ordinance, and such other documents as shall be necessary to complete the sale of the Bonds as book-entry obligations.

The Bonds, upon original issuance, are expected to be issued in the form of a single, fully registered bond for each maturity, in denominations equal to the principal amount of Bonds maturing on each such date, and shall be delivered to DTC or its nominee, CEDE & CO. Each such Bond shall be registered on the registration books kept by the Paying Agent, as registrar and transfer agent, in the name of DTC or, at DTC's option, in the name of CEDE & CO, as DTC's nominee, and no beneficial owners thereof will receive certificates representing their respective interest in such Bonds. Purchaser shall initially provide to the Paying Agent a list of the registered owners (beneficial owners under the book-entry-only system) which list shall be continuously updated so long as the Bonds are issued under the book-entry-only system. For purposes of this Ordinance, so long as the Bonds are issued under the book-entry-only system, the registered owners shall mean the beneficial owners under the book-entry-only system, and, where necessary, DTC or its nominee, CEDE & CO.

So long as any of the Bonds are registered in the name of DTC or its nominee, CEDE & CO., to the extent available, the Paying Agent shall transfer, on each interest and principal payment date, the amount of interest and principal due on each such date to DTC, at the addresses set forth in the Letter of Representation, which amounts so transferred, shall be, on the interest and principal payment date, at the principal office of DTC, "good funds next day." All payments made by the Paying Agent to DTC or its nominee shall fully satisfy the County's obligations to pay principal and interest, or maturity amount, as applicable, and any applicable redemption premium, on such Bonds to the extent of such payments, and no beneficial owner of any interest in any Bond registered in the name of DTC or its nominee shall have any recourse

against the County hereunder for any failure by DTC or any participant therein to remit such payments to the beneficial owners of such Bonds.

So long as DTC or its nominee, CEDE & CO., is the registered owners of the Bonds, if all or less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent shall notify DTC within the time periods described in the Letter of Representation. If less than all of the Bonds of a particular maturity are to be redeemed, the Bonds to be redeemed shall be selected by the County in any order the County may decide and within a maturity by lot selected by DTC. In the event that DTC or its nominee, CEDE & CO., is not the registered owner of the Bonds, then the selection by lot within a maturity of the Bonds to be redeemed shall be made by the Paying Agent. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

The County or DTC may elect to terminate the book-entry-only system with respect to the Bonds by giving notice to the Paying Agent in accordance with DTC's Letter of Representations. Upon termination of the book-entry-only system, bond certificates are required to be printed and delivered in accordance with this Ordinance.

Upon termination of the book-entry-only system, this Section, as applicable to the book-entry-only system, shall become null and void. All other Sections of this Ordinance shall remain in full force and effect with regard to the Bonds.

SECTION 11. General Obligation Covenant.

The Bonds are hereby declared to be general obligations of the County. The County hereby covenants with the registered owners from time to time of the Bonds outstanding pursuant to this Ordinance that it will include the amount of the debt service as specified in this Section, subject to appropriate adjustment in the event of the optional redemption of any Bonds prior to maturity, on the Bonds for each fiscal year in which such sums are payable, in its budget for that year, will appropriate such amounts for such payments and will duly and punctually pay or cause to be paid the principal of the Bonds and the interest thereon on the dates, at the places and in the manner stated therein, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the County does hereby pledge its full faith, credit and taxing power. The amount of the debt service which the County hereby covenants to pay on the Bonds in each year is shown on Schedule C which is attached hereto and incorporated herein by reference as if set out here at length. As provided in the Debt Act, the foregoing covenants are specifically enforceable.

SECTION 12. Redemption.

(a) Optional Redemption. Certain of the Bonds are subject to redemption prior to maturity at the option of the County as shown at Schedule D, which Schedule is attached hereto and incorporated herein.

(b) Mandatory Redemption. Certain of the Bonds are subject to mandatory sinking fund redemption prior to maturity as shown at Schedule D.

(c) Notice. Notice of any redemption shall be given by mailing a notice of redemption by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date to the registered owners of the Bonds to be redeemed, as applicable, at the addresses which appear in the Bond Register, provided, however, that neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any

one Bond, as applicable, shall affect the validity of the proceedings for the redemption of any other Bond. If the County shall have duly given notice of redemption and shall have deposited with the Paying Agent funds for the payment of the redemption price of the Bonds, as applicable, so called for redemption, with accrued interest thereon to the date fixed for redemption, interest on such Bonds shall cease to accrue after such redemption date.

(d) CUSIP Numbers. Notices of redemption shall contain the applicable CUSIP numbers pertaining to the Bonds called for redemption (if then generally in use), and shall also contain the serial identification numbers printed on the Bonds, as applicable. The County, however, makes no representation as to the accuracy of such CUSIP numbers either printed on the Bonds or as contained in any redemption notice.

(e) Selection by Lot. If less than all the Bonds, maturing on any one date are to be redeemed at any time, the Paying Agent shall select by lot the Bonds, to be redeemed at such time.

(f) Portions of Bonds. Any portion of any Bond of a denomination larger than $5,000 may be redeemed, but only in the principal amount of $5,000 or any integral multiple thereof. Prior to selecting Bonds, for redemption, the Paying Agent shall assign numbers to each $5,000 portion of any Bond, as applicable, of a denomination larger than $5,000 and shall treat each portion as a separate Bond, in the denomination of $5,000 for purposes of selection for redemption. Upon surrender of any Bond for redemption of a portion thereof, the Paying Agent shall authenticate and deliver to the registered owner thereof a new Bond or Bonds, as applicable, of the same maturity and in any authorized denominations requested by the registered owner in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

SECTION 13. Sinking Fund.

(a) Deposit. There is hereby established a sinking fund to be known as County of Centre, Series of 2006 Bonds Sinking Fund (the "Series of 2006 Bonds Sinking Fund") into which the County covenants to deposit, and into which the County Treasurer is hereby authorized and directed to deposit (i) on or before January 1, 2007, and on or before each July 1 and January 1 thereafter to and including December 1, 2020, amounts sufficient to pay the interest due on such dates on the Bonds then outstanding, and (ii) on or before July 1, in each of the years 2007 through, and including, 2020, an amount sufficient to pay the principal of the Bonds due and payable at maturity or upon mandatory sinking fund redemption.

Should the amounts covenanted to be paid into the Series of 2006 Bonds Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of interest and principal of the Bonds, whether by reason of funds already on deposit in the Series of 2006 Bonds Sinking Fund, or by reason of the purchase or redemption of the Bonds, as applicable, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) Credit for Bonds Delivered. The County may satisfy any part of its obligations with respect to clause (a) by delivering to the Paying Agent and Sinking Fund Depository, for cancellation Bonds, as appropriate, maturing on the date on which such deposit is required. The County shall receive credit against such deposit for the face amount of the Bonds so delivered, provided that such Bonds are delivered to and received by the Paying Agent and Sinking Fund Depository (i) on or before the maturity date of the Bonds, as applicable, for which

credit is requested, in the case of a deposit required for the payment of the Bonds, as applicable, at maturity, or (ii) in the case of a deposit required to be made on a Mandatory Redemption Date, with respect to the Bonds, as applicable, no later than 45 days prior to the Mandatory Redemption Date for which credit is requested.

(c) Application of Funds. All sums in the Series of 2006 Bonds Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted to be paid by Section 11 hereof as the same from time to time become due and payable and the balance of said moneys over and above the sum so required shall remain in the applicable Series of 2006 Bonds Sinking Fund to be applied to the reduction of future required deposits; subject, however, to investment or deposit at interest as authorized by law and as permitted by Section 25 hereof. The Series of 2006 Bonds Sinking Fund shall be kept as separate accounts at the designated corporate trust office of the Sinking Fund Depository. The Sinking Fund Depository, without further authorization other than as herein contained, shall pay from the moneys in the Series of 2006 Bonds Sinking Fund, as applicable, the interest on the Bonds, as and when due to the registered owners on the appropriate Record Date and the principal of the Bonds, as and when the same shall become due, to the registered owners thereof.

(d) Optional Deposits. Notwithstanding the foregoing, in the case of optional redemption of any or all of the Bonds as permitted by Section 12 hereof, the County Treasurer is hereby authorized and directed to deposit from time to time before the appropriate optional redemption date funds which shall be sufficient when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the Bonds, as applicable, so called for redemption and the premium, if any and the interest thereon to the date fixed for redemption.

SECTION 14. Disposition of Proceeds.

(a) Clearing Account. All moneys derived from the sale of the Bonds, including any good faith deposit, shall be deposited in the Clearing Account created pursuant to Section 21 hereof and shall be and hereby are appropriated substantially to payment of the cost of the 2006 Refunding Project, and to payment of the costs and expenses of preparing, issuing, insuring and marketing the Bonds, and the payment of interest on the Bonds from November 1, 2006 to the date of delivery and shall not be used for any other purposes, except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining moneys shall promptly upon their determination be deposited in the Series of 2006 Bonds Sinking Fund and used for the payment of interest on the Bonds. Notwithstanding the foregoing sentence, proceeds of the Bonds may be used for purposes other than those enumerated in this Ordinance; provided that, the County shall have first complied with the applicable provision of the Debt Act regarding a change in the use of proceeds.

(b) 2003 Bonds. Promptly on deposit of the proceeds of the Bonds, the School District shall cause the transfer to Commerce Bank, National Association, as escrow agent (the "Escrow Agent"), pursuant to that certain irrevocable agreement by and between the School District and the Escrow Agent dated November 1, 2006 (the "2006 Escrow Agreement for the 2003 Bonds" or the "Escrow Agreement") hereby approved and authorized, of that portion of the proceeds of the Bonds designated for deposit to a certain fund held under the 2006 Escrow Agreement for the 2003 Bonds (the "2006 Escrow Fund for the 2003 Bonds" or the "Escrow Fund") and immediately thereupon applied to the purchase of certain escrow obligations with a remainder amount held as cash within the 2006 Escrow Fund for the 2003 Bonds, and thereafter applied in accordance with the terms of the 2006 Escrow Agreement for the 2003

Bonds for the advance refunding, defeasance, retirement, and redemption of all of the Refunded 2003 Bonds either at maturity or upon redemption prior to maturity at the option of the County on July 1, 2013, the date hereafter fixed for the redemption of a portion of the Refunded 2003 Bonds then outstanding.

SECTION 15. Cost and Realistic Useful Life.

Reasonable cost estimates have been obtained for the 2006 Refunding Project with the assistance of officials of the County and the Purchaser, who is believed by the County to be qualified by education, training and experience to provide such estimates. The cost of the 2006 Project, is estimated to be, approximately, $10,000,000.

With respect to 2003 Capital Project, financed with proceeds of the 2003 Bonds, the County reaffirms the original useful life to be, at least forty (40) years, which term of years exceeds the final maturity date of the 2003 Bonds and of the Bonds. The County, as set forth in the 2003 Ordinance, reaffirmed, in connection with the issuance of the 2003 Bonds, the estimated useful lives of the various capital projects funded with proceeds of the prior bonds thereafter refunded, in whole or in part, with proceeds of the 2003 Bonds, which term of years is greater than the scheduled final maturity of the 2003 Bonds in 2020. With respect to 2003 Refunding Project, the County hereby reaffirms the useful lives of the various capital financed or refinanced with proceeds of the bonds refunded with proceeds of the 2003 Bonds, and further, declares that the remaining portion of such useful lives are, as measured from the date of issuance of the 2003 Bonds, in excess of the final maturity of the 2003 Bonds and of the Bonds.

The maturities of the Bonds have been set by the County in accordance with Section 8142(a)(2) of the Debt Act and the weighted average maturity of the Bonds does not extent the weighted average maturity of the Refunded 2003 Bonds. In addition, in accordance with Section 8142(b)(2) or Section 8142(d) of the Debt Act, the maturities of the Bonds have been fixed so that the principal of the Bonds will be amortized on at least an approximately level annual debt service plan or, in the alternative, an earlier maturity debt service plan (See Schedule E).

SECTION 16. Internal Revenue Code Covenants.

(a) General. The County hereby covenants with the registered owners, from time to time, of the Bonds that no part of the proceeds of the Bonds will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended ("Code") and the Regulations thereunder proposed or in effect at the time of such use and applicable to the Bonds, and that it will comply with the requirements of Section 148 of the Code and the Regulations throughout the term of the Bonds.

(b) Rebate. The County reasonably expects that with the issuance of the Bonds the County will not be exempt from rebating any arbitrage earned on the Bonds in accordance with provisions of the Code. If the gross proceeds of the Bonds are invested at a yield greater than the yield on the Bonds and the earnings therefrom are not exempt from arbitrage rebate in accordance with provisions of the Code, the County covenants that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, all investment income derived from investing the proceeds of the Bonds in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the Bonds at a yield not in excess of the yield on the Bonds.

(c) Qualified Tax-Exempt Obligation Designation. The County hereby designates the Bonds as Qualified Tax-Exempt Obligations pursuant to Section 265(b)(3) of the Code and represents and expects that the total amount of its obligations so designated and to be designated during the 2006 calendar year does not and will not exceed $10,000,000.

(d) Filing. The County will file IRS Form 8038 and any other forms or information required by the Code to be filed in order to permit the interest on the Bonds to be excluded from gross income for federal income tax purposes.

SECTION 17. Advertising.

The action of the officers and officials of the County in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The officers and officials of the County or any of them, are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in the County within 15 days after final enactment. The Chief Clerk is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

SECTION 18. Filing with Department of Community and Economic Development.

The Chairman of the Board of Commissioners and the Chief Clerk are hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a transcript of the proceedings relating to the issuance of the Bonds including the Debt Statement and Borrowing Base Certificate required by Section 8110 of the Debt Act, and to take other necessary action, and to prepare and file all necessary documents with the Department of Community and Economic Development including, if necessary or desirable, any statements required to exclude any portion of the debt evidenced by the Bonds from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 19. General Authorization.

The officers and officials of the County are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

SECTION 20. Official Statement.

The Preliminary Official Statement prepared with respect to the Bonds is hereby approved. The Chairman of the Board of Commissioners is hereby authorized to execute and approve a final Official Statement relating to the Bonds provided that the final Official Statement shall have been approved by the County's Solicitor. The distribution of the Preliminary Official Statement is hereby ratified and the Purchaser is hereby authorized to use the Preliminary and the final Official Statements in connection with the sale of the Bonds. The Board of Commissioners deems the Preliminary Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information which has been omitted in accordance with such Rule and which will be supplied with the final Official Statement.

SECTION 21. Clearing Account and Escrow Fund.

(a) Clearing Account. The County hereby creates with the Paying Agent a special fund to be known as the County of Centre Series of 2006 Clearing Account (the "Clearing Account"), which shall be held as trust funds for the benefit of the County until disbursed in

accordance with the provisions hereof. The County shall deliver the net proceeds (including rued interest and capitalized interest, if any, derived from the sale of the Bonds to the Paying Agent for deposit to the Series of 2006 Clearing Account. Upon written directions from the County signed by the Chairman of the Board of Commissioners and the Chief Clerk, the Paying Agent shall pay from funds held in the Clearing Account: pay the costs and expenses of the issuance allocable to the Bonds, transfer the amount of accrued interest, if any, to the Series of 2006 Bonds Sinking Fund, and transfer the amount designated by the County as required to be deposited into the Escrow Fund for the 2003 Bonds described in subsection (b) below. The written direction from the County shall state the names of the respective payees, the purpose for which the expenditure has been incurred, or the purpose of the transfer, whichever is applicable, and shall contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer which is requested is in accordance with the provisions of this Ordinance.

(b) Escrow Fund. The County hereby appoints Commerce Bank, National Association, having a corporate trust office in Harrisburg, Pennsylvania, who is the paying agent and sinking fund depository for the 2003 Bonds, as escrow agent (the "Escrow Agent"), under the Escrow Agreement, heretofore defined, and hereby creates an escrow fund with respect to the Refunded 2003 Bonds (the "Escrow Fund"), necessary to effectuate the refunding, defeasance, redemption and retirement of the Refunded 2003 Bonds. Proper Officers of the County are authorized and directed to execute, attest and deliver, as appropriate, on behalf of the County, the Escrow Agreement with respect to the Refunded 2003 Bonds in the form hereinafter approved and providing for, *inter alia*, the establishment of the Escrow Fund, the investment and application of moneys to be deposited therein and such other provisions as are necessary and appropriate in connection with the refunding, defeasance and retirement, at maturity or by earlier redemption, of the Refunded 2003 Bonds as contemplated by this rdinance. The Escrow Agreement shall further provide for (i) the payment on January 1 and July 1 in each of the years 2007 through, and including, 2013 interest accrued on the Refunded 2003 Bonds and (ii) the payment on July 1, 2013 of the redemption amount to redeem prior to maturity all of the principal balance of the Refunded 2003 Bonds maturing on and after July 1, 2013, said July 1, 2013 being the date on which the Refunded 2003 Bonds are first eligible for redemption at the option of the County and the date the County through this Ordinance calls the Refunded 2003 Bonds for redemption, and after final payment, or after having made provision for the final payment, of the principal of and interest on the Refunded 2003 Bonds, all and any moneys and funds remaining on deposit in the Escrow Fund shall be paid over to the County for deposit into the Series of 2006 Bonds Sinking Fund and applied to the redemption of the Bonds. The Escrow Agreement shall be in form and substance and contain such provisions as are satisfactory to Bond Counsel, to the County Solicitor and the officers of the County executing the same and such form hereby is approved.

SECTION 22. Payment and Redemption of the Refunded Bonds.

The County hereby irrevocably calls for redemption on July 1, 2013, at a price of 100% of the principal amount plus accrued interest, the Refunded 2003 Bonds maturing on July 1 in each of the years 2015 through, and including, 2018 and on July 1, 2020, then outstanding, and further irrevocably directs payment from moneys to be available for such purpose in the Escrow Fund of the interest on the Refunded 2003 Bonds, being subject to redemption prior to maturity, on January 1 and July 1 in each of the years 2015 through, and including, 2018 and 2020. The County directs that an appropriate notice of optional redemption be mailed by the Escrow Agent who serves as paying agent for the 2003 Bonds (the "2003 Bonds Paying Agent"), to the register owners of those 2003 Bonds hereby authorized for redemption prior to maturity on July

1, 2013, and other proper parties entitled to receive such notice at the proper time with regard to the redemption of the Refunded 2003 Bonds.

The County hereby irrevocably directs the Escrow Agent to make the payment of the principal of and interest on Refunded 2003 Bonds from funds held in the Escrow Fund under the Escrow Agreement in accordance with provisions set forth in the immediately preceding grammatical paragraph..

The County directs that in addition to the mailing of notices of optional redemption as required in this section, that the 2003 Bonds Paying Agent mail a notice of refunding within fifteen (15) days immediately after issuance of the Bonds, to the registered owners of the 2003 Bonds maturing in the years in which the Refunded 2003 Bond mature, and other proper parties entitled to receive such notice with regard to the County's action to redeem prior to maturity on July 1, 2013 the Refunded 2003 Bonds. The notice of refunding shall be in such form as, with respect to the 2003 Bonds, is attached to the Escrow Agreement.

Proper Officers of the County shall deliver, or cause to be delivered, a certified copy of this Ordinance and of the Escrow Agreement to the 2003 Bonds Paying Agent.

SECTION 23. Payment of Expenses.

All expenses incurred in connection with issuance of the Bonds, shall be paid out of the proceeds derived from the issuance of the Bonds and deposited in the Clearing Account and the proper officers and officials are authorized to sign and deliver requests for payment of such expenses.

SECTION 24. Investment.

Any moneys in the Series of 2006 Bonds Sinking Fund not required for prompt expenditure may, at the direction of the County be invested in accordance with the Debt Account and other laws of the Commonwealth applicable to the County with respect to the investment of funds. Subject to the preceding sentence, such monies may be invested in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that the Federal Deposit Insurance Corporation or similar Federal agency insures such deposits, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds in accordance with the Debt Act. Any such investments or deposits shall mature or be subject to redemption at the option of the holder, or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the registered owners of the Bonds.

SECTION 25. Purchase of Insurance.

The County hereby agrees to purchase and hereby accepts the commitment of CIFG Assurance North America Inc. (the "Bond Insurer") to issue a Municipal Bond New Issue Insurance Policy insuring the Bonds and directs that the appropriate premium be promptly paid at the settlement of the sale of the Bonds. A legend indicating the existence of such a policy shall be printed on the Bonds in the form required by the Bond Insurer. In order to have accrued interest, if any, paid by the Purchaser excluded from the calculation of the premium, the County agrees to cause any amount paid as accrued interest to be invested, to the extent required by the Bond Insurer, in direct obligations of the United States of America and maintained in the Series of 2006 Bonds Sinking Fund, as applicable. All terms and conditions

required to be contained in this Ordinance by the terms of the commitment are incorporated herein by reference with the same effect as if set out at length.

SECTION 26. Authorization of Officers.

Any authorization granted to, power conferred on, or direction given to the Chairman of the Board of Commissioners or the Chief Clerk or the County Treasurer shall be deemed to run to the Vice Chairman of the Board of Commissioners, to the Deputy Chief Clerk and to the Deputy County Treasurer, respectively, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction, all of whom, together with, as appropriate, any other member of the Board of Commissioners of the County, and any other official of the County identified in this Ordinance, shall each constitute a "Proper Officer" of the County, and collectively, "Proper Officers."

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SECTION 27. Form of the Series of 2006 Bond.

The form of the Bonds shall be substantially in the form set forth in this Section with such changes thereto as shall hereafter be made upon the advice of the County solicitor and bond counsel, approval of such changes being evidenced by the execution and attestation of the Bonds of this series by proper officers of the County.

No. GOB - ____ $___,___,___

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

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA

GENERAL OBLIGATION BOND, SERIES OF 2006

Interest Rate	Maturity Date	Date of Issue	CUSIP
___.___%	December 1, 20__	November 1, 2006	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ AND 00/100 DOLLARS
($___,___,___)

The County of Centre, Commonwealth of Pennsylvania (the "County"), a municipality existing under the laws of the Commonwealth of Pennsylvania and a local government unit, as defined in the Local Government Unit Debt Act, 53 Pa.C.S. § 8001 *et seq.*, as amended and supplemented (the "Debt Act"), for value received, hereby promises to pay to the registered owner of this General Obligation Bond, Series of 2006 , on the above stated maturity date, the above stated principal sum unless this Bond shall be redeemable and duly shall have been called for previous redemption and payment of the redemption price shall have been made or provided for, and to pay semiannually on January 1 and July 1 of each year (each, an "Interest Payment Date"), beginning January 1, 2007, to the registered owner hereof, interest thereon at the above stated annual rate of interest, from the Interest Payment Date next preceding the date of registration and authentication of this Bond, unless: (a) this Bond is registered and authenticated as of an Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date; or (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the succeeding Interest Payment Date, in which event this Bond shall bear interest from such succeeding Interest Payment Date; or (c) this Bond is registered and authenticated prior to the Record Date preceding January 1, 2007, in which event this Bond shall bear interest from November 1, 2006; or (d) as shown by the records of the Paying Agent (hereinafter defined), interest on this Bond shall be in default, in which event

is Bond shall bear interest from the date on which interest was last paid on this Bond until the icipal sum hereof is paid.

The principal of this Bond is payable to the registered owner hereof in lawful moneys of the United States of America upon presentation hereof at the designated corporate trust office of Commerce Bank, National Association (the "Paying Agent"), with a corporate trust office in Harrisburg, Pennsylvania. The term "Paying Agent", when hereinafter used, also shall include any successor paying agent under the Ordinance, hereinafter defined. Payment of the interest due hereon shall be paid to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his or her address as it appears on the bond register (the "Bond Register") maintained by the Paying Agent, as bond registrar, at the close of business on the Record Date (hereinafter defined) irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date. The term "Record Date" with respect to any Interest Payment Date shall mean the fifteenth (15th) day (whether or not a business day) next preceding such Interest Payment Date. In the event the County shall default in the payment of interest due hereon at the time the same is due and payable, such defaulted interest will be payable to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his or her address as it appears on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on a special record date (the "Special Record Date") established by the Paying Agent, not more than fifteen (15) days preceding such payment date. Notice of a Special Record Date shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bond shall be a Saturday, Sunday, legal holiday or a on day on which banking institutions in the municipality where the designated corporate trust office of the Paying Agent is located are authorized or required 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 a day on which such banking institutions 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.

This Bond is one of an initially authorized series of $10,000,000 aggregate principal amount of general obligation bonds of the County, known as "General Obligation Bonds, Series of 2006" (the "Bonds"), all of like tenor, except as to dates of maturity, denominations, provisions for redemption and rates of interest, and all issued in accordance with provisions of the Debt Act under and by virtue of an ordinance of the Board of Commissioners of the County duly enacted on October 3, 2006 (the "Ordinance"). The Debt Act, as such shall have been in effect when this Bond was authorized, and the Ordinance shall constitute a contract between the County and the registered owner, from time to time, of this Bond.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds, stated to mature on July 1, 2012, are subject to redemption prior to maturity, at the option of the County, in whole or in part, on July 1, 2011 or on any date thereafter, upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

Mandatory Redemption. The Bonds stated to mature on July 1, 2013 and July 1, 2020 are subject to mandatory redemption, in part, as drawn by lot by the Paying Agent, prior to the stated maturity date, by application of money available for such purposes in the Sinking Fund

established under the Ordinance, upon payment of the principal amount thereof, together with accrued interest, to the date fixed for redemption or upon maturity, as applicable, on July 1 of the following years and in the following principal amounts:

Bonds Stated to Mature on
July 1, 2013

Year	Amount
2012	$ 95,000
2013*	$ 100,000

*Maturity.

Bonds Stated to Mature on
July 1, 2020

Year	Amount
2019	$ 10,000
2020*	$ 1,985,000

*Maturity.

If less than all Bonds of a maturity are to be redeemed, such Bonds shall be drawn by lot by the Paying Agent. In the event any Bonds are in a denomination greater than $5,000 a portion of such Bonds may be redeemed, but portions of Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

Notice of redemption of this Bond shall be given to the Registered Owner hereof by first class mail, not less than thirty (30) day nor more than sixty (60) days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Ordinance. A portion of this Bond of a denomination larger than $5,000 may be redeemed, and in such case, upon the surrender of this Bond, there shall be issued to the Registered Owner hereof, without charge therefor, a Bond or Bonds for the unredeemed balance of the principal amount of this Bond, all as more fully set forth in the Ordinance. If notice of redemption shall have been duly given, this Bond, or portion thereof specified in that notice, shall become due and payable at the applicable redemption price on the redemption date designated in that notice, and if, on that redemption date, moneys are held by the Sinking Fund Depository for the payment of the redemption price of this Bond to be redeemed, then from and after the redemption date, interest on this Bond shall cease to accrue.

The County, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures ("CUSIP"), has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices of redemption and other notices, if any, as a convenience to the Registered Owners of the Bonds. No representation is made by the County as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice and reliance may be placed only on the identification number printed hereon.

This Bond shall be transferable upon books of the County kept at the aforesaid corporate trust office of the Paying Agent, by the registered owner hereof in person or by his duly authorized agent or legal representative at such corporate trust office of the Paying Agent,

upon surrender hereof, together with a written instrument of transfer, in form and with guaranty signature satisfactory to the County and the Registrar, duly executed by the registered owner hereof or his duly authorized agent or legal representative, and thereupon the County shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same interest rate and maturity, and in the same aggregate principal amount as the Bond so surrendered. The County and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal of or redemption price hereof and interest due hereon and for all other purposes whatsoever.

The County and the Paying Agent shall not be required to: (a) issue, or register the transfer or exchange of any Bond during a period beginning at the close of business on the fifteenth (15th) day next preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending on the close of business on such Interest Payment Date or date on which the applicable notice of redemption is given, respectively; or (b) register the transfer or exchange of any Bond after it has been selected for redemption, in whole or in part.

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

So long as The Depository Trust Company ("DTC") or its nominee, CEDE & CO., is the registered owner hereof, all payments of principal and interest on this Bond shall be payable in the manner and at the respective time of payment provided for in the Letter of Representations (the "Letter of Representations").

So long as DTC or its nominee, CEDE & CO., is the registered owner of the Bonds, if all or less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent shall notify DTC within the time periods described in the Letter of Representations. If less than all of the Bonds are to be redeemed, the Bonds to be redeemed shall be selected by the County in any order the County may decide and within a maturity by lot selected by DTC. In the event DTC or its nominee, CEDE & CO., is not the registered owner of the Bonds, then the selection by lot within a maturity of the Bonds to be redeemed shall be made by the Paying Agent. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

It is hereby certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Bond, together with any other indebtedness of the County, if any, is not in excess of any limitation imposed by the Debt Act upon the incurring of debt by the County. The County has covenanted, in the Ordinance, with the registered owners from time to time, of the Bonds which shall be outstanding, from time to time, pursuant to the Ordinance, that the County, as appropriate, shall include the amount of debt service, for each fiscal year of the County in which sums are payable, in its budget for that fiscal year, shall appropriate such

amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of this Bond and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the County has and does pledge, irrevocably, its full faith, credit and taxing power. The Debt Act provides that the foregoing covenant of the County shall be enforceable specifically.

The County, in the Ordinance, has established a sinking fund with the Paying Agent, as the Sinking Fund Depository, into which funds for the payment of the principal of and the interest on this Bond shall be deposited not later than the date fixed for disbursement thereof. The County has covenanted in the Ordinance to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Bond.

This Bond is issuable only in the form of a fully registered bond, without coupons, in the denomination of $5,000 or any whole multiple thereof. This Bond, or this Bond together with other Bonds, at the option of the registered owner hereof, may be exchanged for an aggregate principal amount of a registered Bond or Bonds of the same series, designation, maturity and interest rate of any authorized denomination.

This Bond shall not be entitled to any benefit under the Ordinance and shall not be valid or obligatory for any purpose until this Bond shall have been authenticated by the Certificate of Authentication endorsed hereon duly signed by or in behalf of the Paying Agent.

The owner of this Bond, by acceptance hereof, shall be deemed to have assented to all terms and conditions of the Ordinance.

IN WITNESS WHEREOF, the County of Centre has caused this Bond to be duly executed in its name and on its behalf by the manual signature of the Chairman, or the Vice Chairman, of the Board of Commissioners of the County (and the manual signatures of such other members of the Board of Commissioners of the County as appear below) and the Seal of the County manually imprinted hereon and attested by the manual signature of the Chief Clerk, or Assistant Chief Clerk, of the County.

COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA

ATTEST

_____
Chairman, Board of Commissioners

_____
Chief Clerk
[SEAL]

_____
Member, Board of Commissioners

_____
Member, Board of Commissioners

_____

CERTIFICATE OF AUTHENTICATION AND
CERTIFICATE AS TO OPINION

310332

This Bond is one of the County of Centre, General Obligation Bonds, Series of 2006, described in the within-mentioned Ordinance. The text of opinion attached hereto is the text of the opinion of Eckert Seamans Cherin & Mellott, LLC of Philadelphia, Pennsylvania, Bond Counsel, an executed counterpart of which, dated and delivered on the date of original delivery of and payment for said Bonds, is on file with the undersigned. The Statement of Insurance attached hereto refers to an original policy of insurance issued by CIFG Assurance North America Inc. and on file at our designated corporate trust office where the same may be inspected.

Commerce Bank, National Association,
as Paying Agent

By:_____
Authorized Officer

Date of Authentication: _____

STATEMENT OF INSURANCE
[TO BE INSERTED]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT-
_____
(Cust)
_____
(Minor)
under Uniform Gifts to Minors Act

_____
(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto____

Please insert Social Security or other identifying number of assignee

_____

'ease print or typewrite name and address including postal zip code of transferee)

_____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints_____As Agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the Bond, in every particular, without alteration or enlargement, or any change whatever.

[END FORM OF BOND]

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SECTION 28. Ratification.

The County hereby ratifies and confirms authorization to the Solicitor to the County, Louis T. Glantz, Esquire, to Bond Counsel, Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, and to the Purchaser to undertake the necessary steps or to take necessary the actions relating to the marketing and issuance of the Bonds, including but not limited to the preparation and distribution of the Preliminary Official Statement.

SECTION 29. Disclosure Covenants.

In accordance with Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934, as amended, the County hereby covenants, with and for the benefit of the holders and beneficial owners (which shall include any person or entity that has a pecuniary interest in any of the Bonds) from time to time of the Bonds, to provide to each nationally recognized municipal securities information repository (within the meaning of the Rule) (herein a "NRMSIR") and to the appropriate state information depository (within the meaning of the Rule) in Pennsylvania, if any (herein a "SID"), on an annual basis, its annual General Purpose Financial Statements presented in conformity with generally accepted accounting principles (the "Financial Statements"), together with updates of certain information appearing in the Final Official Statement with respect to the Bonds (to the extent not included in the Financial Statements), commencing with the Financial Statements and information for the fiscal year ending December 31, 2006. The Financial Statements and information shall be provided within 275 days after the end of each fiscal year. If the Financial Statements are not independently audited, the County shall also provide independently audited Financial Statements when and if available. The County hereby also covenants, with and for the benefit of the holders and beneficial owners from time to time of the Bonds, to provide to each NRMSIR, or to the Municipal Securities Rulemaking Board (the "MSRB"), and to the SID (A) prompt notice of a failure to provide the Financial Statements, the tabular information or any audited Financial Statements in a timely manner and (B) prompt notice of any of the following events with respect to the Bonds, if such event is material within the meaning of the Rule: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (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 or events affecting the tax-exempt status of the Bonds; (vii) modifications to rights of the holders of the Bonds; (viii) bond redemptions (other than mandatory sinking fund redemptions); (ix) defeasance of the Bonds or any portion thereof; (x) release, substitution or sale of property securing payment of the Bonds; or (xi) any change in the ratings on the Bonds.

The County's covenants in the immediately preceding paragraph shall terminate upon legal defeasance, or other arrangement whereby the County is released from any further obligations with respect to the Bonds, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County shall give prompt notice of such termination to each NRMSIR, or to the MSRB, and to the SID.

Proper officers of the County are hereby authorized in the name and on behalf of the County to amend or terminate, in whole or in part, any of the foregoing covenants in this Section, without the consent of the holders or beneficial owners of the Bonds, provided that (A) the amendment requires the County to provide more information than was required by this Section prior to the amendment, without diminishing in any way the obligations of the County to provide information hereunder as required by this Section prior to the amendment, or (B) the following conditions are satisfied: (i) the amendment or termination is in connection with a

change in circumstances that arises from a change in or clarification of legal requirements, ange of law, or change in the identity, nature or status of an obligated person (within the meaning of the Rule) with respect to the Bonds, or the type of business conducted; (ii) such covenants, as amended, would, in the opinion of the independent nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or termination either (a) is approved by the holders of the Bonds in the same manner as provided in the Debt Act for modifications of this Resolution with the consent of such holders or (b) does not, in the opinion of independent nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds. The County shall give prompt notice of any such amendment or termination to each NRMSIR, to the MSRB and to the SID. In addition, the County shall describe such amendment in the next submission of Financial Statements and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided by the County. If the amendment relates to the accounting principles to be followed in preparing the Financial Statements, (A) the County shall give prompt notice of such change to each NRMSIR, or the MSRB, and to the SID and (B) the Financial Statements for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the Financial Statements as prepared on the basis of the new accounting principles and the Financial Statements prepared on the basis of the former accounting principles.

The sole remedy for a breach by the County of any of the covenants in this Section shall be an action to compel performance of such covenant. Under no circumstances may monetary damages be assessed or recovered or payment of the Bonds be accelerated, nor shall any such reach constitute a default under the Bonds. Nothing in this Section is intended as or shall be deemed a "provision of the Bonds" for purposes of the Debt Act.

SECTION 30. Severability.

In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this County that such remainder shall be and shall remain in full force and effect.

SECTION 31. Repealer.

Any resolutions or ordinances, or parts thereof, not in accordance with this Ordinance are hereby repealed insofar as they conflict with this Ordinance.

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DULY ENACTED AND ORDAINED by the Board of Commissioners of the County of Centre, Commonwealth of Pennsylvania in lawful session assembled, this 3rd day of October 2006.

COUNTY OF CENTRE

ATTEST:

Chairman, Board of Commissioners

Chief Clerk

Member, Board of Commissioners

[SEAL]

Member, Board of Commissioners