

**COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA**

**ORDINANCE
No. 1 of 2011**

AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CENTRE (THE "COUNTY") AUTHORIZING AND DIRECTING ISSUANCE OF GENERAL OBLIGATION DEBT, 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 2011, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,175,000 (THE "2011 BONDS"), FOR THE PURPOSE OF PROVIDING FUNDS TO BE APPLIED FOR AND TOWARD A PROJECT CONSISTING OF THE CURRENT REFUNDING OF SUBSTANTIALLY ALL OF THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES OF 2006 (THE "2006 BONDS", AND AS A PROJECT, THE "REFUNDING PROJECT"), AND PAYING THE COSTS OF ISSUANCE OF THE 2011 BONDS, THE FOREGOING BEING REFERRED TO COLLECTIVELY AS THE "2011 PROJECT"; DETERMINING THAT THE 2011 BONDS SHALL BE ISSUED AS NON-ELECTORAL DEBT; DETERMINING THAT THE 2011 BONDS SHALL BE SOLD AT PRIVATE SALE BY NEGOTIATION; ACCEPTING A PROPOSAL FOR PURCHASE OF THE 2011 BONDS, AT PRIVATE SALE BY NEGOTIATION AND AWARDED THE 2011 BONDS AND SETTING FORTH RELATED PROVISIONS; PROVIDING FOR MAXIMUM MATURITIES AND MAXIMUM INTEREST RATES; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; PROVIDING FOR THE TERMS OF THE 2011 BONDS INCLUDING DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES AND RECORD DATES; PROVIDING FOR THE REGISTRATION AND TRANSFER OF THE 2011 BONDS; SETTING FORTH REDEMPTION FEATURES AND PROCEDURES; PROVIDING THAT THE 2011 BONDS, WHEN ISSUED, SHALL BE TAX-EXEMPT, GENERAL OBLIGATIONS OF THE COUNTY; AUTHORIZING THE EXECUTION, AUTHENTICATION AND DELIVERY OF THE 2011 BONDS; AUTHORIZING ISSUANCE OF THE 2011 BONDS IN BOOK-ENTRY ONLY FORM; COVENANTING TO PAY DEBT SERVICE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER FOR THE PAYMENT OF THE 2011 BONDS; CREATING A SINKING FUND IN CONNECTION WITH THE 2011 BONDS AS REQUIRED BY SUCH DEBT ACT; APPROPRIATING PROCEEDS OF THE 2011 BONDS; AFFIRMING AND RESTATING THE ESTIMATED USEFUL LIVES OF THE PROJECTS FUNDED WITH PROCEEDS OF THE 2006 BONDS; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF THE 2011 BONDS AND DESIGNATING ALL, AND, IF APPLICABLE, DEEM DESIGNATING A PORTION OF, THE 2011 BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND FILING OF A TRANSCRIPT OF PROCEEDINGS, INCLUDING A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, WITH THE PENNSYLVANIA 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 AND DELIVERY OF THE 2011 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 2011 BONDS; CREATING A CLEARING ACCOUNT; SETTING FORTH CERTAIN COVENANTS RELATING TO PROVISIONS FOR REDEMPTION OF

THE 2006 BONDS, AS AFORESAID; AUTHORIZING THE IRREVOCABLE DEPOSIT OF A CERTAIN AMOUNT OF PROCEEDS OF THE 2011 BONDS INTO THE SINKING FUND FOR THE 2006 BONDS, WHICH WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON ALL OF THE 2006 BONDS UPON REDEMPTION PRIOR TO MATURITY; AUTHORIZING REDEMPTION INSTRUCTIONS BE DELIVERED TO THE PAYING AGENT FOR THE 2006 BONDS; AUTHORIZING A REDEMPTION NOTICE BE DELIVERED TO THE REGISTERED OWNERS OF THE 2006 BONDS; AUTHORIZING THE PAYMENT OF EXPENSES; PROVIDING GUIDELINES FOR PERMITTED INVESTMENTS; PROVIDING FOR THE AUTHORIZATION OF OFFICERS; APPROVING THE FORM OF BOND; RATIFYING AND CONFIRMING AUTHORIZATION TO THE COUNTY SOLICITOR AND BOND COUNSEL; COVENANTING TO PROVIDE CONTINUING DISCLOSURE; PROVIDING FOR SEVERABILITY OF PROVISIONS AND REPEALING INCONSISTENT ORDINANCES.

ENACTED JULY 19, 2011

WHEREAS, The County of Centre, Commonwealth of Pennsylvania (the "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.*, as amended and supplemented (the "Debt Act"); and

WHEREAS, Pursuant to an ordinance enacted on October 3, 2006 (the "2006 Ordinance"), the Board of Commissioners of the County heretofore incurred debt, evidenced by the County's General Obligation Bonds, Series of 2006 in the aggregate principal amount of \$10,000,000 (the "2006 Bonds"), of which \$9,640,000, aggregate principal amount, presently remains outstanding; and

WHEREAS, The County heretofore issued the 2006 Bonds to provide funds to be applied for and toward (i) the advance refunding of a portion of the outstanding principal amount of the County's General Obligation Bonds, Series of 2003 (the "2003 Bonds") and (ii) paying the costs of and expenses of issuing and insuring the 2006 Bonds; and

WHEREAS, The County heretofore issued the 2003 Bonds pursuant to an ordinance enacted by the County on December 12, 2002 (the "2002 Ordinance") to provide funds to be applied, *inter alia*, for and toward (i) a capital program consisting of (a) a new County corrections facility, (b) a new County fire training facility, and (c) improvements to the County Courthouse and other County buildings and facilities (collectively, the "2003 Capital Projects"); and

WHEREAS, The County determines that the portion of the 2003 Bonds advance refunded with proceeds of the 2006 Bonds constitute 2003 Bonds issued to fund, in part, the 2003 Capital Projects, which 2003 Capital Projects were ascribed a reasonably estimated useful life in excess of forty (40) years; and

WHEREAS, The County has determined to undertake a refunding program, being a "project" as the term is defined in the Debt Act, consisting of the current refunding and redemption of the \$9,550,000 outstanding principal amount of the 2006 Bonds, being \$5,000 of the 2006 Bonds subject to mandatory redemption on July 1, 2012 and all of the 2006 Bonds scheduled to mature on and after July 1, 2013 (hereinafter referred to as the "Refunded 2006

Bonds”), and the undertaking of the refunding of the Refunded 2006 Bonds referred to as the “2011 Refunding Project”; and

WHEREAS, The County desires to undertake the 2011 Refunded Project in order to reduce the total debt service from that of the Refunded 2006 Bonds pursuant to Section 8241(b)(1) of the Debt Act and to affirm the useful life of the 2003 Capital Projects; and

WHEREAS, The County intends to issue its general obligation bonds, in accordance with the terms of this Ordinance and the Debt Act, in order to fund the costs of the 2011 Refunding Project; and

WHEREAS, The County intends to issue its General Obligation Bonds, Series of 2011 (the “2011 Bonds”), in an aggregate principal amount not to exceed \$9,175,000, for the purpose of funding the 2011 Refunding Project, and the payment of the costs of issuance and insurance, if any, of the 2011 Bonds (collectively, the “2011 Project”); and

WHEREAS, PNC Capital Markets LLC, Pittsburgh, Pennsylvania (the “Purchaser”), following negotiation with the County, has presented to the County a written contract as its proposal for the purchase of the 2011 Bonds (the “Bond Purchase Proposal”); and

WHEREAS, The County has heretofore authorized Eckert Seamans Cherin & Mellott, LLC, of Harrisburg, Pennsylvania, to act as its Bond Counsel with respect to legal matters associated with the financing of the 2011 Project; and

WHEREAS, The County desires to approve and authorize the 2011 Project, issuance of the 2011 Bonds, acceptance of the Bond Purchase Proposal, the form of the 2011 Bonds, the current refunding and redemption of the Refunded 2006 Bonds and the call thereof for redemption at the option of the County as permitted by the terms of the Refunded 2006 Bonds, designation of the 2011 Bonds as “qualified tax-exempt obligations,” and to affirm and restate the purpose and useful lives of the projects refunded with proceeds of the Refunded 2006 Bonds, and to authorize such further provisions as are required by law for the issuance of tax-exempt municipal debt obligations and further actions by its officers consistent with this Ordinance, the Debt Act, and all other applicable law.

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

Section 1. The 2011 Project; Purpose.

The County hereby approves and undertakes the 2011 Project, including each of the component elements that, collectively, constitute the 2011 Project, together with the financing thereof, and hereby undertakes each of the component elements of the 2011 Project as a project as defined in the Debt Act. The Recitals to this Ordinance, including the description of the 2011 Bonds and the 2011 Project therein, are 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 County estimates that the 2011 Refunding Project will be completed with the redemption of the Refunded 2006 Bonds on August 18, 2011. The purpose of the 2011 Refunding Project, pursuant to Section 8241(b)(1) of the Debt Act, is to reduce total debt service over the remaining life of the 2011 Bonds as compared to the outstanding debt service on the Refunded 2006 Bonds.

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 2011 Project, the incurring of nonelectoral debt by the County in an aggregate principal amount not to exceed \$9,175,000 is hereby authorized. Such debt shall be evidenced by the issuance of tax-exempt, nonelectoral, general obligation bonds of the County designated "County of Centre, General Obligation Bonds, Series of 2011" in an aggregate principal amount not to exceed \$9,175,000 (the "2011 Bonds").

Section 3. Authorization of Private Sale by Negotiation.

After considering the advantages and disadvantages of a public sale of the 2011 Bonds permitted by the Debt Act and of current market conditions, the Board of Commissioners hereby determines that a private sale by negotiation is in the best financial interests of the County.

Section 4. Acceptance of the Bond Purchase Proposal.

The Bond Purchase Proposal presented to this meeting by the Purchaser as its proposal to purchase the 2011 Bonds is hereby accepted. The 2011 Bonds are hereby awarded and sold to the Purchaser at the price contained in the Bond Purchase Proposal, and as set forth on Schedule A attached hereto and incorporated herein by reference as if set out here at length. The Chairman, or any other member, of the Board of Commissioners, and the Chief Clerk or the Assistant Chief Clerk, if any, being proper officers of the County ("Proper Officers") are authorized and directed, respectively, to execute, attest and affix the Seal of the County to the accepted Bond Purchase Proposal (hereinafter, the "Purchase Agreement"), and thereafter, to deliver or cause the delivery of the accepted Purchase Agreement to the Purchaser. One counterpart of the accepted Purchase Agreement shall be filed with the records of the County.

Section 5. Maturities and Interest Rates.

The 2011 Bonds shall bear interest and mature as set forth on Schedule A, attached hereto and incorporated herein.

Section 6. Appointment of Paying Agent, Registrar and Sinking Fund Depository.

TD Bank, National Association, having an office in Harrisburg, Pennsylvania, is hereby appointed Paying Agent (the "Paying Agent") and Registrar (the "Registrar") for the 2011 Bonds and Sinking Fund Depository (the "Sinking Fund Depository") for the 2011 Bonds Sinking Fund created in Section 12 hereof. Proper officers of the County are hereby authorized and directed to contract with the Paying Agent for its services as Paying Agent, Registrar and Sinking Fund Depository at such initial and annual fee and charges as shall be appropriate and reasonable for such services. The County may, by resolution, from time to time appoint a successor Paying Agent, Registrar or Sinking Fund Depository to fill a vacancy or for any other reason.

Section 7. Form of Bond, Interest Payment Dates and Record Dates.

The 2011 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 2011 Bonds. The 2011 Bonds shall be dated as of August 18, 2011, the date of delivery thereof, and shall be issued in denominations of \$5,000 or any whole multiple thereof.

The 2011 Bonds shall bear interest payable initially on December 1, 2011, and on each June 1 and December 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 such 2011 Bond, unless: (a) such 2011 Bond is registered and authenticated as of an Interest Payment Date, in which event such 2011 Bond shall bear interest from such Interest Payment Date; or (b) such 2011 Bond is registered and authenticated after a Record Date (hereinafter defined) and before the succeeding Interest Payment Date, in which event such 2011 Bond shall bear interest from such succeeding Interest Payment Date; or (c) such 2011 Bond is registered and authenticated prior to the Record Date preceding December 1, 2011, in which event such 2011 Bond shall bear interest from August 18, 2011; or (d) as shown by the records of the Paying Agent, interest on such 2011 Bond shall be in default, in which event such 2011 Bond shall bear interest from the date on which interest was last paid on such 2011 Bond until the principal sum hereof is paid.

If the date for payment of the principal of or interest on any 2011 Bond shall be a Saturday, Sunday, legal holiday or 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 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.

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 the applicable Interest Payment Date. The person in whose name any 2011 Bond is registered at the close of business on any Record Date with respect to any applicable Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such 2011 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 2011 Bonds are registered 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 Special Record Date. Such notice of a Special Record Date shall be mailed to the persons in whose names the 2011 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

Section 8. Bond Register, Registrations and Transfer.

The County shall cause to be kept at the aforementioned corporate trust office of the Paying Agent a register (the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the County shall provide for the registration of 2011 Bonds and the registration of transfers and exchanges of 2011 Bonds. No transfer or exchange of any 2011 Bond shall be valid unless made at such office and registered in the Bond Register.

Upon surrender of any 2011 Bond at the aforementioned 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 2011 Bond or 2011 Bonds of any authorized denomination, of the same interest rate and maturity, and in the same aggregate principal amount as the 2011 Bond so surrendered.

Any 2011 Bond shall be exchangeable for other 2011 Bonds of the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the 2011 Bond or 2011 Bonds presented for exchange. Upon surrender of

any 2011 Bond for exchange at the aforementioned corporate trust office of the Paying Agent, the County shall execute and the Paying Agent shall authenticate and deliver in exchange therefor the 2011 Bond or 2011 Bonds which the registered owner making the exchange shall be entitled to receive.

All 2011 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 2011 Bonds surrendered for such registration of transfer or exchange.

Every 2011 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 2011 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 2011 Bonds.

The County and the Paying Agent shall not be required to: (a) issue, or register the transfer or exchange of, any 2011 Bond during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such Interest Payment Date; (b) issue, or register the transfer or exchange of, any 2011 Bond during the period beginning at the opening of business on the fifteenth (15th) business day next preceding any date of selection of a 2011 Bond or 2011 Bonds to be redeemed and ending at the close of business on the date the notice of redemption shall be given; (c) issue, or register the transfer or exchange of, any 2011 Bond during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of any 2011 Bond or 2011 Bonds to receive notice of any Special Record Date and the close of business on the Special Record Date; or (d) register the transfer or exchange of any 2011 Bond after it has been selected or called for redemption, in whole or in part.

Section 9. Redemption of 2011 Bonds.

(a) Optional Redemption. The 2011 Bonds are not subject to redemption prior to maturity, at the option of the County.

(b) Mandatory Redemption. The 2011 Bonds are subject to mandatory redemption on the dates (each, a "Mandatory Redemption Date") and in the amounts shown on Schedule B, which is attached hereto and incorporated herein. The County covenants to cause the 2011 Bonds to be redeemed on the Mandatory Redemption Dates in the amounts shown on Schedule B, subject to its right which is reserved in Section 12 hereof, to satisfy that obligation by delivering to the Paying Agent and the Sinking Fund Depository no later than 60 days before any Mandatory Redemption Date, for cancellation, Bonds of the maturity which are subject to mandatory redemption on that Mandatory Redemption Date.

(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 2011 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 2011 Bond, as applicable, shall affect the validity of the proceedings for the redemption

of any other 2011 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 2011 Bonds, as applicable, so called for redemption, with accrued interest thereon to the date fixed for redemption, interest on such 2011 Bonds, as applicable, shall cease to accrue after such redemption date.

(d) CUSIP Numbers. Notices of redemption shall contain the applicable CUSIP numbers pertaining to the 2011 Bonds called for redemption (if then generally in use), and shall also contain the serial identification numbers printed on the 2011 Bonds, as applicable. The County, however, makes no representation as to the accuracy of such CUSIP numbers printed on the 2011 Bonds or as contained in any redemption notice.

(e) Selection of 2011 Bonds for Redemption. If less than all 2011 Bonds, as applicable, maturing on any one date are to be redeemed at any time, the Paying Agent shall select by lot the 2011 Bonds, as applicable, to be redeemed at such time. If less than all 2011 Bonds are to be redeemed at any time, the 2011 Bonds shall be redeemed in such order of maturity as the County shall select.

(f) Portions of 2011 Bonds. Any portion of a 2011 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 2011 Bonds, as applicable, for redemption, the Paying Agent shall assign numbers to each \$5,000 portion of any 2011 Bond, as applicable, of a denomination larger than \$5,000 and shall treat each portion as a separate 2011 Bond, as applicable, in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of any 2011 Bond for redemption of a portion thereof, the Paying Agent shall authenticate and deliver to the registered owner thereof a new 2011 Bond or 2011 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 2011 Bond surrendered.

Section 10. Execution and Authentication; Book-Entry Only System.

(a) Execution and Authentication. The 2011 Bonds shall be executed on behalf of the County by the manual signature of the Chairman, or the Vice Chairman, of the Board of Commissioners of the County, shall have the corporate seal of the County affixed thereto (or a facsimile thereof), duly attested by the manual signature of the Chief Clerk or the Assistant Chief Clerk (collectively, "Proper Officers"), and said Proper Officers are hereby authorized and directed to execute the 2011 Bonds. The 2011 Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Paying Agent. No 2011 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 2011 Bond has been issued pursuant to this Ordinance and is entitled to any benefits conferred thereon under the provisions of this Ordinance. The signature of the officer of the Paying Agent executing the Certificate of Authentication on a 2011 Bond shall be manual. The signature of each Proper Officer executing the 2011 Bonds shall be manual. Proper Officers of the County, or any of them, are hereby authorized and directed to deliver the 2011 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.

(b) Book-Entry Only Registration.

(i) Letter of Representations. The County authorizes and approves the purchase or subsequent registration of the 2011 Bonds by the Purchaser as book-entry only obligations with The Depository Trust Company, New York, New York ("DTC"). Proper Officers of the County are authorized and directed to execute DTC's Letter of Representations, if applicable, 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 or subsequent registration of the 2011 Bonds as book-entry obligations.

(ii) Book-Entry Only System.

(A) The 2011 Bonds shall be issued in the form of one fully registered bond for the aggregate principal amount of the 2011 Bonds of each maturity. Except as provided in paragraph (G) below, all of the 2011 Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the 2011 Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the 2011 Bonds for an equal aggregate principal amount of 2011 Bonds, registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the County or the Paying Agent either a 2011 Bond or any other evidence of ownership of the 2011 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portions of the 2011 Bonds on the registration records maintained by the Paying Agent pursuant to Section 8 hereof, in connection with discontinuing the book-entry system as provided in paragraph (G) below or otherwise.

(B) So long as the 2011 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such 2011 Bonds shall be made to DTC or its nominee in immediately available funds on the dates provided for such payments in this Ordinance and in the 2011 Bonds. Each such payment to DTC or its nominee shall be valid and effective to discharge fully all liability of the County or the Paying Agent with respect to the principal or redemption price of or interest on such 2011 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the 2011 Bonds outstanding of any maturity, the Paying Agent shall not require surrender by DTC or its nominee of the 2011 Bonds so redeemed, but DTC (or its nominee) may retain such 2011 Bonds and make an appropriate notation on the bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the 2011 Bonds of such maturity which have been redeemed.

(C) The County and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the 2011 Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the 2011 Bonds, selecting the 2011 Bonds or portions thereof to be redeemed, giving

any notice permitted or required to be given to registered owners under the Ordinance and the 2011 Bonds, registering the transfer of 2011 Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever; and neither the County nor the Paying Agent shall be affected by any notice to the contrary. Neither the County nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the 2011 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration records maintained by the Paying Agent as being a registered owner, with respect to either: (1) the 2011 Bonds; or (2) the accuracy of any records maintained by DTC or any such participant; or (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the 2011 Bonds; or (4) any notice which is permitted or required to be given to registered owners under this Ordinance or the 2011 Bonds; or (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the 2011 Bonds; or (6) any consent given or other action taken by DTC as registered owner.

(D) So long as the 2011 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the registered owners of 2011 Bonds under this Ordinance or the 2011 Bonds shall be given to DTC as provided in the representation letter to be delivered to DTC, in form and content satisfactory to DTC and the County.

(E) In connection with any notice or other communication to be provided to registered owners pursuant to this Ordinance or the 2011 Bonds by the County or the Paying Agent with respect to any consent or other action to be taken by registered owners, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the County or the Paying Agent may establish a special record date for such consent or other action. The County or the Paying Agent shall give DTC notice of such special record date not less than fifteen (15) calendar days in advance of such special record date to the extent possible.

(F) Any successor Paying Agent shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the representation letter.

(G) The book-entry system for registration of the ownership of the 2011 Bonds may be discontinued at any time if either: (1) after notice to the County and the Paying Agent, DTC determines to resign as securities depository for the 2011 Bonds; or (2) after notice to DTC and the Paying Agent, the County determines that a continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the County. In either of such events (unless in the case described in clause (2) above, the County appoints a successor securities depository), the 2011 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the County or the Paying Agent for the accuracy of such designation. Whenever DTC requests the County and the Paying Agent to do so, the County and the Paying Agent shall cooperate with DTC in taking

appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the 2011 Bonds.

Section 11. General Obligation Covenant.

The 2011 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 2011 Bonds outstanding pursuant to this Ordinance that it will include the amount of the debt service as specified in this Section on the 2011 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 and the interest on the 2011 Bonds 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 maximum amount of the debt service which the County hereby covenants to pay on the 2011 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. Sinking Fund.

(a) Deposit. There hereby is established with the Sinking Fund Depository a sinking fund to be known as County of Centre, General Obligation Bonds, Series of 2011 Sinking Fund (the "2011 Bonds Sinking Fund"). The County covenants to deposit, and the Treasurer is hereby authorized and directed to deposit, into the 2011 Bonds Sinking Fund (i) on or before each Interest Payment Date, so long as the 2011 Bonds remain outstanding, amounts sufficient to pay the interest due on such dates on the 2011 Bonds then outstanding, and (ii) on or before June 1, 2012, and on or before each June 1 thereafter, so long as the 2011 Bonds remain outstanding, amounts sufficient to pay the principal of the 2011 Bonds due on each such date at maturity or pursuant to the mandatory redemption requirements hereof. Should the amounts covenanted to be paid into the 2011 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 2011 Bonds, whether by reason of funds already on deposit in the 2011 Bonds Sinking Fund, or by reason of the purchase of or redemption of 2011 Bonds, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) Credit for 2011 Bonds Delivered. The County may satisfy any part of its obligations with respect to subsection (a) above by delivering to the Paying Agent and Sinking Fund Depository, for cancellation, 2011 Bonds, as appropriate, maturing or subject to mandatory redemption, as applicable, on the date on which such deposit is required. The County shall receive credit against such deposit for the face amount of the 2011 Bonds so delivered, provided that such 2011 Bonds are delivered to and received by the Paying Agent and Sinking Fund Depository (i) on or before the maturity date of the 2011 Bonds for which credit is requested, in the case of a deposit required for the payment of 2011 Bonds at maturity, or (ii) in the case of a deposit required to be made on a Mandatory Redemption Date, with respect to the 2011 Bonds, no later than 60 days prior to any Mandatory Redemption Date for which credit is requested.

(c) Application of Funds. All sums in the 2011 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 2011 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 23 hereof. The 2011 Bonds Sinking Fund shall be kept as a separate account at the aforementioned 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 2011 Bonds Sinking Fund the interest on the 2011 Bonds, as and when due to the registered owners on the appropriate Record Date and principal of the 2011 Bonds as and when the same shall become due, to the registered owners thereof.

Section 13. Disposition of Proceeds.

All moneys derived from the sale of the 2011 Bonds shall be deposited in the Clearing Account created pursuant to Section 20 hereof and shall be and hereby are appropriated substantially to payment of the cost of the 2011 Project, including but not limited to payment of the costs and expenses of preparing, issuing and marketing the 2011 Bonds, the payment of interest on the 2011 Bonds, if any, from August 18, 2011 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 2011 Bonds Sinking Fund and used for the payment of interest on the 2011 Bonds. Promptly on the deposit of the proceeds of the 2011 Bonds to the Clearing Account, the County shall cause to be made the payments and transfers authorized by Section 20 of this Ordinance.

Section 14. Cost and Realistic Useful Life, Debt Service.

Reasonable cost estimates have been obtained for the 2011 Project with the assistance of persons qualified by education, training and experience. The cost of the 2011 Project is at least \$9,175,000. The realistic useful lives of the 2003 Capital Projects refunded, in part, with proceeds of the Refunded 2006 Bonds, as set forth in the Recitals, hereto, are ratified and affirmed. Principal amounts of the 2011 Bonds are scheduled to mature or be subject to mandatory redemption consistent with the scheduled principal maturities of the Refunded 2006 Bonds. In accordance with Section 8142(b)(2) of the Debt Act, the maturities of the 2011 Bonds have been fixed so that the principal of the 2011 Bonds will be amortized on at least an approximately level annual debt service plan, together with all other outstanding debt service of the County, as set forth in Schedule D, attached hereto. In accordance with Section 8142(a) of the Debt Act, the maturities of the 2011 Bonds have been fixed so that the proportional amount of principal of the 2011 Bonds will be amortized within the useful lives of the 2003 Capital Projects refunded, in part, with proceeds of the Refunded 2006 Bonds.

Section 15. Internal Revenue Code Covenants.

(a) General. The County hereby covenants with the registered owners, from time to time, of the 2011 Bonds that no part of the proceeds of the 2011 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 2011 Bonds, would have caused the 2011 Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code") and the Regulations thereunder proposed or in effect at the time of such use and applicable to the 2011 Bonds, and that it will comply with the requirements of that section of the Code and the Regulations throughout the term of the 2011 Bonds.

(b) Rebate. The County covenants, if it is not eligible for any rebate exception under the Code, 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 2011 Bonds in an

amount which exceeds the amount which would have been derived from the investment of the proceeds of the 2011 Bonds at a yield not in excess of the yield on the 2011 Bonds.

(c) Qualified Tax-Exempt Obligation Designation. To the extent the 2011 Bonds, or any portion thereof, qualify pursuant to Section 265 of the Code, the County deems the principal amount of the 2011 Bonds to be designated as Qualified Tax-Exempt Obligations. To the extent the 2011 Bonds, or any portion thereof, do not qualify to be "deemed designated", the County hereby designates the 2011 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 2011 calendar year does not and will not exceed \$10,000,000.

(d) Filing. The County will file IRS Form 8038-G and any other forms or information required by the Code to be filed in order to permit the interest on the 2011 Bonds to be excluded from gross income for federal income tax purposes.

Section 16. Advertising.

The action of Proper Officers of the County in advertising, or causing to be advertised, a summary of this Ordinance, prior to enactment, as required by law, is ratified and confirmed. Proper Officers of the County, or any of them, are authorized and directed to advertise, or cause to be advertised, 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 17. Filing with Department of Community and Economic Development.

Proper Officers of the County hereby are 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 2011 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 2011 Bonds from the appropriate debt limit as self-liquidating or subsidized debt.

Section 18. General Authorization.

Proper Officers of the County and other 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 2011 Bonds, all in accordance with this Ordinance.

Section 19. Official Statement.

The Preliminary Official Statement prepared with respect to the 2011 Bonds is hereby approved. Proper Officers of the County are hereby authorized to approve and execute the final Official Statement relating to the 2011 Bonds. The distribution by the Purchaser of the Preliminary Official Statement is hereby ratified. The Purchaser is hereby authorized to use the Preliminary and the final Official Statements in connection with the sale of the 2011 Bonds. The Board of Commissioners of the County deems the Preliminary Official Statement to be final for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1) (the "Rule"), except for certain information which has been omitted in accordance with such Rule and which will be supplied with the final Official Statement.

Section 20. Clearing Account and 2006 Bonds Sinking Fund.

(a) Clearing Account. The County hereby creates with the Paying Agent a special fund to be known as the County of Centre, 2011 Bonds 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 accrued interest, if any) derived from the sale of the 2011 Bonds to the Paying Agent for deposit to the Clearing Account. Upon written direction from the County signed by Proper Officers of the County, the Paying Agent shall out of the Clearing Account: (1) pay the costs and expenses of issuance and insurance allocable to the 2011 Bonds, (2) deposit the specified amount to the sinking fund of the 2006 Bonds, as described in subsection (b) below, the funds therein to be invested as permitted by law until expended, and (3) transfer the amount of accrued interest, if any, and any balance remaining therein to the 2011 Bonds Sinking Fund. 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) 2006 Bonds Sinking Fund. The County hereby directs that a portion of the 2011 Bonds proceeds from the Clearing Account and designated, as part of the 2011 Project, for the redemption of the Refunded 2006 Bonds, shall be transferred to TD Bank, National Association, as paying agent and sinking fund depository for the 2006 Bonds (the "2006 Bonds Paying Agent"), for deposit to the sinking fund (the "2006 Bonds Sinking Fund") created under the 2006 Ordinance, which proceeds, together with other available funds, if any, shall be in an amount sufficient to pay, upon deposit and without regard to any interest or other income being earned thereon, the outstanding principal of the Refunded 2006 Bonds, together with accrued interest thereon to August 18, 2011, the date fixed for redemption of the Refunded 2006 Bonds by this Ordinance.

Section 21. Payment and Redemption of the Refunded 2006 Bonds.

(a) Redemption Call and Notice. The County hereby calls for redemption on August 18, 2011, or such other feasible date as may be determined by the Proper Officers of the County, at a price of 100% of the principal amount plus accrued interest, all of the Refunded 2006 Bonds maturing or subject to annual principal amortization on and after July 1, 2012 (as the term "Refunded 2006 Bonds" is defined hereinbefore, not including therein \$90,000 of the principal amount of the 2006 Bonds subject to mandatory redemption on July 1, 2012). The County hereby irrevocably directs payment from moneys to be available for such purpose in the Clearing Account and transferred therefrom to the 2006 Bonds Sinking Fund for the Refunded 2006 Bonds of all of the principal of the Refunded 2006 Bonds, and interest accrued thereon, on August 18, 2011, or such other feasible date as may be determined by the Proper Officers of the County (the "Redemption Date").

(b) Redemption Instructions. The County hereby authorizes the execution and delivery of redemption instructions for the Refunded 2006 Bonds to the 2006 Bonds Paying Agent (the "Redemption Instructions"). To the extent that a Proper Officer has, or Proper Officers have, heretofore executed and delivered the Redemption Instructions to the 2006 Bonds Paying Agent and the 2006 Bonds Paying Agent has acted in accordance with the

Redemption Instructions by delivering a notice of redemption to the registered owners of the Refunded 2006 Bonds, such acts are hereby confirmed and ratified.

Section 22. Payment of Expenses.

All expenses incurred in connection with issuance of the 2011 Bonds, shall be paid out of the proceeds derived from the issuance of the 2011 Bonds and deposited in the Clearing Account, and Proper Officers of the County and other officials are authorized to sign and deliver requests for payment of such expenses.

Section 23. Investment.

Any moneys in the 2006 Bonds Sinking Fund and the 2011 Bonds Sinking Fund not required for prompt expenditure may, at the direction of the County, 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 such deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency, 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 2011 Bonds.

Section 24. Authorization of Officers.

Any authorization granted to, power conferred on, or direction given to Proper Officers of the County, including the Chairman of the Board of Commissioners, Chief Clerk or Treasurer, shall be deemed to run to the Vice Chairman, Assistant Chief Clerk or Deputy 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.

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Section 25. Form of Bond.

The form of the Bond shall be substantially as follows with such completions and changes as Proper Officers of the County, upon the advice of Bond Counsel and Purchaser shall hereafter approve:

[FORM OF BOND]

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

**COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA**

**GENERAL OBLIGATION BOND
SERIES OF 2011**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____%	June 1, 20__	August 18, 2011	

Registered Owner **CEDE & CO.**

Principal Sum _____ **AND 00/100 DOLLARS**
(\$____,____,____)

COUNTY OF CENTRE, 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 2011, 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 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 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 unless 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 unless this Bond is registered and authenticated prior to December 1, 2011, in which event this Bond shall bear interest from August 18, 2011, such interest to be payable semiannually, beginning on December 1, 2011, and June 1 and December 1 in each year thereafter, (each, an "Interest Payment Date"), and continuing until maturity hereof or, if 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, until the date fixed for redemption hereof.

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 corporate trust office of TD Bank, National Association, (the "Paying Agent"), with an 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 or draft drawn on the Paying Agent mailed to the registered owner at his 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 fifteenth (15th) day (whether or not a business day) next preceding each Interest Payment Date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date, except if and to the extent that the County defaults in the payment of the interest due on 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 or draft drawn on the Paying Agent mailed to the registered owner at his 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, notice of which shall be mailed by the Paying Agent to the registered owner hereof not more than fifteen (15) days preceding such Special Record Date. Such notice shall be mailed to the registered owner shown on the Bond Register maintained by the Paying Agent at the close of business on the fifth (5th) business 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 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 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 \$____,000 aggregate principal amount of general obligation bonds of the County, known as "General Obligation Bonds, Series of 2011" (the "Bonds"), all of like tenor, except as to dates of maturity, denominations 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 July 19, 2011 (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 are not subject to redemption prior to maturity at the option of the County.

Mandatory Redemption. The Bonds maturing on June 1, 20__ 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 Bonds 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 June 1, of the following years in the following amounts:

Bonds Maturing on June 1, 20__

<u>Year</u>	<u>Amount</u>
20__	____,000
20__	____,000
20__*	____,000

* Maturity.

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 Bonds to be redeemed 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 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 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.

The County, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, 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 of 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 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 the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such Interest Payment Date; (b) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the date the notice of

redemption shall be mailed; (c) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of the Bonds to receive notice of any Special Record Date and the close of business on the Special Record Date; or (d) register the transfer or exchange of any Bond after it has been selected or called for redemption, in whole or in part.

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 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 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 the 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 Bonds, 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 has been determined to be a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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, Pennsylvania has caused this Bond to be duly executed in its name and on its behalf by the manual signature of a majority of its Board of Commissioners, and a manual seal to be imprinted hereon and attested by the manual signature of its Chief Clerk.

ATTEST:

COUNTY OF CENTRE

Chief Clerk

(SEAL)

Chairman, Board of Commissioners

Member, Board of Commissioners

Member, Board of Commissioners

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

It is certified that:

(i) This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Ordinance;

(ii) The Opinion of Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, attached hereto, is a true and correct copy of an original Opinion which was signed and dated as of the date of original delivery of the Bonds and is on file at our corporate trust office described in the within-mentioned Ordinance where the same may be inspected; and

(iii) The Statement of Insurance printed hereon refers to an original policy of insurance issued by _____ and on file at our designated corporate trust office where the same may be inspected.

TD BANK, NATIONAL ASSOCIATION, as Paying Agent

By: _____
Authorized Representative

DATE OF AUTHENTICATION: _____

ABBREVIATIONS

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

TEN COM - as tenants in common	UNIF GIFT MIN ACT - _____
TEN ENT - as tenants by the entireties	_____ (Custodian)
JT TEN - as joint tenants with	_____ (Minor)
right of survivorship and not	under Uniform Gifts to Minors Act
as tenants in common	_____ (State)

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

ASSIGNMENT

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

Please insert Social Security
or other identifying number
of assignee

(Please 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 a member firm of the New York Stock Exchange or a commercial bank or trust company.

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 26. 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 2011 Bonds) from time to time of the 2011 Bonds, to provide to the Municipal Securities Rulemaking Board (the "MSRB") in the manner prescribed by the MSRB (currently through the MSRB's Electronic Municipal Market Access (EMMA) System), on an annual basis, its audited General Purpose Financial Statements presented in conformity with generally accepted accounting principles (the "Financial Statements"), together with updates of that certain tabular information specified in the final Official Statement with respect to the 2011 Bonds and more fully identified (to the extent not included in the Financial Statements), commencing with the Financial Statements and tabular information for the fiscal year ending December 31, 2011. The Financial Statements and tabular 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 2011 Bonds, to provide to the MSRB for disclosure through its EMMA System, (A) in a timely manner, notice of a failure to provide the required annual financial information specified above, on or before the date specified above, and (B) in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the 2011 Bonds: (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, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2011 Bonds, or other material events affecting the tax status of the 2011 Bonds; (vii) modifications to rights of the holders of the 2011 Bonds, if material; (viii) bond calls, if material, and tender offers; (ix) defeasance of the 2011 Bonds or any portion thereof; (x) release, substitution or sale of property securing repayment of the 2011 Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the obligated person; (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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 2011 Bonds, prior to redemption or payment in full of all of the 2011 Bonds. If such termination occurs prior to the final maturity of the 2011 Bonds, the County shall give prompt notice of such termination to the MSRB.

Proper officers or officials 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 2011 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, change of law, or change in the identity, nature or status of an obligated person (within the meaning of the Rule) with respect to the 2011 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 2011 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 2011 Bonds in the same manner as provided in the Debt Act for modifications of this Ordinance 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 2011 Bonds. The County shall give prompt notice of any such amendment or termination to the MSRB. 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 the MSRB 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 2011 Bonds be accelerated, nor shall any such breach constitute a default under the 2011 Bonds. Nothing in this Section is intended as or shall be deemed a "provision of the bonds" for purposes of the Debt Act.

Section 27. Ratification.

The County hereby ratifies and confirms authorization to the County solicitor, Louis T. Glantz, Esquire, Bond Counsel to the County, Eckert Seamans Cherin & Mellott, LLC [REDACTED], and the Purchaser to undertake the necessary action relating to the marketing and the issuance of the 2011 Bonds, including but not limited to the preparation and distribution of the Preliminary Official Statement.

Section 28. 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 29. Repealer.

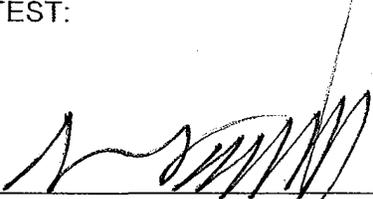
Any ordinances or parts thereof not in accordance with this Ordinance are hereby repealed insofar as they conflict with this Ordinance.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

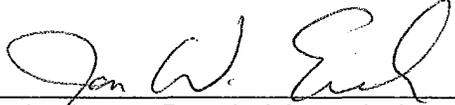
ENACTED by the Board of Commissioners of the County of Centre, Commonwealth of Pennsylvania, in lawful session assembled, this 19th day of July, 2011.

COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA

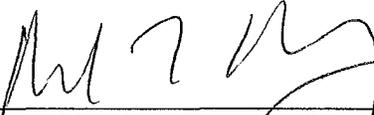
ATTEST:



Chief Clerk



Chairman, Board of Commissioners



Member, Board of Commissioners

[SEAL]



Member, Board of Commissioners

SCHEDULE A

COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA
GENERAL OBLIGATION BONDS, SERIES OF 2011
\$9,175,000

MATURITY SCHEDULE

Interest Accrues From: August 18, 2011

Due: June 1, as shown below

<u>Amount</u>	<u>Year of Maturity</u>	<u>Coupon Rate</u>	<u>Priced to Yield</u>
\$ 15,000*	2014	1.150%	1.150%
\$ 175,000	2015	1.300%	1.310%
\$ 910,000	2015	3.000%	1.310%
\$ 570,000	2015	4.000%	1.310%
\$ 1,060,000	2016	3.000%	1.640%
\$ 735,000	2016	4.000%	1.640%
\$ 995,000	2017	3.000%	1.990%
\$ 865,000	2017	5.000%	1.990%
\$ 1,360,000	2018	4.000%	2.380%
\$ 575,000	2018	5.000%	2.380%
\$ 10,000	2019	2.500%	2.750%
\$ 450,000	2020	3.375%	2.960%
\$ 1,455,000	2020	4.000%	2.960%

*TERM BOND

PURCHASE PRICE

The purchase price of \$9,927,163.40 (108.198%), to the date of delivery and payment for the 2011 Bonds, represents a bond discount of \$64,225.00, an original issue premium ("O.I.P.") of \$816,629.30 and an original issue discount ("O.I.D.") of \$240.90, as follows:

<u>Par</u>	<u>Year</u>	<u>Price</u>	<u>O.I.P./(O.I.D.)</u>
\$ 175,000	2015	99.962%	\$ (66.50)
\$ 910,000	2015	106.221%	\$ 56,611.10
\$ 570,000	2015	109.902%	\$ 56,441.40
\$ 1,060,000	2016	106.234%	\$ 66,080.40
\$ 735,000	2016	110.818%	\$ 79,512.30
\$ 995,000	2017	105.492%	\$ 54,645.40
\$ 865,000	2017	116.371%	\$ 141,609.15
\$ 1,360,000	2018	110.093%	\$ 137,264.80
\$ 575,000	2018	116.325%	\$ 93,868.75
\$ 10,000	2019	98.256%	\$ (174.40)
\$ 530,000	2020	103.187%	\$ 14,341.50
\$ 1,455,000	2020	107.990%	\$ 116,254.50
	Net O. I. P.		\$ 816,388.40

SCHEDULE B

COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA
GENERAL OBLIGATION BONDS, SERIES OF 2011
\$9,175,000

REDEMPTION PROVISIONS

1. Optional Redemption. The 2011 Bonds are not subject to redemption prior to maturity at the option of the County.

2. Mandatory Redemption. The 2011 Bonds stated to mature on June 1, 2014 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 2011 Bonds 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 December 15, of the following years in the following amounts:

2011 Bonds Maturing on June 1, 2014

<u>Year</u>	<u>Amount</u>
2012	\$ 5,000.00
2013	\$ 5,000.00
2014*	\$ 5,000.00

*FINAL MATURITY.

SCHEDULE C

COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA
GENERAL OBLIGATION BONDS, SERIES OF 2011
\$9,175,000

DEBT SERVICE SCHEDULE

[SEE FOLLOWING PAGE]

Centre County

Series 2011

(Current Refunding of Series 2006)

FINAL PRICING

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/18/2011	-	-	-	-	-
12/01/2011	-	-	98,317.79	98,317.79	-
12/31/2011	-	-	-	-	98,317.79
06/01/2012	5,000.00	1.150%	171,817.50	176,817.50	-
12/01/2012	-	-	171,788.75	171,788.75	-
12/31/2012	-	-	-	-	348,606.25
06/01/2013	5,000.00	1.150%	171,788.75	176,788.75	-
12/01/2013	-	-	171,760.00	171,760.00	-
12/31/2013	-	-	-	-	348,548.75
06/01/2014	5,000.00	1.150%	171,760.00	176,760.00	-
12/01/2014	-	-	171,731.25	171,731.25	-
12/31/2014	-	-	-	-	348,491.25
06/01/2015	1,655,000.00	*	171,731.25	1,826,731.25	-
12/01/2015	-	-	145,543.75	145,543.75	-
12/31/2015	-	-	-	-	1,972,275.00
06/01/2016	1,795,000.00	**	145,543.75	1,940,543.75	-
12/01/2016	-	-	114,943.75	114,943.75	-
12/31/2016	-	-	-	-	2,055,487.50
06/01/2017	1,860,000.00	***	114,943.75	1,974,943.75	-
12/01/2017	-	-	78,393.75	78,393.75	-
12/31/2017	-	-	-	-	2,053,337.50
06/01/2018	1,935,000.00	****	78,393.75	2,013,393.75	-
12/01/2018	-	-	36,818.75	36,818.75	-
12/31/2018	-	-	-	-	2,050,212.50
06/01/2019	10,000.00	2.500%	36,818.75	46,818.75	-
12/01/2019	-	-	36,693.75	36,693.75	-
12/31/2019	-	-	-	-	83,512.50
06/01/2020	1,905,000.00	*****	36,693.75	1,941,693.75	-
12/31/2020	-	-	-	-	1,941,693.75
Total	\$9,175,000.00	-	\$2,125,482.79	\$11,300,482.79	-

*2015 Trifurcation: \$175,000 @ 1.30%; \$910,000 @ 3.00%; \$570,000 @ 4.00%

**2016 Bifurcation: \$1,060,000 @ 3.00%; \$735,000 @ 4.00%

***2017 Bifurcation: \$995,000 @ 3.00%; \$865,000 @ 5.00%

****2018 Bifurcation: \$1,360,000 @ 4.00%; \$575,000 @ 5.00%

*****2020 Bifurcation: \$450,000 @ 3.375%; \$1,455,000 @ 4.00%

SCHEDULE D

COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA
GENERAL OBLIGATION BONDS, SERIES OF 2011
\$9,175,000

DEBT SERVICE SCHEDULE OF ALL OUTSTANDING DEBT

[SEE FOLLOWING PAGE]

Centre County

Series 2011

(Current Refunding of Series 2006)

Aggregate Debt Service

DATE	Series 2003	Unrefunded Series 2006	Series 2010	2010 RZEDBs*	Series 2011 **	TOTAL
12/31/2011	-	-	-	-	98,317.79	98,317.79
12/31/2012	2,534,045.00	93,285.00	863,276.26	56,847.20	348,606.25	3,896,059.71
12/31/2013	2,542,635.00	-	861,206.26	56,657.70	348,548.75	3,809,047.71
12/31/2014	2,540,250.00	-	864,006.26	56,468.20	348,491.25	3,809,215.71
12/31/2015	905,600.00	-	860,618.76	56,278.70	1,972,275.00	3,794,772.46
12/31/2016	906,987.50	-	860,118.76	56,089.20	2,055,487.50	3,878,682.96
12/31/2017	906,800.00	-	859,381.26	55,899.70	2,053,337.50	3,875,418.46
12/31/2018	905,037.50	-	861,093.76	55,710.20	2,050,212.50	3,872,053.96
12/31/2019	3,776,700.00	-	-	55,520.70	83,512.50	3,915,733.20
12/31/2020	1,797,400.00	-	-	55,331.20	1,941,693.75	3,794,424.95
12/31/2021	-	-	-	1,373,141.70	-	1,373,141.70
Total	\$16,815,455.00	\$93,285.00	\$6,029,701.32	\$1,877,944.50	\$11,300,482.79	\$36,116,868.61

*Before Federal Subsidy.

**Current Refunding of Series 2006. FY 2011 payment reflects unbudgeted amount.

CERTIFICATE

I, the undersigned officer the County of Centre, Pennsylvania ("County"), hereby certify that (a) attached to this Certificate is a true, correct and complete copy of an ordinance (the "Ordinance") which was duly enacted at a meeting of the Board of Commissioners of the County on July 19, 2011, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the Ordinance was duly recorded in the County's Ordinance Book, and a summary of the Ordinance was published as required by law in a newspaper of general circulation in the County; (c) the County met the advance notice requirements of the Sunshine Act by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the Board of Commissioners; (d) the total number of members of the Board of Commissioners is three; and (e) the vote upon the Ordinance was called and duly recorded upon the minutes and that the members voted in the following manner:

	Yes	No	Abstain	Absent
Jon W. Eich	<u>✓</u>	_____	_____	_____
Rich Rogers	<u>✓</u>	_____	_____	_____
Steven G. Dershem	<u>✓</u>	_____	_____	_____

WITNESS my hand and seal of the County this 19th day of July, 2011.



Chief Clerk

[SEAL]