

**COUNTY OF CENTRE**  
**Commonwealth of Pennsylvania**

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**ORDINANCE**  
**NO. 1 OF 2012**

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AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CENTRE, PENNSYLVANIA (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"), COMPRISED OF THE FOLLOWING TWO SERIES (A) GENERAL OBLIGATION BONDS, SERIES A OF 2012 IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$9,970,000 (THE "SERIES A BONDS") AND (B) GENERAL OBLIGATION BONDS, SERIES B OF 2012 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$15,315,000 (THE "SERIES B BONDS," AND TOGETHER WITH THE SERIES A BONDS, THE "BONDS"), WITH THE PROCEEDS THEREOF TO BE APPLIED FOR AND TOWARD THE FOLLOWING PROJECTS, EACH A PROJECT AS DEFINED IN THE DEBT ACT: (I) WITH RESPECT TO THE SERIES A BONDS, (A) 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 SAID REFUNDED PORTION HEREINAFTER THE "REFUNDED 2003 BONDS," AND AS A PROJECT THE "2012 REFUNDING PROJECT") AND (B) PAYING THE COSTS AND EXPENSES ASSOCIATED WITH THE ISSUANCE OF THE SERIES A BONDS, (II) WITH RESPECT TO THE SERIES B BONDS, (A) FOR THE PURPOSE OF PROVIDING FUNDS TO BE APPLIED FOR AND TOWARD CERTAIN PROJECTS INCLUDING, BUT NOT LIMITED TO, (I) THE CONSTRUCTION, PURCHASE, ACQUISITION, INSTALLATION AND INITIAL OPERATIONAL AND TRAINING SUPPORT OF EQUIPMENT AND UPGRADES TO THE COUNTY EMERGENCY MANAGEMENT AND COMMUNICATION SYSTEM, AND (II) THE PURCHASE AND ACQUISITION OF REAL ESTATE FOR COUNTY GOVERNMENT PURPOSES AND THE PLANNING, DESIGN, PURCHASE, ACQUISITION, INSTALLATION, CONSTRUCTION, EQUIPPING AND FURNISHING OF REPAIRS, RENOVATIONS, UPGRADES AND IMPROVEMENTS WITHIN AND TO THE COUNTY COURTHOUSE AND OTHER BUILDINGS AND FACILITIES OWNED BY THE COUNTY AND OPERATED THEREBY IN THE EXECUTION OF ITS GOVERNMENTAL FUNCTIONS, OR SO MUCH THEREOF AS FUNDS ARE AVAILABLE, ALL OF THE FOREGOING CAPITAL PROJECTS COLLECTIVELY, THE "2012 CAPITAL PROJECT," AND (C) PAYING THE COSTS AND EXPENSES ASSOCIATED WITH THE ISSUANCE OF THE SERIES B BONDS, ALL THE FOREGOING PROJECTS COLLECTIVELY BEING REFERRED TO AS THE "2012 PROJECT"; DETERMINING THAT THE BONDS SHALL BE SOLD AT A PRIVATE SALE BY NEGOTIATION; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS, AND AWARDING THE BONDS AND SETTING FORTH RELATED PROVISIONS; PROVIDING FOR PRINCIPAL AMORTIZATION, MATURITIES AND INTEREST RATES FOR EACH SERIES OF THE BONDS; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; PROVIDING FOR THE TERMS OF THE BONDS INCLUDING DATED DATE, MATURITY DATES AND DENOMINATIONS, AND INTEREST PAYMENT DATES; PROVIDING FOR THE REGISTRATION AND TRANSFER OF THE BONDS; SETTING FORTH REDEMPTION PROVISIONS AND PROCEDURES; PROVIDING THAT THE 2012 BONDS, WHEN ISSUED, SHALL BE TAX-EXEMPT GENERAL OBLIGATIONS OF THE COUNTY; AUTHORIZING THE EXECUTION, AUTHENTICATION AND DELIVERY OF

THE BONDS; AUTHORIZING ISSUANCE OF THE 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 BONDS; CREATING A SINKING FUND IN CONNECTION WITH THE ISSUANCE OF THE BONDS AS REQUIRED BY THE DEBT ACT; APPROPRIATING PROCEEDS OF THE BONDS; AMENDING AND RATIFYING, AS APPROPRIATE, THE USEFUL LIVES OF PRIOR CAPITAL PROJECTS REFUNDED BY THE SERIES A BONDS AND SPECIFYING THE ESTIMATED USEFUL LIFE OF THE 2012 CAPITAL PROJECT; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF THE BONDS; RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; AUTHORIZING AND DIRECTING THE PREPARATION AND EXECUTION OF A TRANSCRIPT OF PROCEEDINGS, INCLUDING A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING THEREOF, 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 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 2012 BONDS; CREATING A CLEARING ACCOUNT AND A PROJECT ACCOUNT WITH SUCH SUBACCOUNTS AS SHALL HEREAFTER BE DEEMED APPROPRIATE; SETTING FORTH CERTAIN COVENANTS RELATING TO PROVISIONS FOR THE REDEMPTION OF SAID REFUNDED 2003 BONDS; AUTHORIZING THE IRREVOCABLE DEPOSIT OF PROCEEDS OF THE SERIES B BONDS INTO THE ESCROW FUND HEREBY AUTHORIZED FOR THE REFUNDED 2003 BONDS, THAT WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ACCRUED ON THE REFUNDED 2003 BONDS, AND ANY PREPAYMENT PENALTY, IF APPLICABLE, WHEN DUE ON THE REDEMPTION DATE SET THEREFOR AND AUTHORIZING THE DELIVERY OF AN ESCROW AGREEMENT TO THE ESCROW AGENT FOR THE REFUNDED 2003 BONDS; AUTHORIZING THE PURCHASE OF A POLICY OF MUNICIPAL BOND INSURANCE, IF DETERMINED AN ECONOMIC BENEFIT TO THE COUNTY; AUTHORIZING THE PAYMENT OF EXPENSES; PROVIDING GUIDELINES FOR PERMITTED INVESTMENTS; PROVIDING FOR THE AUTHORIZATION OF OFFICERS; APPROVING THE FORM FOR EACH SERIES OF THE BONDS; 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.

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ENACTED FEBRUARY 14, 2012

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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 December 12, 2002 (the "2002 Ordinance"), the Board of Commissioners of the County heretofore incurred debt, evidenced by the County's General Obligation Bonds, Series of 2003 in the aggregate principal amount of \$39,985,000 (the "2003 Bonds") of which principal amount proceeds in the amount of \$22,860,000 were issued to provide funds to be applied, *inter alia*, for and toward certain capital projects (the "2003 Capital Project Bonds") 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 Project"), which 2003 Capital Project was ascribed a reasonably estimated useful life in excess of forty (40) years; 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") the proceeds of which series were 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; and

WHEREAS, The County heretofore determined that the portion of the 2003 Bonds advance refunded with proceeds of the 2006 Bonds constituted \$9,040,000 principal amount of the 2003 Capital Project Bonds, being all of the \$7,065,000 principal amount of the 2003 Capital Project Bonds scheduled to mature in each of the years 2015 through, and including 2018, and \$1,975,000 of the \$3,695,000 principal amount of the 2003 Capital Project Bonds scheduled to mature in 2020 (collectively, the "Refunded 2003 Capital Project Bonds"); and

WHEREAS, The County has determined that the 2003 Capital Project Bonds, presently outstanding in the principal amount of \$9,770,000, are scheduled to mature in each of the years 2012 through, and including, 2014, in 2019 and the unrefunded portion thereof scheduled to mature in 2020 (collectively, the "Outstanding 2003 Capital Project Bonds"); and

WHEREAS, The final maturity of the 2003 Bonds, as issued, is July 1, 2020 and the 2003 Bonds are subject to optional redemption on and after July 1, 2013; and

WHEREAS, TD Bank, National Association, as successor to Commerce Bank, National Association, serves as paying agent for the 2003 Bonds (the "2003 Bonds Paying Agent"); and

WHEREAS, The Board of Commissioners of the County has determined to undertake a project, as such term is defined in the Debt Act, consisting of the advance refunding, defeasance and redemption of all of the Outstanding 2003 Capital Project Bonds (hereinafter referred to as the "Refunded 2003 Bonds" and the undertaking of this refunding as the "2012 Refunding Project"), and including as part thereof the payment of the cost of issuing, the debt hereafter incurred to pay the 2012 Refunding Project; and

WHEREAS, The Board of Commissioners of the County desires to undertake the 2012 Refunding Project in order to reduce the total debt service from that of the Refunded 2003 Bonds pursuant to Section 8241(b)(1) of the Debt Act; and

WHEREAS, The Board of Commissioners of the County has also determined to undertake certain capital projects, as that term is defined in the Debt Act, including, but not limited to, (i) the purchase, acquisition, installation and initial operational and training support of equipment and upgrades to the County Emergency Management and Communication System and (ii) the purchase and acquisition of real property for county government purposes and the planning, design, purchase, acquisition, installation, construction, equipping and furnishing of repairs, renovations, upgrades and improvements within and to the County Courthouse and other building and facilities owned by the County and operated thereby in execution of its governmental functions or so much thereof as funds are available, with all of the foregoing capital projects constituting, collectively, the "2012 Capital Project"; and

WHEREAS The 2012 Refunding Project and the 2012 Capital Project, together with the payment of the costs of issuing and insuring the debt hereafter incurred to pay for the 2012 Refunding Project and the 2012 Capital Project are herein referred to, collectively, as the "2012 Project"; and

WHEREAS, The County intends to issue two series of tax-exempt, non-electoral general obligation bonds in the aggregate principal amount of \$25,285,000, in accordance with the terms of this Ordinance and the Debt Act, in order to fund the costs of the 2012 Project, as follows: (1) General Obligation Bonds, Series A of 2012, in the aggregate principal amount of \$9,970,000 (the "2012 Series A Bonds"), for the purpose of funding the 2012 Refunding Project and (2) General Obligations Bonds, Series B of 2012, in the aggregate principal amount of \$15,315,000 (the "2012 Series B Bonds"), for the purpose of funding the 2012 Capital Project, and the aforementioned Series, collectively, the "2012 Bonds"; and

WHEREAS, With respect to the 2012 Capital Project, the County, having heretofore obtained realistic cost estimates for each component thereof from persons qualified by education, training and experience to provide such cost estimates, hereby determines the estimated useful life for each component of the 2012 Capital Project to be not less than fifteen (15) years; and

WHEREAS, PNC Capital Markets LLC, Wilkes-Barre, Pennsylvania, (the "Purchaser") has presented to the County a written contact as its proposal for the purchase of the 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 2012 Project; and

WHEREAS, The County desires to approve and authorize the 2012 Project, issuance of the 2012 Bonds in two series, acceptance of the Bond Purchase Proposal, the form of bond for each Series of the 2012 Bonds, the appointment of a paying agent for the 2012 Bonds, to award the 2012 Bonds to the Purchaser and to incur tax-exempt, non-electoral general obligation debt, in the maximum aggregate principal amount of \$25,285,000 pursuant to this Ordinance and the provisions of the Debt Act, to authorize the 2012 Refunding Project and the 2012 Capital Project, to reaffirm the useful lives of the capital projects funded or refunded with proceeds of the 2003 Bonds, to approve and authorize an escrow agreement, and an escrow fund thereunder, for the Refunded 2003 Bonds, the appointment of the 2003 Bonds Paying Agent as the escrow agent therefor, and to authorize such further provisions as are required by law for the issuance of general obligation debt and further actions by its officers and professional advisors consistent with this Ordinance, the Debt Act, and all other applicable law.

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

**SECTION 1. The 2012 Project.**

The County hereby authorizes and approves the undertaking as a project, as defined in and established by the Debt Act, the 2012 Project. The description of the 2012 Project, inclusive of the 2012 Refunding Project and the 2012 Capital Project, contained in the recitals to this Ordinance 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.

**SECTION 2. Incurrence of Indebtedness and Purpose.**

For the purpose of providing funds for and toward the payment of costs, as such term is used in the Debt Act, of the 2012 Project, and the payment of the costs and expenses related to the issuance of the series of debt obligations, the incurring of nonelectoral debt by the County in the principal amount of \$25,285,000 is hereby authorized. Such debt shall be evidenced by the issue of said debt obligations, consisting of two series of tax-exempt, nonelectoral, general obligation bonds of the County. The first series shall be designated as the "County of Centre, General Obligation Bonds, Series A of 2012," or such similar designation as is appropriate, in the aggregate principal amount of \$9,970,000 (the "2012 Series A Bonds"). The debt evidenced by the 2012 Series A Bonds is being incurred for the purpose of financing the 2012 Refunding Project. The County estimates that the 2012 Refunding Project will be completed with the redemption the Refunded 2003 Bonds on or about July 1, 2013. The purpose of the 2012 Refunding Project, pursuant to Section 8241(b)(1) of the Debt Act, is to reduce total debt service over the remaining life of the 2012 Bonds as compared to the outstanding debt on the 2003 Bonds.

The second series shall be designated as the "County of Centre, General Obligation Bonds, Series B of 2012," or such similar designation as is appropriate, in the aggregate principal amount of \$15,315,000 (the "2012 Series B Bonds," and together with the 2012 Series A Bonds, the "2012 Bonds" or the "Bonds" and each a "Series"). The debt evidenced by the 2012 Series B Bonds is being incurred for the purpose of the 2012 Capital Project. The County estimates that the 2012 Capital Project will be completed in December 2015.

**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, 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 by the Purchaser to the Board of Commissioners at the meeting at which this Ordinance has been enacted is hereby accepted. Sale of the 2012 Bonds is hereby awarded and sold to the Purchaser at a negotiated sale at the price stated on Schedule A, which is attached hereto and incorporated herein by reference as if set out here at length. The Chairman, or Vice Chairman, of the Board of Commissioners and the Chief Clerk, or the Assistant or Deputy Chief Clerk, being proper officers of the County ("Proper Officers"), are authorized and directed to execute, attest and affix the Seal of the County to the accepted Bond Purchase Proposal, and thereafter, to deliver or cause the delivery of the accepted Bond Purchase Proposal to the Purchaser. Hereinafter, the Bond Purchase Proposal shall be referred to as the "Bond Purchase Contract." One counterpart of the accepted Bond Purchase Contract shall be filed with the records of the County.

**SECTION 5. Maturities, Interest Rates and Original Issue Discount.**

The 2012 Bonds shall bear interest, shall mature and shall be sold, if applicable, with Original Issue Discount and premium, as set forth on Schedule A, attached hereto and incorporated herein by reference.

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

TD 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 2012 Bonds Sinking Fund created hereby. The Chairman or the Vice Chairman, or any other Proper Officer of the County designated by either of the foregoing officers, is hereby authorized and directed to contract with TD 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 2012 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 March 15, 2012, the date of issue and delivery thereof, and shall be issued in denominations of \$5,000 or any whole multiple thereof.

The 2012 Bonds shall bear interest payable initially on July 1, 2012 and on each January 1 and July 1 (each, an "Interest Payment Date") thereafter, 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 succeeding Interest Payment Date, in which event such Bond shall bear interest from such succeeding Interest Payment Date; or (c) such Bond is registered and authenticated prior to the Record Date (hereinafter defined) preceding July 1, 2012 in which event such Bond shall bear interest from March 15, 2012; 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 hereof is paid.

If the date for payment of the principal of, premium, if any, 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 of such payment 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 subsequent day 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 (15<sup>th</sup>) day (whether or not a day on which the Paying Agent is open for business) 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,

notice of which shall have been mailed to all registered owners of Bonds not less than ten (10) days prior to such date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business of 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 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 series, 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 and series, 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) business days before any date of selection of Bonds to be redeemed and ending on the close of business on such date on which the applicable notice of redemption is given; or (b) register the transfer or exchange of any Bond after it has been selected for redemption, in whole or in part, until after the date fixed for redemption.

**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 (or a facsimile thereof), 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 the Bonds, and any such member of the Board of Commissioner shall, likewise, constitute a Proper Officer. 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, or cause the delivery of, 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 sale and purchase of the Bonds as book-entry only obligations with The Depository Trust Company, New York, New York ("DTC"). If required, Proper Officers of the County are authorized and directed to execute DTC's Letter of Representations, in substantially the form submitted to the County for execution, 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 or note for each maturity, in denominations equal to the principal amount of Bonds of such series maturing on each such date, and shall be delivered, physically or constructively, to DTC or its nominee, CEDE & CO, pursuant to arrangements between DTC and the Paying Agent. 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 Payment Date, the amount of interest and principal, as applicable, 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 series and 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 series and 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 and note 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 2012 Bonds in each year, is shown on Schedule B 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. The 2012 Series A Bonds are not subject to optional redemption prior to maturity. The 2012 Series B Bonds are be subject to redemption prior to their stated maturity at the option of the County as shown on Schedule C.

(b) Mandatory Redemption. The 2012 Series A Bonds are not subject to mandatory redemption prior to maturity. The 2012 Series B Bonds are subject to mandatory redemption on the dates (each, a "Mandatory Redemption Date") and in the amounts shown on Schedule C, which is attached hereto and incorporated herein. The County covenants to cause the 2012 Series B Bonds to be redeemed on the Mandatory Redemption Dates in the amounts shown on Schedule C, subject to its right which is reserved in Section 13 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, 2012 Series B 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 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 not 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 called for redemption, 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. Subject to the provisions of Section 10 with respect to Bonds being registered in the book-entry only format, if less than all of the Bonds, as applicable, maturing on any one date are to be redeemed at any time, the Paying Agent shall select by lot the specific Bonds, as applicable, 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, as applicable, 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, as applicable, 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, as applicable, of the same series and 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. 2012 Bonds Sinking Fund.**

(a) Deposit. There hereby is established with the Sinking Fund Depository two sinking funds to be known as (i) County of Centre, General Obligation Bonds, Series A of 2012 Sinking Fund (the "2012 Series A Bonds Sinking Fund") and (ii) County of Centre, General Obligation Bonds, Series B of 2012 Sinking Fund (the "2012 Series B Bonds Sinking Fund", and together with the 2012 Series A Bonds Sinking Fund, the "the 2012 Bonds Sinking Funds" or the "Sinking Funds").

The County covenants to deposit, and the Treasurer is hereby authorized and directed to deposit, as follows: (i) into the 2012 Series A Bonds Sinking Fund (A) on or before each Interest Payment Date, so long as the 2012 Series A Bonds remain outstanding, amounts sufficient to pay the interest due on such dates on the 2012 Series A Bonds then outstanding, and (B) on or before July 1, 2012, and on or before each July 1 thereafter, so long as the 2012 Series A Bonds remain outstanding, amounts sufficient to pay the principal of the 2012 Series A Bonds due on each such date at maturity or pursuant to the mandatory redemption requirements hereof, and (ii) into the 2012 Series B Bonds Sinking Fund (A) on or before each Interest Payment Date, so long as the Series B Bonds remain outstanding, amounts sufficient to pay the interest due on such dates on the Series B Bonds then outstanding, and (B) on or before July 1, 2012, and on or before each July 1 thereafter, so long as the Series B Bonds remain outstanding, amounts sufficient to pay the principal of the Series B Bonds due on each such date at maturity.

Should the amounts covenanted to be paid into the 2012 Bonds Sinking Funds be, at any time, in excess of the net amounts required at such time for the payment of interest and principal of the respective Series of the 2012 Bonds, whether by reason of funds already on

deposit in the 2012 Bonds Sinking Funds, or by reason of the purchase of or redemption of 2012 Bonds, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) Credit for 2012 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, 2012 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 2012 Bonds so delivered, provided that such 2012 Bonds are delivered to and received by the Paying Agent and Sinking Fund Depository (i) on or before the maturity date of the 2012 Bonds, as applicable, for which credit is requested, in the case of a deposit required for the payment of 2012 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 2012 Bonds, no later than 60 days prior to the Mandatory Redemption Date for which credit is requested.

(c) Application of Funds. All sums in the 2012 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 2012 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 24 hereof. The 2012 Bonds Sinking Fund shall be kept as separate accounts 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 2012 Bonds Sinking Fund the interest on the 2012 Bonds, as and when due to the registered owners on the appropriate Record Date and principal of the 2012 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 2012 Bonds, as permitted by Section 9 hereof, the Treasurer is hereby authorized and directed to deposit to the 2012 Bonds Sinking Fund, as appropriate, from time to time before the applicable optional redemption date funds in the amount which together with the interest to be earned thereon, if any, will equal the principal of, premium, if any, and the interest to the date fixed for redemption on, the 2012 Bonds so called for redemption.

#### **SECTION 14. Disposition of Proceeds.**

(a) 2012 Bonds Clearing Account. All proceeds of the 2012 Bonds derived from the sale of the 2012 Bonds and delivered to the Paying Agent shall be deposited in the 2012 Bonds Clearing Account created pursuant to Section 21 hereof and shall be and hereby are appropriated substantially to payment of the cost of the 2012 Project, including but not limited to payment of the costs and expenses of preparing, marketing, issuing and insuring the 2012 Bonds, 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 2012 Bonds Sinking Fund and used for the payment of interest on the 2012 Bonds.

(b) Use of Proceeds. Notwithstanding any other provision of this Section, 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 and the Code (as hereinafter defined), respectively, regarding a change in the use of proceeds.

**SECTION 15. Cost and Realistic Useful Life.**

(a) Reasonable cost estimates have been obtained for the 2012 Project from advisers and professional consultants, each of whom is qualified by education, training and experience to provide such estimates. The cost estimate of the 2012 Project has been estimated to be, approximately, \$25,285,000.

(b) With respect to the 2003 Capital Project, the County affirms the estimated useful life thereof established by the ordinance authorizing issuance of the 2003 Bonds to be in excess of forty (40) years and, therefore, the remaining useful life of the 2003 Capital Project is in excess of thirty-two (32) years, which period exceeds the final maturity of that portion of the 2012 Bonds allocated to the 2012 Refunding Project.

(c) The estimated realistic useful lives of each component of the 2012 Capital Project is hereby determined to be not less than fifteen (15) years. The stated maturity dates of a corresponding principal amount of the 2012 Bonds do not exceed such respective terms as required by the Debt Act (53 Pa.C.S. §8142(a)(2)). The final maturity of the 2012 Series B Bonds is July 1, 2026, approximately fifteen years from their date of issue.

(d) In accordance with Section 8142(b)(2) of the Debt Act, and after giving effect to the provisions of Section 8142(d) of the Debt Act, the maturities of the Bonds have been fixed so that principal of the Bonds, together with all of the County's other outstanding debt, will be amortized on an approximately level annual debt service plan. Attached hereto, and made a part hereof is a composite schedule showing the debt service for all of the County's outstanding debt issuances (the "Combined Debt Service Schedule"). The Combined Debt Service Schedule shows, first, the annual debt service for the Bonds and second, the annual debt service for all other existing debt (including electoral and lease rental debt) and the combined total debt (See Schedule D).

**SECTION 16. Internal Revenue Code Covenants.**

(a) General. The County hereby covenants with the registered owners, from time to time, of the 2012 Bonds that no part of the proceeds of the 2012 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 2012 Bonds, would have caused the 2012 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 2012 Bonds, and that it will comply with the requirements of Section 148 of the Code and the Regulations throughout the term of the 2012 Bonds.

(b) Rebate. If the gross proceeds of the 2012 Bonds are invested at a yield greater than the yield on the 2012 Bonds and are not expended within six months from the date of issuance or otherwise qualify for an exception to the rebate requirements 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 2012 Bonds in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the 2012 Bonds at a yield not in excess of the yield on the 2012 Bonds.

(c) Not Qualified Tax-Exempt Obligations. The County has not designated the 2012 Bonds and the 2012 Bonds are not issued as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code.

(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 2012 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 (the "Department"), 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 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.**

Proper Officers and, as directed by Proper Officers, 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 2012 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 2012 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 2012 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; Project Account; Escrow Agreement**

(a) Clearing Account. The County hereby creates with the Paying Agent a special fund to be known as the County of Centre 2012 Bonds Clearing Account (the "2012 Bonds Clearing Account"), which shall be held as a trust fund 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 2012 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 2012 Bonds Clearing Account: pay the costs and expenses of issuance allocable to the 2012 Bonds, transfer the amount of accrued interest, if any, to the appropriate 2012 Bonds Sinking Fund, transfer proceeds of the 2012 Series A Bonds in the amount designated by the County to the escrow fund described in subsection (c) below as required to defease and redeem the Refunded 2003 Bonds, and transfer proceeds of the 2012 Series B Bonds and deposit the proceeds to the Capital Project Account described in subsection (b)(i) below, and

The written direction from the County shall state the specific amount to be paid from the Clearing Account, 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) Project Account. The County hereby creates a special account to be known as the County of Centre 2012 Capital Project Account (the "Capital Project Account"), which Capital Project Account shall be established in the name of the County with one or more banks or financial or investment institutions designated from time to time by the Board of Commissioners, or otherwise as established by law, as depositories of the Capital Project Account (each a "Project Account Depository"), subject to clearance or collection, moneys, checks, drafts, notes, bills of exchange, acceptances, or other orders for the payment of moneys which may at any time come into its possession, with or without endorsement thereof by the County, payment thereof being hereby guaranteed. Any Project Account Depository is authorized and directed to honor and pay, and to charge to the account of the County, all checks, drafts, bills of exchange, acceptances, notes or orders on or against the Capital Project Account for the payment of money when drawn on or addressed to said Project Account Depository and signed and countersigned on behalf of the County by the two following officers of the County: (i) Chairman or Vice Chairman of the Board of Commissioners; and (ii) Chief Clerk or Assistant or Deputy Chief Clerk, whether the same be payable to the order of, or in favor of the officer or person signing or countersigning them, or to any of said officers in his individual capacity, or otherwise; and whether the same be deposited to the individual credit of the officer or person signing or countersigning or to the individual credit of any other officer or person or otherwise. The signatures of any or all of the foregoing officers shall be manual. The County authorizes the formation within the Capital Project Account of a subaccount for each capital project constituting part of the 2012 Capital Project.

Upon written direction 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 2012 Bonds Clearing Account and transfer to the Capital Project Account held by a Project Account Depository the sum designated to pay the costs of the 2012 Capital Project.

(c) Refunded 2003 Bonds Escrow Fund. The County hereby appoints TD Bank, National Association, who is the paying agent and sinking fund depository for the Refunded 2003 Bonds, as escrow agent (the "Escrow Agent"), under an escrow agreement, hereinafter defined, and hereby creates an escrow fund with respect to the Refunded 2003 Bonds (the "Refunded 2003 Bonds Escrow Fund"), necessary to effectuate the refunding, defeasance and redemption 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, with the Escrow

Agent, an irrevocable escrow agreement with respect to the Refunded 2003 Bonds in the form hereinafter approved (the "Refunded 2003 Bonds Escrow Agreement") providing for, *inter alia*, the establishment of the Refunded 2003 Bonds 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 defeasance and redemption of the Refunded 2003 Bonds as contemplated by this Ordinance. The Refunded 2003 Bonds Escrow Agreement shall further provide for the payment of (i) interest accrued on the Refunded 2003 Bonds due and payable on July 1, 2012, January 1, 2013 and July 1, 2013, (ii) the principal of the Refunded 2003 Bonds due and payable at maturity on July 1, 2012 and on July 1, 2013, and (iii) the principal of all of the remaining outstanding amount of the Refunded 2003 Bonds, prior to maturity, on July 1, 2013, being all of the Refunded 2003 Bonds scheduled to mature on and after July 1, 2014, and after final payment, any moneys and funds remaining on deposit in the Refunded 2003 Bonds Escrow Fund shall be paid over to the County for deposit into the 2012 Series B Bonds Sinking Fund and applied as set forth in Section 12, hereof. The Refunded 2003 Bonds Escrow Agreement shall be in form and substance and contain such provisions as are satisfactory to the Escrow Agent, bond counsel, the County Solicitor and the Proper Officers of the County executing the same and such form hereby is approved.

**SECTION 22. Payment and Redemption of Refunded 2003 Bonds.**

(a) Refunded 2003 Bonds Identified. In accordance with this Ordinance and the Bond Purchase Contract, the Refunded 2003 Bonds constitute all of the Outstanding 2003 Capital Project Bonds, scheduled to mature on July 1 in each of the years 2012 through, and including, 2014, and on July 1 in each of the years 2019 and 2020.

(b) Redemption Call and Notice. The County hereby calls for redemption, at a price of 100% of the principal amount plus accrued interest, all of the Refunded 2003 Bonds maturing or subject to mandatory sinking fund redemption on and after July 1, 2014, in accordance with the dates set forth in subsection (a). The County hereby irrevocably directs payment from moneys to be available for such purpose in the Clearing Account, and transferred therefrom to the Refunded 2003 Bonds Escrow Fund for redemption of the Refunded 2003 Bonds on July 1, 2013, the date fixed for redemption of the Refunded 2003 Bonds (the "Refunded 2003 Bonds Redemption Date"), together with and interest accrued thereon and payable on the Refunded 2003 Bonds Redemption Date. The County directs the Escrow Agent to deliver in accordance with the provisions of the Refunded 2003 Bonds Escrow Agreement (A) immediately upon issuance of the 2012 Bonds, a Notice of Refunding, which Notice of Refunding shall be in such form as Bond Counsel and the Escrow Agent shall hereafter agree, and (B) a Notice of Redemption to the registered owners of the Refunded 2003 Bonds defeased in accordance with provisions of the Refunded 2003 Bonds Escrow Agreement.

**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 respective series of Bonds and deposited in the 2012 Bonds Clearing Account. Proper Officers of the County and officials are authorized to sign and deliver requests for payment of such expenses.

**SECTION 24. Sinking Funds and Escrow Fund Investment.**

(a) Any moneys held in the 2012 Bonds Sinking Funds, and 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 2012 Bonds.

(b) Funds in the 2003 Bonds Escrow Fund shall be invested in accordance with the provisions of the Refunded 2003 Bonds Escrow Agreement.

**SECTION 25. Authorization of Officers.**

Any authorization granted to, power conferred on, or direction given to the Chairman or Chief Clerk, shall be deemed to run to the Vice Chairman or the Deputy or Assistant Chief Clerk, 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, each of whom, together with any other member of the Board of Commissioners authorized by this Ordinance, shall constitute Proper Officers of the County, and each being a Proper Officer of the County.

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**SECTION 26. Form of 2012 Bond.**

The form of the Bond for each Series of the 2012 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's solicitor and bond counsel, approval of such changes being evidenced by the execution and attestation of the 2012 Bonds by Proper Officers of the County.

No.: GOB-\_\_00\_\_

\$\_\_\_\_,000.00

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  
GENERAL OBLIGATION BOND, SERIES \_\_ OF 2012

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Issue</u>	<u>CUSIP</u>
%	July 1, 20__	March 15, 2012	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_  
THOUSAND AND 00/100 DOLLARS (\$\_\_\_\_\_,000.00)

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 2012, 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 July 1, 2012, 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 July 1, 2012, in which event this Bond shall bear interest from March 15, 2012; or (d) as shown by the records of the Paying Agent (hereinafter defined), interest on this Bond shall be in default, in which event this Bond shall bear interest from the date on which interest was last paid on this Bond until the principal 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 TD Bank, National Association (the "Paying Agent"), 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 address as it appears on the bond register (the "Bond Register") maintained by the Paying Agent, as bond registrar, on the fifteenth (15<sup>th</sup>) day (whether or not a business day) next preceding such Interest Payment Date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date. The person in whose name this 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 person in whose name this Bond is registered at the close of business on a Special Record Date established by the Paying Agent, notice of which shall have been mailed to the registered owner of this Bond not less than ten (10) days prior to such proposed payment date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business of the fifth (5<sup>th</sup>) day preceding the date of mailing.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday or a 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 \$\_\_\_\_,\_\_\_\_,000 aggregate principal amount of general obligation bonds of the County, known as "General Obligation Bonds, Series of 2012" (herein, 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 February 14, 2012 (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 or after July 1, 20\_\_ are subject to redemption prior to maturity, at the option of the County, in whole or in part, on \_\_\_\_ 1, 20\_\_, 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 maturing on July 1, 20\_\_ are subject to mandatory redemption prior to their stated maturity dates, in part, by lot, or by any other method deemed fair and appropriate by the Paying Agent, on the dates and in the amounts shown below upon

payment of the redemption price of 100% of the principal amount, together with interest accrued to the date fixed for redemption.

July 1, 20\_\_ Maturity

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	*

\* At 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 the 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 ("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 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 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, this Bond during a period beginning at the close of business on the fifteenth (15<sup>th</sup>) day next preceding any date of selection of Bonds to be redeemed and ending on the close of business on such date on which the applicable notice of redemption is given; or (b) register the transfer or exchange of this Bond after it has been selected for redemption, in whole or in part, until after the date fixed for redemption.

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 this Bond, 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.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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 the Chairman or Vice Chairman of the Board of Commissioners of the County (and may include the manual signature of any other member of the Board of Commissioners of the County) and a manual seal to be imprinted hereon and attested by the manual signature of its Chief Clerk.

COUNTY OF CENTRE

ATTEST:

\_\_\_\_\_  
Chairman, Board of Commissioners

\_\_\_\_\_  
Chief Clerk  
[SEAL]

\_\_\_\_\_  
Member, Board of Commissioners

\_\_\_\_\_  
Member, Board of Commissioners

CERTIFICATE OF AUTHENTICATION AND CERTIFICATE AS TO OPINION

It is certified that:

(i) This Bond is one of the Bonds 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 designated corporate trust office described in the within mentioned Ordinance where the same may be inspected; and

TD Bank, National Association  
as Paying Agent

By: \_\_\_\_\_  
Authorized Representative

DATE OF AUTHENTICATION: \_\_\_\_\_

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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	_____	(Cust)
JT TEN - as joint tenants with	_____	Minor)
right of survivorship and	under Uniform Gifts to Minors Act	
not as tenants in common	_____	(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

(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 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]

**SECTION 27. Ratification.**

The County hereby ratifies and confirms authorization to the Solicitor to the County, Louis T. Glantz, Esquire, Bond Counsel, Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, and the Purchaser to undertake the necessary steps or to take necessary action

relating to the marketing and issuance of the 2012 Bonds, including but not limited to the preparation and distribution of the Preliminary Official Statement.

**SECTION 28. 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 2012 Bonds) from time to time of the 2012 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 2012 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, 2012. 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 2012 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 2012 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 2012 Bonds, or other material events affecting the tax status of the 2012 Bonds; (vii) modifications to rights of the holders of the 2012 Bonds, if material; (viii) bond calls, if material, and tender offers; (ix) defeasance of the 2012 Bonds or any portion thereof; (x) release, substitution or sale of property securing repayment of the 2012 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 2012 Bonds, prior to redemption or payment in full of all of the 2012 Bonds. If such termination occurs prior to the final maturity of the 2012 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 2012

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 2012 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 2012 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 2012 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 2012 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 2012 Bonds be accelerated, nor shall any such breach constitute a default under the 2012 Bonds. Nothing in this Section is intended as or shall be deemed a "provision of the bonds" for purposes of the Debt Act.

**SECTION 29. 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 30. Repealer.**

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

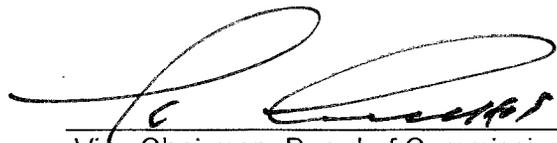
ENACTED by the Board of Commissioners of the County of Centre, in lawful session assembled, this 14th day of February, 2012.

COUNTY OF CENTRE

  
\_\_\_\_\_  
Chairman, Board of Commissioners

ATTEST:

  
\_\_\_\_\_  
Chief Clerk

  
\_\_\_\_\_  
Vice Chairman, Board of Commissioners

[SEAL]

  
\_\_\_\_\_  
Member, Board of Commissioners

\_\_\_\_\_

SCHEDULE A

COUNTY OF CENTRE  
COMMONWEALTH OF PENNSYLVANIA  
\$9,970,000 GENERAL OBLIGATION BONDS, SERIES A OF 2012

MATURITY SCHEDULE

Interest Accrues From: March 15, 2012

Due: July 1, as shown below

<u>Amount</u>	<u>Year of Maturity</u>	<u>Coupon Rate</u>	<u>Priced to Yield</u>
\$ 965,000	2012	0.300%	0.300%
\$ 1,675,000	2013	0.450%	0.450%
\$ 1,170,000	2014	2.000%	0.650%
\$ 510,000	2014	0.650%	0.650%
\$ 70,000	2015	0.950%	0.950%
\$ 70,000	2016	1.100%	1.100%
\$ 75,000	2017	1.125%	1.200%
\$ 75,000	2018	1.500%	1.600%
\$ 3,615,000	2019	3.000%	1.780%
\$ 1,495,000	2020	3.000%	2.060%
\$ 250,000	2020	2.500%	2.060%

PURCHASE PRICE

Purchase price of \$10,355,686.35 (103.868%), plus accrued interest, if any, to the date of delivery and payment for the 2012 Series A Bonds. The Purchase price represents a bond discount of \$64,805.00, an original issue discount ("O.I.D.") of \$737.25 and an original issue premium ("O.I.P.") of \$451,228.60 as follows:

<u>Par</u>	<u>Year</u>	<u>Price</u>	<u>O.I.P./ (O.I.D.)</u>
\$ 965,000	2012	100.000%	\$ 0.00
\$ 1,675,000	2013	100.000%	\$ 0.00
\$ 1,170,000	2014	103.069%	\$ 35,907.30
\$ 510,000	2014	100.000%	\$ 0.00
\$ 70,000	2015	100.000%	\$ 0.00
\$ 70,000	2016	100.000%	\$ 0.00
\$ 75,000	2017	99.615%	\$ (288.75)
\$ 75,000	2018	99.402%	\$ (448.50)
\$ 3,615,000	2019	108.309%	\$ 300,370.35
\$ 1,495,000	2020	107.131%	\$ 106,608.45
\$ 250,000	2020	103.337%	\$ 8,342.50

SCHEDULE A

COUNTY OF CENTRE  
COMMONWEALTH OF PENNSYLVANIA  
\$15,315,000 GENERAL OBLIGATION BONDS, SERIES B OF 2012

MATURITY SCHEDULE

Interest Accrues From: March 15, 2012

Due: July 1, as shown below

<u>Amount</u>	<u>Year of Maturity</u>	<u>Coupon Rate</u>	<u>Priced to Yield</u>
\$ 25,000	2016	1.100%	1.100%
\$ 20,000	2020	2.000%	2.060%
\$ 1,190,000	2021	5.000%	2.090%
\$ 2,600,000	2022	4.000%	2.290%
\$ 2,705,000	2023	4.000%	2.410%
\$ 2,810,000	2024	4.000%	2.490%
\$ 2,925,000	2025	4.000%	2.620%
\$ 3,040,000	2026	4.000%	2.710%

PURCHASE PRICE

Purchase price of \$17,037,960.75 (111.250%), plus accrued interest, if any, to the date of delivery and payment for the 2012 Series B Bonds. The Purchase price represents a bond discount of \$99,547.50, an original issue discount ("O.I.D.") of \$91.40 and an original issue premium ("O.I.P.") of \$1,822,599.65, as follows:

<u>Par</u>	<u>Year</u>	<u>Price</u>	<u>O.I.P./O.I.D.</u>
\$ 25,000	2016	100.000%	\$ 0.00
\$ 20,000	2020	99.543%	\$ (91.40)
\$ 1,190,000	2021	122.052%	\$ 262,418.80
\$ 2,600,000	2022	112.848%	\$ 334,048.00
\$ 2,705,000	2023	111.886%	\$ 321,516.30
\$ 2,810,000	2024	111.249%	\$ 316,096.90
\$ 2,925,000	2025	110.225%	\$ 299,081.25
\$ 3,040,000	2026	109.521%	\$ 289,438.40

SCHEDULE B

COUNTY OF CENTRE  
COMMONWEALTH OF PENNSYLVANIA  
\$9,970,000 GENERAL OBLIGATION BONDS, SERIES A OF 2012

DEBT SERVICE SCHEDULE

For

GENERAL OBLIGATION BONDS, SERIES A OF 2012

[SEE FOLLOWING PAGE]

Centre County, Pennsylvania

Series of 2012

(Advance Refunding of Series 2003)

**Debt Service Schedule - Series 2012 A**

Date	Principal	Coupon	Interest	Total P+i	Fiscal Total
03/15/2012	-	-	-	-	-
07/01/2012	965,000.00	0.300%	58,918.70	1,023,918.70	-
12/31/2012	-	-	-	-	1,023,918.70
01/01/2013	-	-	98,603.13	98,603.13	-
07/01/2013	1,675,000.00	0.450%	98,603.13	1,773,603.13	-
12/31/2013	-	-	-	-	1,872,206.26
01/01/2014	-	-	94,834.38	94,834.38	-
07/01/2014	1,680,000.00	1.590%	94,834.38	1,774,834.38	-
12/31/2014	-	-	-	-	1,869,668.76
01/01/2015	-	-	81,476.88	81,476.88	-
07/01/2015	70,000.00	0.950%	81,476.88	151,476.88	-
12/31/2015	-	-	-	-	232,953.76
01/01/2016	-	-	81,144.38	81,144.38	-
07/01/2016	70,000.00	1.100%	81,144.38	151,144.38	-
12/31/2016	-	-	-	-	232,288.76
01/01/2017	-	-	80,759.38	80,759.38	-
07/01/2017	75,000.00	1.125%	80,759.38	155,759.38	-
12/31/2017	-	-	-	-	236,518.76
01/01/2018	-	-	80,337.50	80,337.50	-
07/01/2018	75,000.00	1.500%	80,337.50	155,337.50	-
12/31/2018	-	-	-	-	235,675.00
01/01/2019	-	-	79,775.00	79,775.00	-
07/01/2019	3,615,000.00	3.000%	79,775.00	3,694,775.00	-
12/31/2019	-	-	-	-	3,774,550.00
01/01/2020	-	-	25,550.00	25,550.00	-
07/01/2020	1,745,000.00	2.928%	25,550.00	1,770,550.00	-
12/31/2020	-	-	-	-	1,796,100.00
<b>Total</b>	<b>\$9,970,000.00</b>	<b>-</b>	<b>\$1,303,880.00</b>	<b>\$11,273,880.00</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$48,550.61
Average Life	4.870 Years
Average Coupon	2.6856099%
Net Interest Cost (NIC)	1.8912093%
True Interest Cost (TIC)	1.8256273%
Bond Yield for Arbitrage Purposes	2.2596718%
All Inclusive Cost (AIC)	1.8755078%

**IRS Form 8038**

Net Interest Cost	1.6483233%
Weighted Average Maturity	4.968 Years

SCHEDULE B

COUNTY OF CENTRE  
COMMONWEALTH OF PENNSYLVANIA  
\$15,315,000 GENERAL OBLIGATION BONDS, SERIES B OF 2012

DEBT SERVICE SCHEDULE

For

GENERAL OBLIGATION BONDS, SERIES B OF 2012

[SEE FOLLOWING PAGE]

Centre County, Pennsylvania

Series of 2012

New Money

Debt Service Schedule - Series 2012 B

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/15/2012	-	-	-	-	-
07/01/2012	5,000.00	1.100%	183,549.31	188,549.31	-
12/31/2012	-	-	-	-	188,549.31
01/01/2013	-	-	311,660.00	311,660.00	-
07/01/2013	5,000.00	1.100%	311,660.00	316,660.00	-
12/31/2013	-	-	-	-	628,320.00
01/01/2014	-	-	311,632.50	311,632.50	-
07/01/2014	5,000.00	1.100%	311,632.50	316,632.50	-
12/31/2014	-	-	-	-	628,265.00
01/01/2015	-	-	311,605.00	311,605.00	-
07/01/2015	5,000.00	1.100%	311,605.00	316,605.00	-
12/31/2015	-	-	-	-	628,210.00
01/01/2016	-	-	311,577.50	311,577.50	-
07/01/2016	5,000.00	1.100%	311,577.50	316,577.50	-
12/31/2016	-	-	-	-	628,155.00
01/01/2017	-	-	311,550.00	311,550.00	-
07/01/2017	5,000.00	2.000%	311,550.00	316,550.00	-
12/31/2017	-	-	-	-	628,100.00
01/01/2018	-	-	311,500.00	311,500.00	-
07/01/2018	5,000.00	2.000%	311,500.00	316,500.00	-
12/31/2018	-	-	-	-	628,000.00
01/01/2019	-	-	311,450.00	311,450.00	-
07/01/2019	5,000.00	2.000%	311,450.00	316,450.00	-
12/31/2019	-	-	-	-	627,900.00
01/01/2020	-	-	311,400.00	311,400.00	-
07/01/2020	5,000.00	2.000%	311,400.00	316,400.00	-
12/31/2020	-	-	-	-	627,800.00
01/01/2021	-	-	311,350.00	311,350.00	-
07/01/2021	1,190,000.00	5.000%	311,350.00	1,501,350.00	-
12/31/2021	-	-	-	-	1,812,700.00
01/01/2022	-	-	281,600.00	281,600.00	-
07/01/2022	2,600,000.00	4.000%	281,600.00	2,881,600.00	-
12/31/2022	-	-	-	-	3,163,200.00
01/01/2023	-	-	229,600.00	229,600.00	-
07/01/2023	2,705,000.00	4.000%	229,600.00	2,934,600.00	-
12/31/2023	-	-	-	-	3,164,200.00
01/01/2024	-	-	175,500.00	175,500.00	-
07/01/2024	2,810,000.00	4.000%	175,500.00	2,985,500.00	-
12/31/2024	-	-	-	-	3,161,000.00
01/01/2025	-	-	119,300.00	119,300.00	-
07/01/2025	2,925,000.00	4.000%	119,300.00	3,044,300.00	-
12/31/2025	-	-	-	-	3,163,600.00

Centre County, Pennsylvania

Series of 2012

New Money

Debt Service Schedule - Series 2012 B

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/01/2026	-	-	60,800.00	60,800.00	-
07/01/2026	3,040,000.00	4.000%	60,800.00	3,100,800.00	-
12/31/2026	-	-	-	-	3,161,600.00
Total	\$15,315,000.00	-	\$7,524,599.31	\$22,839,599.31	-

Yield Statistics

Bond Year Dollars	\$185,459.42
Average Life	12.110 Years
Average Coupon	4.0572754%
Net Interest Cost (NIC)	3.1282523%
True Interest Cost (TIC)	2.9455703%
Bond Yield for Arbitrage Purposes	2.2596718%
All Inclusive Cost (AIC)	2.9674784%

IRS Form 8038

Net Interest Cost	2.7550628%
Weighted Average Maturity	12.077 Years

SCHEDULE C

COUNTY OF CENTRE  
COMMONWEALTH OF PENNSYLVANIA  
\$25,285,000 GENERAL OBLIGATION BONDS, SERIES OF 2012

OPTIONAL REDEMPTION PROVISIONS

Optional Redemption – 2012 Series A Bonds

The 2012 Series A Bonds are not subject to optional redemption prior to maturity.

Optional Redemption – 2012 Series B Bonds

The 2012 Series B Bonds maturing on and after July 1, 2021 are subject to redemption prior to maturity, at the option of the County, as a whole or in part, on July 1, 2020, or on any date thereafter, in either case, upon payment of the redemption price of 100% of the principal amount plus accrued interest to the date fixed for redemption.

If less than the 2012 Series B Bonds are to be redeemed at any time, the 2012 Series B Bonds shall be redeemed in such order or maturity as the County shall select. In the event that less than all 2012 Series B Bonds of any maturity are to be redeemed, the 2012 Series B Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

MANDATORY REDEMPTION PROVISIONS

Mandatory Redemption – 2012 Series A Bonds

The 2012 Series A Bonds are not subject to mandatory redemption prior to maturity.

Mandatory Redemption – 2012 Series B Bonds

The 2012 Series B Bonds stated to mature on July 1, 2016 and July 1, 2020, are subject to mandatory redemption, in part, prior to maturity by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon, to the dates fixed for redemption, on July 1 of the years and in the amounts set forth below:

<u>July 1, 2016 Maturity</u>		<u>July 1, 2020 Maturity</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2012	\$5,000	2017	\$5,000
2013	\$5,000	2018	\$5,000
2014	\$5,000	2019	\$5,000
2015	\$5,000	2020	\$5,000*
2016	\$5,000*		

\* At maturity

SCHEDULE D

COUNTY OF CENTRE  
COMMONWEALTH OF PENNSYLVANIA  
\$25,285,000 GENERAL OBLIGATION BONDS, SERIES OF 2012

COMBINED DEBT SERVICE SCHEDULE

[SEE FOLLOWING PAGE]

Aggregate Debt Service

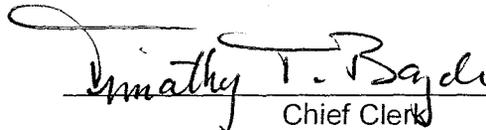
DATE	Series 2003	Series 2010	2010 RZEDBs	Series 2011	Series 2012 A	Series 2012 B	TOTAL
	Unrefunded D/S						
12/31/2012	576,143.75	863,276.26	33,515.96	348,606.25	1,023,918.70	188,549.31	3,034,010.23
12/31/2013	669,342.50	861,206.26	33,411.74	348,548.75	1,872,206.26	628,320.00	4,413,035.51
12/31/2014	669,900.00	864,006.26	33,307.52	348,491.25	1,869,668.76	628,265.00	4,413,638.79
12/31/2015	668,900.00	860,618.76	33,203.30	1,972,275.00	232,953.76	628,210.00	4,396,160.82
12/31/2016	670,287.50	860,118.76	33,099.06	2,055,487.50	232,288.76	628,155.00	4,479,436.58
12/31/2017	670,100.00	859,381.26	32,994.84	2,053,337.50	236,518.76	628,100.00	4,480,432.36
12/31/2018	668,337.50	861,093.76	32,890.62	2,050,212.50	235,675.00	628,000.00	4,476,209.38
12/31/2019	-	-	32,786.40	83,512.50	3,774,550.00	627,900.00	4,518,748.90
12/31/2020	-	-	32,682.16	1,941,693.75	1,796,100.00	627,800.00	4,398,275.91
12/31/2021	-	-	1,350,577.94	-	-	1,812,700.00	3,163,277.94
12/31/2022	-	-	-	-	-	3,163,200.00	3,163,200.00
12/31/2023	-	-	-	-	-	3,164,200.00	3,164,200.00
12/31/2024	-	-	-	-	-	3,161,000.00	3,161,000.00
12/31/2025	-	-	-	-	-	3,163,600.00	3,163,600.00
12/31/2026	-	-	-	-	-	3,161,600.00	3,161,600.00
<b>Total</b>	<b>\$4,593,011.25</b>	<b>\$6,029,701.32</b>	<b>\$1,648,469.54</b>	<b>\$11,202,165.00</b>	<b>\$11,273,890.00</b>	<b>\$22,839,599.31</b>	<b>\$57,586,926.42</b>

CERTIFICATE

I, the undersigned officer the County of Centre, Commonwealth of 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 February 14, 2012, 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, 65 Pa.C.S. §701 *et seq.* 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
Steven G. Dershem	<u>X</u>	_____	_____	_____
C. Chris Exarchos	<u>X</u>	_____	_____	_____
Michael Pipe	<u>X</u>	_____	_____	_____

WITNESS my hand and seal of the County this 14th day of February, 2012.

  
\_\_\_\_\_  
Chief Clerk

[SEAL]