

COUNTY OF DAUPHIN
Commonwealth of Pennsylvania

ORDINANCE NO. 1 - 2014

AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF COUNTY OF DAUPHIN (THE "COUNTY") AUTHORIZING AND DIRECTING ISSUANCE BY THE COUNTY 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 AND SUPPLEMENTED (THE "DEBT ACT"), TO BE EVIDENCED BY ITS GENERAL OBLIGATION BONDS, SERIES OF 2014, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$20,000,000 (THE "BONDS"), WITH THE PROCEEDS THEREOF TO BE APPLIED FOR AND TOWARD A PROJECT, AS SUCH TERM IS DEFINED IN THE DEBT ACT, CONSISTING OF (I) THE REFUNDING OF ALL OR A PORTION OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES OF 2009 (THE "2009 BONDS," AND AS REFUNDED HEREINAFTER THE "REFUNDED BONDS"), THE FOREGOING PROJECT BEING REFERRED TO AS THE "2014 REFUNDING PROJECT," AND (II) PAYING THE COSTS AND EXPENSES ASSOCIATED WITH THE ISSUANCE OF THE BONDS, THE FOREGOING BEING COLLECTIVELY REFERRED TO AS, THE "2014 PROJECT"; DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THE COUNTY; DETERMINING THAT THE BONDS SHALL BE SOLD AT PRIVATE SALE BY NEGOTIATION; AUTHORIZING ACCEPTANCE OF A BOND PURCHASE PROPOSAL FOR PURCHASE OF THE BONDS, AT PRIVATE SALE BY NEGOTIATION, AND AWARDED THE BONDS AND SETTING FORTH RELATED PROVISIONS (SAID BOND PURCHASE PROPOSAL, AS AUTHORIZED HEREINAFTER THE "BOND PURCHASE AGREEMENT"); PROVIDING FOR MAXIMUM MATURITIES AND MAXIMUM INTEREST RATES; AUTHORIZING ACCEPTANCE OF AN ADDENDUM TO THE BOND PURCHASE AGREEMENT COMPLETING THE FINAL TERMS FOR THE PURCHASE OF THE BONDS WITHIN LIMITS HEREBY ESTABLISHED; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; PROVIDING FOR THE TERMS OF THE BONDS INCLUDING DATED DATE, DENOMINATIONS, INTEREST PAYMENT DATES AND RECORD DATES; PROVIDING FOR THE REGISTRATION AND TRANSFER OF THE BONDS; AUTHORIZING THE EXECUTION AND AUTHENTICATION OF THE BONDS; AUTHORIZING ISSUANCE OF THE BONDS IN BOOK-ENTRY ONLY FORM; PROVIDING THAT THE BONDS, WHEN ISSUED, SHALL BE TAX-EXEMPT, GENERAL OBLIGATIONS OF THE COUNTY; COVENANTING TO PAY DEBT SERVICE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER FOR THE PAYMENT OF THE BONDS; SETTING FORTH THE OPTIONAL REDEMPTION AND MANDATORY REDEMPTION PROVISIONS OF THE BONDS, AS APPLICABLE; CREATING A SINKING FUND IN CONNECTION WITH THE BONDS AS REQUIRED BY THE DEBT ACT; APPROPRIATING PROCEEDS OF THE BONDS; DESCRIBING THE PRIOR PROJECT FOR WHICH DEBT OF THE COUNTY EVIDENCED BY THE 2009 BONDS WAS INCURRED AND RESTATING THE REALISTIC ESTIMATED USEFUL LIFE OF SAID PRIOR PROJECT; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON- ARBITRAGE STATUS OF THE BONDS AND, TO THE EXTENT THE BONDS QUALIFY PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, DESIGNATING OR DEEMING DESIGNATED THE BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND FILING OF A TRANSCRIPT OF PROCEEDINGS, INCLUDING A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING AND DIRECTING OFFICERS AND OFFICIALS OF THE COUNTY TO EXECUTE AND DELIVER DOCUMENTS AND TO TAKE SUCH ACTION AS MAY BE NECESSARY RELATING TO THE ISSUANCE OF THE BONDS; CREATING A CLEARING

ACCOUNT FOR THE BONDS; AUTHORIZING THE IRREVOCABLE DEPOSIT OF A CERTAIN AMOUNT OF PROCEEDS OF THE BONDS INTO AN ESCROW FUND HEREBY AUTHORIZED FOR THE REFUNDED BONDS THAT WILL BE SUFFICIENT, WITH INVESTMENT EARNINGS OR AT MATURITY VALUE, TO PAY THE PRINCIPAL OF AND INTEREST ACCRUED ON THE REFUNDED BONDS ON THE REDEMPTION DATE, AND AUTHORIZING THE DELIVERY OF AN ESCROW AGREEMENT TO THE ESCROW AGENT FOR THE REFUNDED BONDS, AND APPROVING AND AUTHORIZING EXECUTION OF AN ESCROW AGREEMENT; APPOINTING AN ESCROW AGENT; AUTHORIZING THE PURCHASE OF ESCROW INVESTMENTS; AUTHORIZING THE PAYMENT OF EXPENSES; PROVIDING GUIDELINES FOR PERMITTED INVESTMENTS; PROVIDING FOR THE AUTHORIZATION OF OFFICERS; IF APPLICABLE, RATIFYING THE PRELIMINARY OFFICIAL STATEMENT AND THE DISTRIBUTION THEREOF AND AUTHORIZING THE APPROVAL AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT AND THE USE THEREOF IN CONNECTION WITH THE SALE OF THE BONDS; ADOPTING THE FORM OF BOND; RATIFYING AND CONFIRMING AUTHORIZATION TO THE COUNTY SOLICITOR AND BOND COUNSEL; COVENANTING TO PROVIDE CONTINUING DISCLOSURE; PROVIDING FOR SEVERABILITY OF PROVISIONS HEREOF; AND REPEALING ALL OTHER INCONSISTENT ORDINANCES OR PORTIONS THEREOF.

ENACTED FEBRUARY 19, 2014

WHEREAS, The County of Dauphin, Commonwealth of Pennsylvania (the "County"), is a County of the third 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 by the Board of Commissioners on September 16, 2009 (the "2009 Ordinance"), the County authorized and approved certain capital projects, each a "project" as defined in Debt Act, including, but not limited to, (i) the construction, renovation, improvement, alteration, equipping and/or furnishing of the current facilities and property of the County, as well as various other capital additions to certain portions of the facilities and related capital acquisitions and improvements, in order to enhance and effectuate energy efficiency and savings in the County's buildings and facilities (the "Energy Project"), (ii) the construction, renovation, improvement, alteration, equipping and/or furnishing of a new detention or work release center of the County, and the renovation and conversion of the County's existing work release center for use as a judicial court and booking center and the financing of other capital expenditures in connection therewith or related thereto (the "Center Project"), (iii) the construction, renovation, improvement, alteration, equipping and/or furnishing of existing space in the County's juvenile detention center for use as a juvenile court (the "Juvenile Court Project"), and (iv) the acquisition, construction, improvement, alteration, equipping and/or furnishing of an emergency vehicle storage building (the "Storage Building Project," and all the foregoing collectively referred to as the "2009 Capital Project"); and

WHEREAS, The County, pursuant to the authorization set forth in the 2009 Ordinance, issued general obligations evidenced by the County's General Obligation Bonds, Series of 2009 in the aggregate principal amount of \$21,965,000 (the "2009 Bonds"), dated October 16, 2009, to fund the 2009 Capital Project and the payment of costs of issuance of the 2009 Bonds, of which 2009 Bonds, \$18,755,000 aggregate principal amount is presently outstanding, all of which matures on and after November 15, 2014 (the "Outstanding 2009 Bonds"); and

WHEREAS, The County, by enactment of the 2009 Ordinance, established that the useful lives of each component of the capital facilities financed by the 2009 Bonds as part of the 2009 Capital Project is not less than thirty (30) years, with the principal maturities of the 2009

Bonds structured so the earlier principal maturities are attributable to project components having shorter useful lives and the final maturities occurring prior to the end of the longest useful lives of such remaining project components, in accordance with the Debt Act; and

WHEREAS, Pursuant to the 2009 Ordinance, the County appointed Manufacturers and Traders Trust Company, with offices in Harrisburg, Pennsylvania and Buffalo, New York, as paying agent for the 2009 Bonds (the "2009 Bonds Paying Agent"); and

WHEREAS, Pursuant to the terms of the 2009 Ordinance, the 2009 Bonds scheduled to mature on or after November 15, 2015, are subject to redemption at the option of the County beginning November 15, 2014; and

WHEREAS, The County has heretofore appointed Susquehanna Group Advisors, Inc., Harrisburg, Pennsylvania, to serve as financial advisor to the County with respect to the development of a financing plan for the 2014 Refunding Project and with respect to the issuance of debt by the County to finance the 2014 Refunding Project (the "Financial Advisor"); and

WHEREAS, The County, acting through the Financial Advisor, has worked with RBC Capital Markets, LLC, of Lancaster, Pennsylvania, heretofore appointed by the County as the underwriter ("Underwriter") thereto, on a financing plan with respect to the economical feasibility of refunding all or a portion of the Outstanding 2009 Bonds, for the purpose of realizing debt service savings over the life thereof; and

WHEREAS, The County has determined to undertake a project, as such term is defined in the Debt Act consisting of the advance refunding of all, or any portion, of the Outstanding 2009 Bonds in order to reduce the total debt service thereon, which project is in accordance with Section 8241(b)(1) of the Debt Act, and, second, the payment of the costs of issuance of the County's debt obligations issued for such project; and

WHEREAS, The Board of Commissioners of the County has determined to incur tax-exempt, nonelectoral, general obligation debt in a maximum aggregate principal amount not to exceed \$20,000,000 in accordance with the terms and provisions of this Ordinance and the Debt Act; and

WHEREAS, The aforementioned debt shall be evidenced by the County's General Obligation Bonds, Series of 2014, in the maximum aggregate principal amount of \$20,000,000, (the "2014 Bonds" or "Bonds"); provided that, the designation of the series may be changed in accordance with the terms of the sale thereof; and

WHEREAS, The proceeds of the 2014 Bonds shall be applied for and toward a project, as such term is defined in the Debt Act, or so much thereof as proceeds of the 2014 Bonds issued in the aforementioned maximum principal amount are available to finance: (i) the advance refunding of all, or any portion, of the Outstanding 2009 Bonds (hereinafter the "Refunded Bonds"), the foregoing project being referred to as the "2014 Refunding Project," provided that, the 2014 Refunding Project shall constitute a current refunding in the event the 2014 Bonds are issued on a date that qualifies as current refunding pursuant to the applicable provisions of the Internal Revenue Code of 1986 (as hereinafter defined); and

WHEREAS, The 2014 Refunding Project together with the payment of the costs of issuance of the 2014 Bonds is referred to herein as the "2014 Project"; and

WHEREAS, The County has requested the Underwriter to present to the Board of Commissioners of the County a proposal for the sale by the County and the purchase by the Underwriter of the 2014 Bonds and the Underwriter has presented its written proposal therefore (the "Bond Purchase Proposal"); and

WHEREAS, The Board of Commissioners of the County desires to authorize and approve the 2014 Project, the issuance of the 2014 Bonds, the acceptance of the Bond Purchase Proposal presented by the Underwriter (hereinafter, "Purchaser"), to award the 2014 Bonds to the Purchaser, to incur tax-exempt, nonelectoral, general obligation debt, in the maximum aggregate principal amount of \$20,000,000 pursuant to this Ordinance and the provisions of the Debt Act, to authorize the 2014 Refunding Project, to approve and authorize an escrow agreement, and an escrow fund thereunder, for the Refunded Bonds, the appointment of the 2009 Bonds Paying Agent as the escrow agent therefor, to affirm and restate the useful life of the 2009 Capital Project established by the 2009 Ordinance, and to authorize and direct such further acts and action that are necessary and proper for the County to undertake the issuance of the 2014 Bonds and the 2014 Refunding Project; and

WHEREAS, The Board of Commissioners of the County desires to authorize and approve such further action by proper officers and officials of the County, the County Solicitor, Purchaser, Financial Advisor and bond counsel, and any other consultant providing service to the County, as shall be necessary and proper for the completion of the authorizations set forth in this Ordinance.

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

Section 1. The 2014 Project.

The County hereby approves and undertakes as a project the 2014 Project. The description of the 2014 Project contained in the Recitals to this Ordinance is hereby incorporated into and made a part of this Section by reference as if set out at length. Terms defined in the Recitals to this Ordinance are hereby incorporated into and made a part of this Section by reference as if set out at length. Such terms as hereafter used in this Ordinance shall have the meaning as defined in the Recitals.

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 2014 Project, the incurring of nonelectoral debt by the County in the maximum aggregate principal amount of \$20,000,000 is hereby authorized. Such debt shall be evidenced by the 2014 Bonds. The debt evidenced by the 2014 Bonds is being incurred for the purpose of financing the 2014 Refunding Project and, thereby, realizing debt service savings over the life of the Refunded Bonds, which project is being undertaken pursuant to Section 8241(b)(1) of the Debt Act.

Section 3. Approval of Private Sale by Negotiation.

After considering the advantages and disadvantages of the various methods of sale of the 2014 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, Addendum.

(a) The Purchaser has submitted the Bond Purchase Proposal to the County for the

purchase of all, but not less than all, of the 2014 Bonds, maturing and bearing interest rates, terms and other provisions not inconsistent with this Ordinance. The Bond Purchase Proposal is hereby approved and accepted and, as approved and accepted is referred to, hereinafter, as the Bond Purchase Agreement. Proper Officers (as hereinafter defined in Section 25 hereof) are authorized to execute, attest and seal the Bond Purchase Agreement and to deliver an executed counterpart thereof to the Purchaser. It is hereby authorized and directed that the Purchaser shall, subsequent to the enactment of this Ordinance, submit to the County an addendum to the Bond Purchase Agreement that shall set forth the final terms for the sale and purchase of the 2014 Bonds, including, but not limited to: the net savings realized from the refunding of the Refunded Bonds, the underwriting discount, and the net original issue discount or premium, if any (the "Addendum").

(b) The Addendum to the Bond Purchase Agreement shall be submitted to the Chairman, or if he is unavailable to the Vice Chairman, of the Board of Commissioners of the County for approval and acceptance, which Addendum shall be consistent with the provisions set forth in the Bond Purchase Agreement and in this Ordinance, and shall contain (i) such insertions as to interest rates, principal amounts, maturity dates and redemption provisions and related matters, and (ii) such deletions and amendments as the Chairman or Vice Chairman, upon the advice of the Solicitor and bond counsel shall approve. The execution and delivery of the Addendum by the Chairman or Vice Chairman of the Board of Commissioners and an attesting officer of the Board of Commissioners shall constitute conclusive evidence of such approval.

(c) In order to be accepted by the Chairman, or if the Chairman is unavailable, the Vice Chairman, of the Board of Commissioners, the Addendum must meet the following requirements:

(i) The aggregate principal amount of the 2014 Bonds shall not exceed \$20,000,000;

(ii) The principal amount scheduled to mature or to be subject to mandatory redemption in each year of the Bonds shall not exceed the principal amount shown on Schedule A, attached hereto, and incorporated herein and, further, the rate of interest, *per annum*, for each maturity of the 2014 Bonds shall not exceed the rates set forth in Schedule A;

(iii) The aggregate purchase price for the 2014 Bonds to be purchased pursuant to such Bond Purchase Agreement, including the Purchaser's discount and total net original discount or premium, shall not be less than 95.0% nor more than 115.0% of the aggregate principal amount thereof;

(iv) The underwriting discount shall not exceed \$7.50 per \$1,000 principal amount of the 2014 Bonds;

(v) The net present value debt service savings shall be no less than 3.00% of the principal amount to be refunded by the 2014 Bonds, and for such purpose, the debt service savings shall be net of the costs of issuance;

(vi) In the event that less than all of the Outstanding 2009 Bonds are to be advance refunded, the Addendum must specifically identify those Outstanding 2009 Bonds that will thereby constitute the Refunded Bonds, otherwise, as hereinbefore identified, the all of the Outstanding 2009 Bonds shall constitute the Refunded Bonds; and

(vii) The 2014 Bonds contemplated by the Addendum must conform to the requirements of the Debt Act.

(d) The execution and delivery of the Bond Purchase Agreement, concurrent with the enactment of this Ordinance, and of the Addendum, subsequent to the enactment of this Ordinance, by the Proper Officers of the County, as specified where appropriate, shall constitute acceptance hereunder of the Bond Purchase Agreement and of the Addendum. Upon acceptance of the Bond Purchase Agreement by enactment of this Ordinance and acceptance of the Addendum, the 2014 Bonds shall be and are hereby awarded and sold at private sale by negotiation unto the Purchaser in accordance with the requirements set forth in the preceding provisions of this Section 4, in accordance with all the terms of the Bond Purchase Agreement and of the Addendum. Proper Officers are authorized and directed to accept the Addendum by signing it, to return it to the Purchaser and to file a copy of the same with the records of the County. Upon acceptance and execution of the Addendum, the Bond Purchase Agreement and the Addendum shall constitute one agreement by and between the County and the Purchaser and shall be construed in all respects as one agreement, which hereinafter is referred to, for convenience as the Bond Purchase Agreement, which Bond Purchase Agreement, together with this Ordinance, shall constitute a contract between the County and the Purchaser.

(e) A Proper Officer of the County is hereby authorized and directed to deliver the 2014 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 the terms of this Ordinance. Proper Officers of the County are hereby authorized and directed to transfer and invest funds, to pay all necessary, usual and proper costs of issuance of the 2014 Bonds, to execute and deliver such documents and to do all such other acts, upon advice of the Solicitor and bond counsel, as are reasonably necessary to ensure a satisfactory settlement of the sale of the 2014 Bonds, and a proper application of the proceeds thereof to the 2014 Project.

Section 5. Maturity and Interest Rates.

The rate of interest, *per annum*, for each maturity of the 2014 Bonds shall not exceed the rates set forth in Schedule A, attached hereto, and incorporated herein; provided, that in the case of term bonds the applicable rate of interest shall be the rate set forth in Schedule A for the relevant maturity date of each such term bond. The principal amount of 2014 Bonds annually scheduled to mature or to be subject to mandatory redemption, as the case may be, shall not exceed the principal amount on each date set forth in Schedule A, attached hereto.

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

Manufacturers and Traders Trust Company is hereby appointed Paying Agent ("Paying Agent") and Registrar ("Registrar") for the 2014 Bonds and Sinking Fund Depository ("Sinking Fund Depository") for the 2014 Bonds sinking fund created hereby (for convenience, unless otherwise specified, the "Paying Agent"). If provided by the Paying Agent, Proper Officers of the County are hereby authorized and directed to execute a separate contract with Manufacturers and Traders Trust Company, a validly constituted and existing banking corporation, authorized to do business and having an office in the Commonwealth and having corporate trust offices in Harrisburg, Pennsylvania and in Buffalo, New York, 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, which separate contract shall not be inconsistent with the provisions of this Ordinance or the Debt Act. Otherwise, this Ordinance shall constitute a contract between the County and the Paying Agent. The County may, by Ordinance, from time to time appoint a successor paying agent, sinking fund depository and registrar to fill a vacancy or for any other reason. Acceptance of this appointment by the Paying Agent constitutes the

Paying Agent's representation to the County that it is authorized to conduct business, and has an office, in the Commonwealth of Pennsylvania.

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

The 2014 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 2014 Bonds if agreed upon by the County, the Purchaser and the Paying Agent. The 2014 Bonds shall bear interest accruing from a date (the "Dated Date"), which date shall be on or about the date of delivery as more fully specified in the Bond Purchase Agreement. The 2014 Bonds may be issued in denominations of \$5,000 or any whole multiple thereof.

Each Bond constituting one of the 2014 Bonds shall bear interest payable initially on November 15, 2014 and thereafter on each May 15 and November 15 (each an "Interest Payment Date"), from the immediately preceding Interest Payment Date to which interest has been paid, unless: (a) such Bond is registered and authenticated as of an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date; or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date; or (c) such Bond is registered and authenticated prior to the Record Date (hereinafter defined) preceding November 15, 2014, in which event such Bond shall bear interest from the Dated Date; or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond, until the principal sum thereof is paid.

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

The term "Record Date" with respect to any Interest Payment Date shall mean the close of business on the fifteenth (15th) day (whether or not a business day) next preceding the applicable 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 for the payment of such defaulted interest (the "Special Record Date") established by the Paying Agent, notice of which shall have been mailed to all registered owners of the 2014 Bonds not less than ten (10) days preceding such Special Record Date. Such notice shall be mailed to the registered owner shown on the Bond Register (hereinafter defined) maintained by the Paying Agent at the close of business on the fifth (5th) business day preceding the date of mailing.

Section 8. Bond Register, Registrations and Transfer.

The County shall cause to be kept at the designated office of the Paying Agent a register (the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the County shall provide for the registration of the 2014 Bonds and the registration of transfers and exchanges thereof. No transfer or exchange of any 2014 Bond shall be valid unless made at such office and registered in the Bond Register.

Upon surrender of any 2014 Bond at the designated 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 2014 Bond or 2014 Bonds of any authorized denomination, of the same interest rate and maturity, and in the same aggregate principal amount as the 2014 Bond or 2014 Bonds so surrendered.

Any 2014 Bond shall be exchangeable for other 2014 Bond of the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the 2014 Bond or 2014 Bonds presented for exchange. Upon surrender of any 2014 Bond for exchange at the designated office of the Paying Agent, the County shall execute and the Paying Agent shall authenticate and deliver in exchange therefore the 2014 Bond or 2014 Bonds which the owner making the exchange shall be entitled to receive.

All 2014 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 2014 Bond or 2014 Bonds surrendered for such registration of transfer or exchange.

Every 2014 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 2014 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 any 2014 Bond.

The County and the Paying Agent shall not be required to: (a) issue, or register the transfer or exchange of, any 2014 Bond during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such Interest Payment Date; (b) issue, or register the transfer or exchange of, any 2014 Bond during the period beginning at the opening of business on the 15th business day next preceding any date of selection of a 2014 Bond or 2014 Bonds to be redeemed and ending at the close of business on the date the notice of redemption shall be given; (c) issue, or register the transfer or exchange of, any 2014 Bond during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of any 2014 Bond or 2014 Bonds to receive notice of any Special Record Date and the close of business on the Special Record Date; or (d) register the transfer or exchange of any 2014 Bond after it has been selected or called for redemption, in whole or in part.

Section 9. Execution and Authentication; Book-Entry Only Registration.

(a) Execution and Authentication. The 2014 Bonds shall be executed on behalf of the County by the Chairman or Vice Chairman of the Board of Commissioners, and shall have a manual or facsimile of the corporate seal of the County affixed thereto, duly attested by the

Chief Clerk of the Board of Commissioners and said officers are hereby authorized and directed to execute the 2014 Bonds. The 2014 Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Paying Agent. No 2014 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 2014 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 2014 Bond (including the signature of the officer of the Paying Agent) is manual, all other signatures may be by facsimile. The Chairman or Vice Chairman of the Board of Commissioners, Chief Clerk of the Board of Commissioners or Treasurer or any of such officers is hereby authorized and directed to deliver the 2014 Bonds to the Purchaser and receive payment therefore on behalf of the County after sale of the same in the manner required by law and this Ordinance.

(b) Book-Entry Only Registration. If hereafter determined to be necessary and proper for the efficient administration of the Bonds and the County, the Purchaser and the Paying Agent shall agree, in writing, then the following provisions applicable to the registration of the Bonds as Book-Entry Only obligations shall apply.

(i) Letter of Representations. The County authorizes and approves the purchase or subsequent registration of the Bonds by the Purchaser as book-entry only obligations with The Depository Trust Company, New York, New York ("DTC"). Proper Officers of the County are authorized and directed to execute DTC's Letter of Representations, if applicable, in substantially the form submitted to the County concurrent with its consideration of this Ordinance, and such other documents as shall be necessary to complete the sale or subsequent registration of the Bonds as book-entry only obligations.

(ii) Book-Entry Only System.

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

(B) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to DTC or its nominee in immediately available funds on the dates provided for such payments in this Ordinance and in the Bonds. Each such payment to DTC or its nominee shall be valid and effective to discharge fully all liability of the County or the Paying Agent with respect to the principal or redemption price of or interest on such Bonds to

the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds outstanding of any maturity, the Paying Agent shall not require surrender by DTC or its nominee of the Bond or Bonds so redeemed, but DTC (or its nominee) may retain such Bond or Bonds and make an appropriate notation on each Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

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

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

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

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

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

Section 10. General Obligation Covenant.

The 2014 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 2014 Bonds outstanding pursuant to this Ordinance that it will include the amount of the debt service as specified in this Section or such lesser amount as set forth in the Addendum, subject to appropriate adjustment in the event of the optional redemption of any 2014 Bonds prior to maturity, on the 2014 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 2014 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 maximum amount of the debt service which the County hereby covenants to pay on the 2014 Bonds in each year is shown on Schedule B which is attached hereto and incorporated herein by reference as if set forth here at length.

As provided in the Debt Act, the foregoing covenants are specifically enforceable.

Section 11. Redemption.

(a) Optional Redemption. The 2014 Bonds shall be subject to redemption at the option of the County prior to their stated maturity dates as a whole or in part from time to time, in any order of maturity (and in any authorized principal amount within a maturity) and by lot within a maturity, on the dates and at the redemption prices provided in the Bond Purchase Agreement.

(b) Mandatory Redemption. The 2014 Bonds may be subject to mandatory redemption, if at all, on the dates (each, a "Mandatory Redemption Date") and in the amounts as provided in the Bond Purchase Agreement, which mandatory redemption provisions are incorporated herein by reference as if set out here at length. The County covenants and directs the Paying Agent to redeem the specified aggregate principal amount of 2014 Bonds of the specified series and maturity on the respective Mandatory Redemption Dates set forth the Bond Purchase Agreement.

(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 2014 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 2014 Bond shall affect the validity of the proceedings for the redemption of any other 2014 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 2014 Bonds so called for redemption, with accrued interest thereon to the date fixed for redemption, interest on such 2014 Bonds shall cease to accrue after such redemption date.

(d) CUSIP Numbers. Notices of redemption shall contain the applicable CUSIP numbers pertaining to the 2014 Bonds called for redemption (if then generally in use), and shall also contain the serial identification numbers printed on the 2014 Bonds. The County, however, makes no representation as to the accuracy of such CUSIP numbers either printed on the 2014 Bonds or as contained in any redemption notice.

(e) Selection by Lot. If less than all 2014 Bonds maturing on any one date are to be redeemed at any time, the Paying Agent shall select by lot the 2014 Bonds to be redeemed at such time.

(f) Portions of Bonds. Any portion of any 2014 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 2014 Bonds for redemption, the Paying Agent shall assign numbers to each \$5,000 portion of any 2014 Bond of a denomination larger than \$5,000 and shall treat each portion as a separate 2014 Bond in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of any 2014 Bond for redemption of a portion thereof, the Paying Agent shall authenticate and deliver to the registered owner thereof a new 2014 Bond or 2014 Bonds of the same maturity and in any authorized denominations requested by the registered owner in an aggregate principal amount equal to the unredeemed portion of the 2014 Bond surrendered.

Section 12. Sinking Fund.

(a) Deposit. There is hereby established with the Paying Agent a sinking fund to be known as County of Dauphin, Series of 2014 Bonds Sinking Fund (the "2014 Bonds Sinking Fund") into which the County covenants to deposit, and into which the Proper Officers of the County are hereby authorized and directed to deposit debt service payments on the dates set forth in subsection (b) hereof.

(b) Debt Service Payments. The County shall deposit into the 2014 Bonds Sinking Fund on or before November 15, 2014, and on or before each May 15 and November 15 thereafter to and including November 15, 2029, amounts sufficient to pay the interest due on such dates on the 2014 Bonds then outstanding, and (B) on or before November 15, 2014 and on or before each November 15 thereafter to and including November 15, 2029, amounts sufficient to pay the principal of the 2014 Bonds due on each such date at maturity or, as applicable, pursuant to the mandatory redemption requirements hereof. Should the amounts covenanted to be paid into any 2014 Bonds Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of interest and principal, whether by reason of funds already on deposit therein such 2014 Bonds Sinking Fund or by reason of the purchase or redemption of any 2014 Bonds, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(c) Credit for Bond Delivered. The County may satisfy any part of its obligations with respect to clauses (a) and (b) of this Section by delivering to the Paying Agent and Sinking Fund

Depository, for cancellation, 2014 Bonds of a particular series maturing on the date on which such deposit is required. The County shall receive credit against such deposit for the face amount of the 2014 Bonds so delivered, provided that such 2014 Bonds are delivered to and received by the Paying Agent and Sinking Fund Depository (i) on or before the maturity date of the 2014 Bonds for which credit is requested, in the case of a deposit required for the payment of 2014 Bonds at maturity, or (ii) in the case of a deposit required to be made on a Mandatory Redemption Date, no later than 60 days prior to the Mandatory Redemption Date for which credit is requested.

(d) Application of Funds. All sums in the 2014 Bonds Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted to be paid by Section 10 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 2014 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 2014 Bonds Sinking Fund shall be kept as a separate account at the designated 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 2014 Bonds Sinking Fund, the interest on the 2014 Bonds as and when due to the registered owners on the appropriate Record Date and principal of the 2014 Bonds, as and when the same shall become due, to the registered owners thereof.

(e) Optional Deposits. Notwithstanding the foregoing, in the case of optional redemption of any or all of the 2014 Bonds as permitted by Section 11 hereof, the Treasurer is hereby authorized and directed to deposit from time to time before the appropriate optional redemption date funds which shall be sufficient when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the 2014 Bonds so called for redemption and the premium, if any and the interest thereon to the date fixed for redemption.

Section 13. Disposition of Proceeds.

All moneys derived from the sale of the 2014 Bonds shall be deposited into the clearing account created pursuant to Section 20 hereof and shall be and hereby are appropriated substantially to payment of the cost of the 2014 Project, including, but not limited to, the 2014 Refunding Project, payment of the costs and expenses of preparing, issuing and marketing the Bonds, and, if any, the payment of interest on the 2014 Bonds from the Dated Date to the date of delivery and shall not be used for any other purposes, except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining moneys shall promptly upon their determination be deposited in the 2014 Bonds Sinking Fund and used for the payment of interest on those 2014 Bonds. Promptly on the deposit of the proceeds of the 2014 Bonds to the clearing account, the County shall cause the concurrent transfer of a certain portion thereof to the Escrow Fund created pursuant to this Ordinance and the Escrow Agreement (hereinafter defined), as authorized by Section 20 hereof.

Section 14. Cost and Realistic Useful Life.

Reasonable cost estimates have been obtained for the 2014 Refunding Project with the assistance of the Financial Advisor and the Purchaser, and other persons qualified by experience. The County hereby affirms and restates the useful life, as set forth in the Recitals, of the 2009 Capital Project funded with proceeds of the 2009 Bonds. The remaining useful life of the 2009 Capital Project is at least twenty-five (25) years and exceeds the final maturity of the 2014 Bonds. Further, the maturities of the 2014 Bonds are in accordance with Section 8142(a)(2) of the Debt Act.

In addition, in accordance with Section 8142(b)(2) of the Debt Act, the maturities of the Bonds will be fixed so that the principal of the 2014 Bonds, together with all other outstanding debt, will be amortized on an approximately level annual debt service plan, all as shown on Schedule C hereto, which is attached hereto and incorporated herein by reference as if set out here at length.

Section 15. Internal Revenue Code Covenants.

(a) General. The County hereby covenants with the registered owners, from time to time, of the 2014 Bonds that no part of the proceeds of the 2014 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 2014 Bonds, would have caused either series of the 2014 Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations thereunder proposed or in effect at the time of such use and applicable to the 2014 Bonds, and that it will comply with the requirements of that section and the Regulations throughout the term of the 2014 Bonds.

(b) Rebate. The County covenants, if it is not eligible for any rebate exception under the Code, that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, all investment income derived from investing the proceeds of the Bonds in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the 2014 Bonds at a yield not in excess of the yield on the 2014 Bonds.

(c) Qualified-Tax-Exempt Obligation Designation. To the extent the 2014 Bonds, together with all other all tax-exempt obligations issued in calendar year 2014, are issued in an aggregate principal amount of or less than \$10,000,000, and otherwise qualify, the County hereby designates the 2014 Bonds as Qualified Tax-Exempt Obligations as such term is defined in and pursuant to Section 265(b)(3) of the Code. The County represents and reasonably expects that the total amount of its obligations so designated and to be designated during the 2014 calendar year does not and will not exceed \$10,000,000. To the extent any of the 2014 Bonds meet the requirements for "deemed designated" status pursuant to Section 265(b), such 2014 Bonds are hereby deemed designated as Qualified Tax-Exempt Obligations.

(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 2014 Bonds to be excluded from gross income for federal income tax purposes.

Section 16. Advertising.

The action of the officers of the County in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The officers 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 17. Filing with Department of Community and Economic Development.

The Chairman or Vice Chairman of the Board of Commissioners and the Chief Clerk are hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a transcript of the proceedings relating to the issuance of the Bonds including the Debt Statement and Borrowing Base Certificate required by § 8110 of the Debt Act, and to take other necessary action, and to prepare and file all necessary documents with the Department of Community and Economic

Development including, if necessary or desirable, any statements required to exclude any portion of the debt evidenced by the 2014 Bonds from the appropriate debt limit as self-liquidating or subsidized debt.

Section 18. General Authorization.

The officers and officials of the County are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the 2014 Bonds, all in accordance with this Ordinance.

Section 19. Official Statement.

The Chairman or Vice Chairman of the Board of Commissioners is hereby authorized to execute and approve a final Official Statement relating to the 2014 Bonds provided that the final Official Statement shall have been approved by the County Solicitor. The distribution of the Preliminary Official Statement is hereby approval and the Purchaser is hereby authorized to use the Preliminary and the final Official Statements in connection with the sale of the 2014 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 20. Clearing Account and Escrow Fund.

(a) Clearing Account. The County hereby creates with the Paying Agent a special fund to be known as the County of Dauphin 2014 Bonds Clearing Account (the "Clearing Account"), which shall be held as trust funds for the benefit of the County until disbursed in accordance with the provisions hereof. The County shall deliver the net proceeds (including accrued interest, if any) derived from the sale of the 2014 Bonds to the Paying Agent for deposit to the Clearing Account. Upon written directions from the County signed by the Chairman or Vice Chairman of the Board of Commissioners and the Chief Clerk of the Board of Commissioners, the Paying Agent (I) shall pay, out of the Clearing Account, the costs and expenses of the issuance of the 2014 Bonds, (II) shall transfer the amount of accrued interest, if any, to the 2014 Bonds Sinking Fund, and (III) shall transfer proceeds of the Bonds in the amount designated by the County to the escrow fund described in subsection (b) below as required to defease and redeem the Refunded Bonds.

The written direction from the County shall state the names of the respective payees, the purpose for which the expenditure has been incurred, or the purpose of the transfer, whichever is applicable, and shall contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer which is requested is in accordance with the provisions of this Ordinance. Any funds remaining in the Clearing Account after payments and transfers have been made as herein provided shall be transferred to the 2014 Bonds Sinking Fund.

(b) Refunded Bonds Escrow Fund. The County hereby appoints Manufacturers and Traders Trust Company, who is the 2009 Bonds Paying Agent, as escrow agent (the "Escrow Agent"), under an escrow agreement, hereinafter defined, and hereby creates an escrow fund with respect to the Refunded Bonds (the "Escrow Fund"), necessary to effectuate the refunding, defeasance and redemption of the Refunded 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 Bonds in the form hereinafter approved (the "Escrow Agreement") providing for, *inter alia*, the

establishment of the Escrow Fund, the investment and application of moneys to be deposited therein and such other provisions as are necessary and appropriate in connection with the defeasance and redemption of the Refunded Bonds as contemplated by this Ordinance. The Escrow Agreement shall further provide for the payment of (i) interest accrued on the Refunded Bonds due and payable on November 15, 2014, (ii) the principal of the Refunded Bonds due and payable at maturity on November 15, 2014, and (iii) the principal of all of the remaining outstanding amount of the Refunded Bonds, prior to maturity, on November 15, 2014, being all of the Refunded Bonds scheduled to mature on and after November 15, 2015, and after final payment, any moneys and funds remaining on deposit in the Escrow Fund shall be paid over to the County for deposit into the 2014 Bonds Sinking Fund and applied as set forth in Section 12, hereof.

The 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 21. Payment and Redemption of the Refunded Bonds.

(a) Refunded Bonds Identified. By acceptance of the Bond Purchase Agreement, the Chairman of the Board of Commissioners shall identify the portion of the Outstanding 2009 Bonds being refunded, which portion shall for all purposes of this Ordinance and the 2014 Refunding Project, constitute the "Refunded Bonds."

(b) Redemption Call and Notice. The County hereby calls for redemption on November 15, 2014, or such other date as is specified in the Bond Purchase Agreement, at a price of 100% of the principal amount plus accrued interest, all of the Refunded Bonds scheduled to mature on and after November 15, 2014. The County hereby irrevocably directs payment from moneys to be available for such purpose in the Clearing Account of all of the principal of the Refunded Bonds, and interest accrued thereon, on November 15, 2014, or such other date as is specified in the Bond Purchase Agreement as the date fixed for redemption of the Refunded Bonds. The County directs the 2009 Bonds Paying Agent (I) to deliver and file with the Municipal Securities Rulemaking Board (MSRB) for publication on its EMMA System a notice of the refunding and defeasance of the Refunded Bonds in such form and format as required by the MSRB, and (II) at the time set forth in the Escrow Agreement, a Notice of Redemption to the registered owners of the Refunded Bonds, which notice shall be in such form as bond counsel and the 2009 Bonds Paying Agent shall hereafter agree.

Section 22. Purchase of Escrow Investments.

The County hereby authorizes and directs, if necessary, the Chairman or Vice Chairman of the Board of Commissioners or the Chief Clerk of the County or the Purchaser, or their respective representatives, to subscribe or purchase, on behalf of, and as agent for, the County for United States Treasury Certificates of Indebtedness, Notes and Bonds—State and Local Government Series, or any appropriate combination of the above, or any other direct obligations of the United States of America, all in accordance with the Escrow Agreement, or to arrange for the purchase of noncallable securities of the Commonwealth in accordance with the Escrow Agreement or to arrange for the purchase of time deposits or certificates of deposit, which satisfy the requirements of Section 8250 of the Debt Act, in accordance with the Escrow Agreement.

The above-named persons and/or the Purchaser are hereby authorized to certify and deliver a copy of this Ordinance upon subscription of the above-mentioned securities and/or to

deliver a copy hereof certified by the Chief Clerk of the County, upon subscription for the above-mentioned securities, or thereafter.

Section 23. Payment of Expenses.

All expenses incurred in connection with issuance of the 2014 Bonds, shall be paid out of the proceeds derived from the issuance of the 2014 Bonds and deposited in the Clearing Account and Proper Officers and officials are authorized to sign and deliver requests for payment of such expenses.

Section 24. Sinking Fund and Escrow Fund Investment.

(a) Any moneys held in the 2014 Bonds Sinking Fund, 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 Bonds.

(b) Funds in the 2009 Bonds Escrow Fund shall be invested in accordance with the provisions of the Refunded Bonds Escrow Agreement.

Section 25. Authorization of Proper 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 the foregoing, when acting within the authority of such office, constitutes a Proper Officer of the County and collectively, "Proper Officers" of the County.

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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 Manufacturers and Traders Trust Company, (the "Paying Agent"), in Harrisburg, Pennsylvania or Buffalo, New York. 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, at the close of business on the fifteenth (15th) day (whether or not a business day) next preceding each Interest Payment Date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date. In the event the County shall default in the payment of interest due hereon at the time the same is due and payable, such defaulted interest will be payable to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his address as it appears on the Bond Register maintained by the Paying Agent at the close of business on a special record date (the "Special Record Date") established by the Paying Agent, notice of which shall be mailed by the Paying Agent to the registered owner hereof not less than ten (10) days preceding the Special Record Date. Such notice shall be mailed to the registered owner shown on the Bond Register maintained by the Paying Agent at the close of business on the fifth (5th) business day preceding the date of mailing.

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

This Bond is one of an initially authorized series of \$20,000,000 aggregate principal amount of general obligation bonds of the County, known as "General Obligation Bonds, Series of 2014" (the "Bonds"), all of like tenor, except as to denominations, dates of maturity, rates of interest and provisions for redemption, and all issued in accordance with provisions of the Debt Act under and by virtue of a duly enacted Ordinance (the "Ordinance") of the Board of Commissioners of the County. 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 maturing on and after November 15, 20__ are subject to redemption prior to maturity, at the option of the County, as a whole or in part, on _____ 15, 20__ 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.

Mandatory Redemption. The Bonds maturing on November 15, 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.

November 15, 20__ Maturity

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

The County and the Paying Agent shall not be required to: (a) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such Interest Payment Date; (b) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the 15th day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the date the notice of redemption shall be mailed; (c) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of the Bonds to receive notice of any

Special Record Date and the close of business on the Special Record Date; or (d) register the transfer or exchange of any Bond after it has been selected or called for redemption, in whole or in part.

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

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

It is hereby certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by the Bonds, 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 Bond 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 has been determined to be a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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

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

IN WITNESS WHEREOF, the County of Dauphin, 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 DAUPHIN

ATTEST:

Chairman, Board of Commissioners

Chief Clerk
[SEAL]

Vice Chairman, Board of Commissioners

Secretary, Board of Commissioners

CERTIFICATE OF AUTHENTICATION AND CERTIFICATE AS TO OPINION

It is certified that: (i) this Bond is one of the Bonds described in the within mentioned Ordinance; and (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.

Manufacturers and Traders Trust Company,
as Paying Agent

By: _____
Authorized Representative

DATE OF AUTHENTICATION: _____

USE OF ABBREVIATIONS

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the entireties
_____ (Custodian)

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

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

ASSIGNMENT AND TRANSFER

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

Please insert Social Security
or other identifying number
of assignee

[Empty rectangular box for Social Security or other identifying number]

(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 County Solicitor, Eckert Seamans Cherin & Mellott, LLC as bond counsel to the County, the Financial Advisor and the Purchaser to undertake the necessary steps or to take necessary action relating to the marketing and issuance of the Bonds, including but not limited to the preparation and distribution of the Preliminary Official Statement. The Financial Advisor is authorized to prepare such additional schedules and to submit them to the Department as may be required, and such schedules are hereby incorporated by, made a part of, and may be included as a part of, this Ordinance.

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 2014 Bonds) from time to time of the 2014 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 2014 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, 2014. 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 2014 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 2014 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 2014 Bonds, or other material events affecting the tax status of the 2014 Bonds; (vii) modifications to rights of the holders of the 2014 Bonds, if material; (viii) bond calls, if material, and tender offers; (ix) defeasance of the 2014 Bonds or any portion thereof; (x) release, substitution or sale of property securing repayment of the 2014 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 paying agent or the change of name of a paying agent, 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 2014 Bonds, prior to redemption or payment in full of all of the 2014 Bonds. If such termination occurs prior to the final maturity of the 2014 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 2014 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 2014 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 2014 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 2014 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 2014 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 2014 Bonds be accelerated, nor shall any such breach constitute a default under the 2014 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 the County that such remainder shall be and shall remain in full force and effect.

Section 30. Repealer.

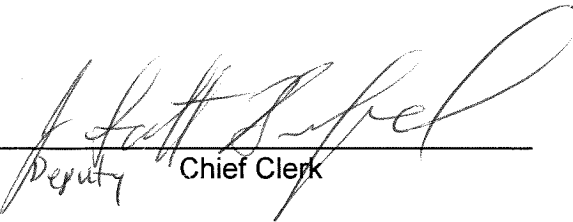
Any Ordinances or parts thereof not in accordance with this Ordinance are hereby repealed insofar as they conflict with this Ordinance.

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ENACTED by the Board of Commissioners of the County of Dauphin, in lawful session assembled, this 19th day of February, 2014.

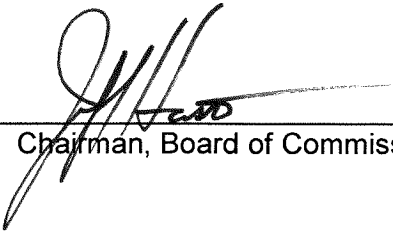
COUNTY OF DAUPHIN

ATTEST:




Deputy Chief Clerk

[SEAL]



Chairman, Board of Commissioners



Vice Chairman, Board of Commissioners



Secretary, Board of Commissioners
