

COUNTY OF SCHUYLKILL  
COMMONWEALTH OF PENNSYLVANIA  
**ORDINANCE NO.**  
**2012-1**

“AN ORDINANCE”

OF THE BOARD OF COMMISSIONERS OF THIS COUNTY AUTHORIZING AND DIRECTING ISSUANCE OF GENERAL OBLIGATION BONDS OF THIS COUNTY, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$21,175,000, PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, WITH THE PROCEEDS OF THE BONDS, TOGETHER WITH INTEREST EARNED THEREON, TO BE USED AS FOLLOWS: SERIES A TAX-EXEMPT BONDS: TO (A) PAY FOR THE ACQUISITION OF ADDITIONAL EQUIPMENT FOR THE COUNTY'S 911 CENTER, PARTICULARLY AS NECESSARY TO COMPLY WITH THE FEDERAL COMMUNICATIONS COMMISSION'S DIRECTIVE REGARDING NARROW BAND WIDTH; (B) TO PAY FOR THE PURCHASE AND RENOVATION OF A BUILDING FOR COUNTY OFFICES; (C) TO RENOVATE OTHER EXISTING COUNTY BUILDINGS; (D) TO ADVANCE REFUND AND RESTRUCTURE A PORTION OF THE COUNTY'S OUTSTANDING SERIES 2008 BONDS; AND (E) PAY THE COSTS AND EXPENSES RELATED TO ISSUING AND INSURING THE SERIES A BONDS: SERIES B TAXABLE BONDS: (A) TO FINANCE THE ACQUISITION OF SEVEN (7) RADIO FREQUENCY LICENSES TO BE USED BY THE COUNTY'S 911 CENTER; AND (B) TO PAY THE COSTS AND EXPENSES RELATED TO ISSUING AND INSURING THE SERIES B BONDS; DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THIS COUNTY; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL BE GENERAL OBLIGATION BONDS OF THIS COUNTY AND SHALL BE FULLY REGISTERED BONDS; DESCRIBING THE PROJECTS FOR WHICH SAID DEBT IS TO BE INCURRED; DETERMINING THAT SAID BONDS SHALL BE SOLD AT PRIVATE SALE AND THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTEREST OF THIS COUNTY; ACCEPTING A PROPOSAL FOR PURCHASE OF SAID BONDS AND AWARDED SUCH BONDS AND SETTING FORTH RELATED PROVISIONS; DETERMINING THE USEFUL LIFE OF THE PROJECTS BEING FINANCED; FIXING THE SUBSTANTIAL FORM, DENOMINATIONS, DATE, MATURITY DATE, INTEREST RATE, INTEREST PAYMENT DATES, REGISTRATION, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST, REDEMPTION PROVISIONS AND AS TO SERIES A THE TAX-FREE PROVISIONS OF SUCH BONDS; SETTING FORTH THE FORM OF REGISTRATION AND ASSIGNMENT AND PAYING AGENT'S CERTIFICATES APPERTAINING TO SUCH BONDS; AUTHORIZING AND DIRECTING EXECUTION, ATTESTATION AND

AUTHENTICATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS AS REQUIRED BY SUCH ACT AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS COUNTY IN SUPPORT THEREOF; SETTING FORTH THE DEBT SERVICE RELATED TO SUCH BONDS; CREATING A SINKING FUND IN CONNECTION WITH SUCH BONDS AS REQUIRED BY SUCH ACT; APPOINTING A SINKING FUND DEPOSITORY AND AUTHORIZING A CONTRACT WITH A BANK AS SUCH DEPOSITORY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF SUCH BONDS WHEN DUE; AUTHORIZING AND DIRECTING APPROPRIATE OFFICIALS OF THIS COUNTY TO PREPARE AND FILE THE DEBT STATEMENT, BORROWING BASE CERTIFICATE AND OTHER APPROPRIATE DOCUMENTS AS REQUIRED BY SUCH ACT; DIRECTING SPECIFIED OFFICERS OF THIS COUNTY TO EXECUTE AND DELIVER SUCH BONDS AND TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS AND THINGS; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY SUCH ACT UPON THE INCURRING OF SUCH DEBT BY THIS COUNTY; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF SUCH BONDS; DESIGNATING THE SERIES A BONDS AS TAX EXEMPT OBLIGATIONS OF THIS COUNTY UNDER THE INTERNAL REVENUE CODE AND MAKING CERTAIN CERTIFICATIONS CONSISTENT THEREWITH; PROVIDING THE PROVISIONS AND CONDITIONS OF MUNICIPAL BOND INSURANCE FOR SUCH BONDS; MAKING THE BONDS SUBJECT TO SUCH ACT AND OTHER APPLICABLE LAWS OF THE COMMONWEALTH; PROVIDING FOR ALL OTHER NECESSARY AND APPROPRIATE ACTION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HERewith AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE."

WHEREAS, Schuylkill County, Pennsylvania (the "County"), is a County existing under 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.A. Section 8001 et seq., as amended, of the Commonwealth (the "Act"); and

WHEREAS, the County desires to acquire funds to be used as follows: Series A Tax-Exempt Bonds: to (a) pay for the acquisition of additional equipment for the County's 911 Center, particularly as necessary to comply with the Federal Communications Commission's Directive regarding narrow band width; (b) to pay for the purchase and renovation of a building for County offices; (c) to renovate other existing County buildings; (d) to advance refund and

restructure a portion of the County's outstanding Series 2008 Bonds; and (e) pay the costs and expenses related to issuing and insuring the Series A Bonds; and Series B Taxable Bonds: (a) to finance the acquisition of seven (7) radio frequency licenses to be used by the County's 911 Center; and (b) to pay the costs and expenses related to issuing and insuring the Series B bonds; (collectively the "Project"); and

WHEREAS, the Board of Commissioners of the County has determined to issue its general obligation bonds, to be sold at private sale, pursuant to the Act, to be designated as "General Obligation Bonds, Series of 2012", dated as of December 18, 2012, in the aggregate principal amount of \$21,175,000 (the "Bonds"), with proceeds from the sale thereof to be applied for the purpose of paying costs of the Project; and

WHEREAS, the Board of Commissioners of this County has determined that a private sale by negotiation is in the best financial interest of this County; and

WHEREAS, RBC Capital Markets Corporation (referred to herein as the "Purchaser") has submitted a proposal for purchase of said general obligation bonds, and such proposal has been opened, read and considered as required by the Act; and

WHEREAS, the Board of Commissioners of this County desires to accept the proposal of the Purchaser, to award said general obligation bonds to the Purchaser and to incur non-electoral debt, in the principal amount of \$21,175,000, in connection with the Project as hereinafter defined, pursuant to provisions of the Act.

NOW THEREFORE, BE IT ADOPTED AND RESOLVED, by the Board of Commissioners of the County of Schuylkill, Pennsylvania, as follows:

Section 1. The Board of Commissioners of the County does authorize and direct the issuance of general obligation bonds of this County, pursuant to this Ordinance, to be designated as tax-exempt "General Obligation Bonds, Series A of 2012", dated as of December 18, 2012, in the aggregate principal amount of \$13,955,000, and taxable "General Obligation Bonds, Series B of 2012", dated as of December 18, 2012, in the aggregate principal amount of \$7,220,000, in accordance with the Act, to provide funds for and toward payment of all costs and expenses of the Project. The Board of Commissioners of the County determines that the debt, of which the Bonds shall be evidence, to be incurred pursuant to this Ordinance, shall be non-electoral debt of the County.

Section 2. The Board of Commissioners hereby determines the proceeds of the Bonds, together with interest earned thereon, to be used as follows: Series A Tax-Exempt Bonds: to (a) pay for the acquisition of additional equipment for the County's 911 Center, particularly as necessary to comply with the Federal Communications Commission's Directive regarding narrow band width; (b) to pay for the purchase and renovation of a building for County offices; (c) to renovate other existing County buildings; (d) to advance refund and restructure a portion of the County's outstanding Series 2008 Bonds; and (e) pay the costs and expenses related to

issuing and insuring the Series A Bonds; Series B Taxable Bonds: (a) to finance the acquisition of seven (7) radio frequency licenses to be used by the County's 911 Center; and (b) to pay the costs and expenses related to issuing and insuring the Series B bonds.

Section 3. Pursuant to 53 Pa. C.S.A. §8142(a)(2)(i), the realistic estimated useful life of the foregoing Project is specified to be in excess of 15 years for the Series B 2012 Bonds (\$7,220,000) funding the County's acquisition of radio frequency licenses; the capital projects funded by the portion of the Series 2008 Bonds being refunded by a portion of the Series A Bonds will have a remaining useful life of not less than 16 years; and the useful life will be in excess of 25 years for the remainder of Series A 2012 Bonds financing the balance of the Project. The refunding is being done for the authorized purpose of refunding any maturity or maturities or any portion thereof to a later date subject to the limitations imposed by Section 8247, pursuant to 53 Pa. C.S. §8241(b)(4).

Section 4. The Board of Commissioners determines that the Bonds shall be sold at private sale, and accepts the proposal of the Purchaser to purchase the Bonds; and the Bonds are awarded to the Purchaser, in accordance with terms and conditions of their proposal, dated as of November 14, 2012, at a dollar price of \$20,834,189.85 (such amount representing a net reduction from par consisting of an underwriter's discount of \$137,637.50, and a reduction of net original issue discount of \$203,172.65), together with accrued interest, if any, from the date of the Bonds to the date of delivery of the Bonds (the "Purchase Proposal"), the Purchaser having submitted such Purchase Proposal in accordance with provisions of the Act. The County hereby determines that the sale of Bonds at private sale by negotiation is in the best financial interest of this County.

Section 5. The Bonds shall be issued as registered in form without coupons, shall be registered as to principal and interest, in the denominations of \$5,000 or any integral multiple thereof, shall be dated as of December 18, 2012, and shall bear interest from the interest payment date next preceding the date of registration and authentication of such bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (as hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date next preceding March 1, 2013, in which event such bond shall bear interest from December 18, 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. Interest on each of the Bonds shall be paid initially on March 1, 2013 and thereafter semiannually on September 1, and March 1, of each year, until the principal sum is paid.

Section 6. Series A Bonds maturing prior to September 1, 2021, are not subject to redemption prior to maturity. Series A Bonds maturing on September 1, 2021, and thereafter, are subject to optional redemption prior to maturity on or after September 1, 2020. After their optional redemption date, the Series A Bonds are redeemable as a whole, at any time, or in part,

from time to time, on any interest payment date, in any order of maturity and in any principal amount within a maturity, selected by the Paying Agent by lot within a maturity, in each case upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

The Series A Bonds stated to mature on September 1, 2028, September 1, 2031, September 1, 2033 and September 1, 2036 shall be subject to mandatory redemption prior to maturity, in part, by lot in direct order of maturity, at the redemption price of 100% of the principal amount of Series A Bonds to be redeemed, plus accrued interest to the date fixed for redemption, on September 1 of the years (except on a maturity date) and in the aggregate amounts set forth in the following schedules:

<u>Series A Term Bonds Due September 1, 2028</u>		<u>Series A Term Bonds Due September 1, 2031</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$ 100,000	2029	\$1,100,000
2026	\$ 105,000	2030	\$1,135,000
2027	\$ 110,000	2031	<u>\$1,170,000*</u>
2028	<u>\$1,070,000*</u>		\$3,405,000
	\$1,385,000		
<u>Series A Term Bonds Due September 1, 2023</u>		<u>Series A Term bonds Due September 1, 2036</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2032	\$1,205,000	2034	\$1,280,000
2033	<u>\$1,240,000*</u>	2035	\$1,325,000
	\$2,445,000	2036	<u>\$ 525,000*</u>
			\$3,130,000

Series B Bonds maturing prior to September 1, 2021, are not subject to redemption prior to maturity. Series B Bonds maturing on September 1, 2021, and thereafter, are subject to optional redemption prior to maturity on or after September 1, 2020. After their optional redemption date, the Series B Bonds are redeemable as a whole, at any time, or in part, from time to time, on any interest payment date, in any order of maturity and in any principal amount within a maturity, selected by the Paying Agent by lot within a maturity, in each case upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

The Series B Bonds stated to mature on September 1, 2027, shall be subject to mandatory redemption prior to maturity, in part, by lot in direct order of maturity, at the redemption price of 100% of the principal amount of Series B Bonds to be redeemed, plus accrued interest to the date fixed for redemption, on September 1 of the years (except on a maturity date) and in the aggregate amounts set forth in the following schedules:

Series B Term Bonds Due September 1, 2027

<u>Year</u>	<u>Amount</u>
2023	\$ 475,000
2024	\$ 775,000
2025	\$ 815,000
2026	\$ 835,000
2027	<u>\$ 930,000*</u>
	\$3,830,000

\*Principal maturity.

Such redemption shall be affected by payment of a redemption price equal to the principal amount of Bonds redeemed, together with accrued interest to the date fixed for redemption. If any of the Bonds is of a denomination larger than \$5,000, a portion of such bond may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000, or any integral multiple thereof. For the purpose of selecting any of the Bonds for redemption, each of the Bonds subject to redemption shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion thereof being subject to redemption. In the case of partial redemption of any of the Bonds, payment of the redemption price will be made only upon surrender of such bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption, as hereinbefore authorized, shall be upon prior notice by mailing a copy of the redemption notice by first class mail at least thirty (30) days, and not more than sixty (60) days, prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed in whole or in part at the address shown on the registration books, specifying: (1) the series, maturity and numbers of the Bonds or portions thereof so called for redemption; (2) the date fixed for redemption; (3) the redemption price or prices applicable to the Bonds to be redeemed; and (4) that on the date fixed for redemption such Bonds will be payable at the principal office of the Paying Agent and that after such date interest thereon shall cease to accrue; provided, however, that failure to give such notice by mailing or defect therein in respect of any Bond shall not affect the validity of the redemption of any other Bond so called for redemption. On the date designated for redemption, any money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under this Ordinance, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption. If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the principal office of the Paying Agent is located are authorized by law or executive order to close,

then the date for payment upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such 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 of redemption.

Section 7. The price, rates of interest, aggregate principal amounts and maturity dates (September 1 in each year) applicable to the Series A Bonds are as follows:

<u>Maturity Date</u>	<u>Interest Rate Per Annum</u>	<u>Aggregate Principal Amount</u>	<u>Price</u>	<u>Dollar Price</u>
2013	1.000%	\$ 435,000	100.498%	\$ 437,166.30
2014	1.000%	\$ 330,000	100.591%	\$ 331,950.30
2015	1.000%	\$ 330,000	100.399%	\$ 331,316.70
2016	1.000%	\$ 150,000	100%	\$ 150,000.00
2017	1.000%	\$ 185,000	99.314%	\$ 183,730.90
2018	1.250%	\$ 275,000	99.452%	\$ 273,493.00
2019	2.000%	\$ 340,000	102.853%	\$ 349,700.20
2020	2.000%	\$ 350,000	101.287%	\$ 354,504.50
2021	2.000%	\$ 355,000	98.813%	\$ 350,786.15
2022	2.250%	\$ 365,000	98.920%	\$ 361,058.00
2023	2.375%	\$ 375,000	98.368%	\$ 368,880.00
2024	2.500%	\$ 100,000	98.497%	\$ 98,497.00
2025	2.750%	\$ 100,000	97.621%	\$ 97,621.00
2026	2.750%	\$ 105,000	97.621%	\$ 102,502.05
2027	2.750%	\$ 110,000	97.621%	\$ 107,383.10
2028	2.750%	\$1,070,000	97.621%	\$1,044,544.70
2029	3.000%	\$1,100,000	98.306%	\$1,081,366.00
2030	3.000%	\$1,135,000	98.306%	\$1,115,773.10
2031	3.000%	\$1,170,000	98.306%	\$1,150,180.20
2032	3.125%	\$1,205,000	98.123%	\$1,182,382.15
2033	3.125%	\$1,240,000	98.123%	\$1,216,725.20
2034	3.375%	\$1,280,000	97.836%	\$1,252,300.80
2035	3.375%	\$1,325,000	97.836%	\$1,296,327.00
2036	3.375%	\$ 525,000	97.836%	\$ 513,639.00

The price, rates of interest, aggregate principal amounts and maturity dates (September 1 in each year) applicable to the Series B Bonds are as follows:

<u>Maturity Date</u>	<u>Interest Rate Per Annum</u>	<u>Aggregate Principal Amount</u>	<u>Price</u>	<u>Dollar Price</u>
2013	0.750%	\$465,000	100%	\$465,000
2014	0.900%	\$400,000	100%	\$400,000
2015	1.330%	\$405,000	100%	\$405,000
2016	1.619%	\$ 90,000	100%	\$ 90,000
2017	1.869%	\$ 90,000	100%	\$ 90,000
2018	2.062%	\$175,000	100%	\$175,000
2019	2.412%	\$425,000	100%	\$425,000
2020	2.788%	\$435,000	100%	\$435,000
2021	2.988%	\$445,000	100%	\$445,000
2022	3.188%	\$460,000	100%	\$460,000
2023	3.888%	\$475,000	100%	\$475,000
2024	3.888%	\$775,000	100%	\$775,000
2025	3.888%	\$815,000	100%	\$815,000
2026	3.888%	\$835,000	100%	\$835,000
2027	3.888%	\$930,000	100%	\$930,000

Section 8. The principal of and interest on the Bonds shall be payable at the principal office of the Manufacturers and Traders Trust Company (the "Paying Agent"), in the City of Harrisburg, Pennsylvania, in lawful moneys of the United States of America, without deduction of any tax or taxes now or hereafter levied or assessed thereon under any present or future law of the Commonwealth, which tax or taxes the County assumes and agrees to pay; provided, however, that the foregoing shall not be applicable to gift, estate, succession or inheritance taxes or any other taxes not levied directly on the Bonds, the transfer thereof, the income therefrom, or the realization of profits on the sale thereof. The principal of the Bonds shall be payable to the registered owners thereof or their transferees in lawful money of the United States of America at the place or places set forth in the Bonds. Payment of interest on the Bonds shall be made by check mailed to the registered owners thereof, at such addresses as appear at the close of business on the fifteenth (15<sup>th</sup>) day next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent on behalf of the County, irrespective of any transfer or exchange of any Bonds subsequent to the Record Date and prior to such interest payment date, unless the County shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent on behalf of this County to the registered owners of Bonds not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5<sup>th</sup>) day preceding the date of mailing. If the

date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the principal office of the Paying Agent is located are authorized by law or executive order to close, then the date for 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 to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 9. The form of the Bonds, including the form of registration and assignment and the form of Paying Agent's Certificate to be endorsed thereon, shall be substantially as set forth in Exhibit "A", attached hereto and incorporated herein by reference, with appropriate insertions, omissions and variations.

Section 10. The Bonds shall be transferable or exchangeable by the registered owners thereof upon surrender of any of the Bonds to the Paying Agent, at its principal office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or their attorney. The Paying Agent shall enter any transfer of ownership of any of the Bonds in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive at the earliest practical time. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations. The County and the Paying Agent shall not be required (a) to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any interest payment date and ending at the close of business on the interest paying date or (b) to issue or transfer or exchange any Bonds then considered for redemption during the period beginning with the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day on which the notice of redemption is advertised or (c) to transfer or exchange the portion of any Bond selected for redemption in part until after the redemption date.

Section 11. The County and the Paying Agent may deem and treat the persons in whose names Bonds shall be registered as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of and interest on Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon Bonds, to the extent of the sum or sums so paid, and neither this County nor the Paying Agent shall be affected by any notice to the contrary.

Section 12. The County shall cause to be kept, at the principal office of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as Bonds shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

Section 13. The Bonds shall be executed in the name of and in behalf of the County by the facsimile signatures of members of the Board of Commissioners, respectively, of the County and attested by the facsimile signature of the Chief Clerk of the Board of Commissioners; and a facsimile of the official seal of the County shall be affixed thereunto; and said officers are authorized and directed to execute and to attest the Bonds. The Paying Agent, by a duly authorized officer, hereby is authorized, requested and directed to authenticate the Bonds by execution of the Certificate of Authentication endorsed on the Bonds.

Section 14. No bond constituting one of the Bonds shall be entitled to any benefit under this Ordinance nor shall it be valid, obligatory or enforceable for any purpose until such bond shall have been registered and authenticated by the Certificate of Authentication endorsed thereon duly signed by the Paying Agent; and the Paying Agent is authorized to register and authenticate the Bonds, in accordance with the provisions hereof.

Section 15. The County covenants to and with the holders, from time to time, of the Bonds, pursuant to this Ordinance, that the County shall include the amount of the 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 the Bonds and the applicable interest thereon on the dates and 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 shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of the County shall be enforceable specifically and this Ordinance shall constitute, for the purposes of this Covenant, both an agreement with the bondholders in accordance with the terms of the Act and a security agreement between the County and the bondholders, creating a security interest in favor of the bondholders in the County's taxes and revenues pledged hereunder, in accordance with the Pennsylvania Commercial Code.

The amounts of the debt service for each fiscal year of this County in which sums are payable are as follows:

<u>Fiscal Year Ending on December 31:</u>	<u>Series A Debt Service</u>	<u>Series B Debt Service</u>	<u>Amount of Total Debt Service</u>
2013	\$ 702,433.30	\$618,537.48	\$1,320,970.78
2014	\$ 706,187.52	\$614,984.80	\$1,321,172.32
2015	\$ 702,887.52	\$616,384.80	\$1,319,272.32
2016	\$ 519,587.72	\$295,998.30	\$ 815,585.82
2017	\$ 553,087.52	\$294,541.20	\$ 847,628.72
2018	\$ 641,237.52	\$377,859.10	\$1,019,096.62
2019	\$ 702,800.02	\$624,250.60	\$1,327,050.62
2020	\$ 706,000.02	\$623,999.60	\$1,329,999.62
2021	\$ 704,000.02	\$621,871.80	\$1,325,871.82

2022	\$ 706,900.02	\$623,575.20	\$1,330,475.22
2023	\$ 708,687.52	\$623,910.40	\$1,332,597.92
2024	\$ 424,781.26	\$905,442.40	\$1,330,223.66
2025	\$ 422,281.26	\$915,310.40	\$1,337,591.66
2026	\$ 424,531.26	\$903,623.20	\$1,328,154.46
2027	\$ 426,643.76	\$966,158.40	\$1,392,802.16
2028	\$1,383,618.76		\$1,383,618.76
2029	\$1,384,193.76		\$1,384,193.76
2030	\$1,386,193.76		\$1,386,193.76
2031	\$1,387,143.76		\$1,387,143.76
2032	\$1,387,043.76		\$1,387,043.76
2033	\$1,384,387.52		\$1,384,387.52
2034	\$1,385,637.52		\$1,385,637.52
2035	\$1,387,437.52		\$1,387,437.52
2036	\$ 542,718.76		\$ 542,718.76

Section 16. There are created, pursuant to Section 1001 of the Act, sinking funds for the Bonds, to be known as “Sinking Fund - General Obligation Bonds, Series A of 2012” (the “Series A Sinking Fund”), and “Sinking Fund – General Obligation Bonds, Series B of 2012” (the “Series B Sinking Funds”) and together with the Series A Sinking Fund the “Sinking Funds”) which Sinking Funds shall be administered in accordance with applicable provisions of the Act.

Section 17. Manufacturers and Traders Trust Company, of Harrisburg, Pennsylvania, is hereby appointed as Paying Agent, Registrar, and Sinking Funds depository. Proper officers of the County are authorized and directed to contract with said Bank, for its services as Sinking Funds depository, Paying Agent and as Registrar for the Bonds.

Section 18. The County determines to provide for retirement and restructuring of a portion of its 2008 Bonds upon stated maturities or upon optional redemption prior to stated maturities, as applicable and appropriate, in accordance with the right and privilege reserved to the County in its 2008 Ordinance. Following approval of this Ordinance, the Board of Commissioners shall authorize and instruct Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, its Paying Agent and Registrar for the Series 2008 Bonds to issue a proper notice of redemption, which Notice of Redemption shall be conditional, unless funds sufficient to provide for such redemption shall be on deposit with the Paying Agent and available for such purpose at the time such notice is given. The County, simultaneously with delivery of the Bonds, shall enter into an Escrow Agreement with the Paying Agent (the “Escrow Agent”), as Escrow Agent and Paying Agent for the refunded 2008 Bonds, which shall provide for deposit of a portion of the proceeds of the Series A Bonds into escrow with the Escrow Agent, for the investment of such deposit, for the application of such proceeds to retirement of refunded 2008 Bonds as set forth in the verification report which will be done to verify the calculation of the amount necessary to be deposited to retire the refunded 2008 Bonds on the applicable date(s).

Section 19. The County covenants to make payments out of the sinking fund created hereunder or out of any other of its revenues or funds, at such times and in the annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Bonds when due.

Section 20. The Commissioner Chair and Acting Chief Clerk of the Board of Commissioners, as appropriate, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to verify or execute and to file the debt statement and borrowing base certificate required by Section 8110 of the Act; (b) to prepare or have prepared and to file, as required and if necessary, with the Department of Community and Economic Development (the "Department") of the Commonwealth, statements required by Sections 8024 or 8026 of the Act which are necessary to qualify any lease rental debt or non-electoral debt of the County, which is subject to exclusion as subsidized debt or self-liquidating debt, for exclusion from the appropriate debt limit of the County; (c) to prepare, execute and file the application with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Bonds, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection therewith; and (e) to take other required, necessary and/or appropriate action.

Section 21. Proper officials of the County are authorized and directed to deliver the Bonds, upon execution, attestation and authentication thereof as provided for herein, to the Purchaser, but only upon receipt of proper payment of the balance due therefor, and only after the Department has certified its approval pursuant to Section 8204 of the Act, or has been deemed to have been given its approval pursuant to Section 8206 of the Act.

Section 22. It is declared that the debt to be incurred hereby, together with any other indebtedness of this County, is not in excess of any limitation imposed by the Act upon the incurring of debt by this County.

Section 23. The County covenants to and with the purchasers of the Series A Bonds that it will make no use of the proceeds of the Series A Bonds which, if such use reasonably had been expected on the date of issue of the Series A Bonds, would have caused the Series A Bonds to be arbitrage bonds; and the County further covenants to comply with the requirements of Section 148 of the Internal Revenue Code, as amended (the "Code") (including the rebate provisions), and with appropriate regulations implementing said Section 148 if and to the extent applicable, during the term of the Series A Bonds, and further covenants to comply with all other requirements of the Code if and to the extent applicable to maintain continuously the Federal income tax exemption of interest on the Series A Bonds.

Section 24. The proper officers of the County are hereby authorized to take all action necessary to cause the Bonds to be insured by Assured Guaranty Municipal Corp. (the "Insurer") as provided in the Purchase Proposal under any and all provisions or conditions required by the Insurer as set forth in the municipal bond insurance policy commitment, dated November 6, 2012, which provisions and conditions are incorporated herein by reference.

Section 25. This Ordinance is adopted pursuant to the Act, and the laws and the Constitution of the Commonwealth of Pennsylvania and all of the mandatory provisions of the Act, the Code and said laws and Constitution applicable to the Bonds and these proceedings shall apply hereunder whether or not explicitly stated herein and are specifically incorporated herein by reference. The County hereby determines and declares that each and every matter and thing provided for herein is necessary and desirable to carry out and affect the public purposes of the County in accordance with such laws.

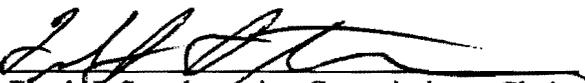
Section 26. The officials of the County are authorized to take all other necessary and appropriate action consistent herewith.

Section 27. 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.

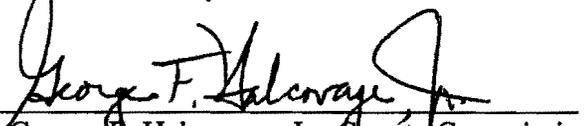
Section 28. This Ordinance shall be effective on the fifth day after the advertisement of the notice of enactment, as provided in the Act.

DULY ADOPTED this 14<sup>th</sup> day of November, 2012, by the Board of Commissioners of the County of Schuylkill, Pennsylvania, in lawful session duly assembled.

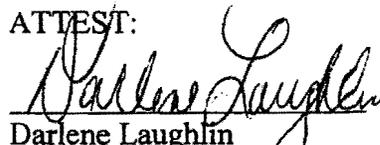
COUNTY OF SCHUYLKILL, Pennsylvania

By   
Frank J. Staudenmeier, Commissioner Chairman  
Board of County Commissioners

(COUNTY SEAL)

By   
George F. Halcovage, Jr., County Commissioner

ATTEST:

  
Darlene Laughlin  
Chief Clerk

By   
Gary J. Hess, County Commissioner

**EXHIBIT "A"**  
**[FORM OF BOND]**

REGISTERED  
NUMBER

---

REGISTERED  
\$

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF SCHUYLKILL  
GENERAL OBLIGATION BOND, TAX-EXEMPT SERIES A OF 2012

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	September 1, ____	December 18, 2012	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The County of Schuylkill, Pennsylvania (the "Issuer"), a county existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, promises to pay to the order of Registered Owner the Principal Amount unless this General Obligation Bond, Series A of 2012 (the "Bond"), shall be redeemable and shall have been duly called for previous redemption and payment of the redemption price shall have been made or provided for, and to pay to the registered owner hereof, interest on said principal sum, at the rate per annum stated hereon, semiannually on March 1 and September 1 of each year, beginning March 1, 2013, 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 said interest payment date, or (b) this Bond is registered and authenticated after a Record Date (as hereinafter defined) and before the next succeeding interest payment date, in which event this Bond shall bear interest from such interest payment date, or (c) this Bond is registered and authenticated on or prior to the Record Date next preceding March 1, 2013, in which event this Bond shall bear interest from December 18, 2012, or (d) as shown by the records of the Paying Agent, 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. Interest on this Bond shall be paid initially on March 1, 2013 and thereafter semiannually on September 1 and March 1 of each year, until such principal sum is paid. The interest on this Bond is payable by check drawn on the Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania (the "Paying Agent") and the principal of this Bond payable upon surrender is payable in lawful money of the United States of America at the principal office of the Paying Agent, or its successor. Payment of the interest hereon shall be made by check mailed to the registered owner hereof, whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of the Bond not less than ten (10) days preceding such special record date. Such notice shall be mailed to the person in whose name the Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

This Bond is one of a series of bonds of the Issuer, known generally as "General Obligation Bonds, Series A of 2012" (the "Bonds"), all of like date and tenor, except as to numbers, in the aggregate principal amount of \$13,955,000.

The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the "Act") of the Commonwealth, and by virtue of a duly adopted Ordinance (the "Ordinance") of the Issuer. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds.

The Issuer has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to the Ordinance, that the Issuer: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year; (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the Sinking Fund established under the Ordinance or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF, AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF FULLY SET FORTH AT THIS PLACE.

This Bond shall not be entitled to any benefit under the Ordinance nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Paying Agent.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the facsimile signature of the Board of Commissioners, and a facsimile of its seal to be affixed hereto and the facsimile signature of the Chief Clerk of the Board of Commissioners to be affixed hereto in attestation thereof, all as of the \_\_\_\_ day of December, 2012.

COUNTY OF SCHUYLKILL, PENNSYLVANIA

ATTEST:

\_\_\_\_\_  
Darlene Laughlin, Chief Clerk

By: \_\_\_\_\_  
Frank J. Staudenmeier, Commissioner Chairman  
Board of Commissioners

By: \_\_\_\_\_  
George F. Halcovage, Jr., County Commissioner

By: \_\_\_\_\_  
Gary J. Hess, County Commissioner

(FORM OF PAYING AGENT'S CERTIFICATE)

CERTIFICATE OF AUTHENTICATION  
AND  
CERTIFICATE AS TO OPINION

It is certified that:

(i) This Bond is one of the General Obligation Bonds described in the within mentioned Ordinance; and

(ii) The text of the Opinion printed upon this Bond is a true and correct copy of the text of an original Opinion issued by Cerullo, Datte & Wallbillich, P.C., Bond Counsel, dated and delivered on the date of the original delivery of, and payment for, the Bonds of said series that is on file at our principal office where the same may be inspected.

MANUFACTURERS AND TRADERS  
TRUST COMPANY

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

Date of Authentication:

\_\_\_\_\_

(FORM OF BOND)  
(REVERSE OF BOND)

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF SCHUYLKILL  
General Obligation Bond, Series A of 2012

The Bonds are issuable only in the form of registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer and the Paying Agent shall not be required (a) to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any interest payment date and ending at the close of business on the interest payment date, or (b) to issue or transfer or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed, or (c) to transfer or exchange the portion of any bond selected for redemption until after the redemption date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations.

This Bond is transferable or exchangeable by the registered owner hereof upon surrender of this Bond to the Paying Agent, at its principal office, accompanied by a written instrument or instruments in form with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Issuer and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary.

Bonds maturing prior to September 1, 2021, are not subject to redemption prior to maturity. Bonds maturing on September 1, 2021, and thereafter, are subject to optional redemption prior to maturity on or after September 1, 2020.

After their optional redemption date, the Bonds are redeemable as a whole, at any time, or in part, from time to time, on any interest payment date, in any order of maturity and in any principal amount within a maturity, selected by the Paying Agent by lot within a maturity, in each case upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

The Series A Bonds stated to mature on September 1, 2028, September 1, 2031, September 1, 2033 and September 1, 2036 shall be subject to mandatory redemption prior to maturity, in part, by lot in direct order of maturity, at the redemption price of 100% of the principal amount of Series A Bonds to be redeemed, plus accrued interest to the date fixed for redemption, on September 1 of the years (except on a maturity date) and in the aggregate amounts set forth in the following schedules:

Series A Term Bonds Due September 1, 2028

<u>Year</u>	<u>Amount</u>
2025	\$ 100,000
2026	\$ 105,000
2027	\$ 110,000
2028	<u>\$1,070,000*</u>
	\$1,385,000

Series A Term Bonds Due September 1, 2031

<u>Year</u>	<u>Amount</u>
2029	\$1,100,000
2030	\$1,135,000
2031	<u>\$1,170,000*</u>
	\$3,405,000

Series A Term Bonds Due September 1, 2023

<u>Year</u>	<u>Amount</u>
2032	\$1,205,000
2033	<u>\$1,240,000*</u>
	\$2,445,000

Series A Term bonds Due September 1, 2036

<u>Year</u>	<u>Amount</u>
2034	\$1,280,000
2035	\$1,325,000
2036	<u>\$ 525,000*</u>
	\$3,130,000

\*At maturity.

Such redemption shall be effected by payment of a redemption price equal to the principal amount of Bonds redeemed, together with accrued interest to the date fixed for redemption.

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

Any redemption, as hereinbefore authorized, shall be upon prior notice of redemption mailed by first class mail not less than thirty (30) days, and not more than sixty (60) days, prior to the date fixed for redemption to the registered owners of Bonds to be redeemed in whole or in part at the address shown on the registration books; provided, however, that failure to give such notice of redemption by mailing, or any defect therein in respect of any Bond shall not affect the validity of the redemption of any other Bond so called for redemption.

On the date designated for redemption, any money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds and portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

It hereby is 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 name, as required by law; and (ii) the debt represented by this Bond, together with any other indebtedness of the Issuer, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Issuer.

The Issuer, 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 the Bonds shall be deposited not later than the date fixed for the disbursement thereof. The Issuer has covenanted, in the Ordinance, to make payments from such sinking fund or from 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.

STATEMENT OF INSURANCE  
ASSURED GUARANTY MUNICIPAL CORP.

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Manufacturers and Traders Trust Company, Harrisburg, PA, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ (the "Transferor"), the undersigned, hereby sells, assigns and transfers unto

\_\_\_\_\_  
Name (the "Transferee")

\_\_\_\_\_  
Address

Social Security or Federal Employer Identification No. \_\_\_\_\_ within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: No transfer will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust and the name of the trustee should be supplied.

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

(BOND COUNSEL OPINION)

**EXHIBIT "A"**  
**[FORM OF BOND]**

REGISTERED  
NUMBER

REGISTERED  
\$

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF SCHUYLKILL  
GENERAL OBLIGATION BOND, TAXABLE SERIES B OF 2012

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	September 1, ____	December 18, 2012	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The County of Schuylkill, Pennsylvania (the "Issuer"), a county existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, promises to pay to the order of Registered Owner the Principal Amount unless this General Obligation Bond, Series B of 2012 (the "Bond"), shall be redeemable and shall have been duly called for previous redemption and payment of the redemption price shall have been made or provided for, and to pay to the registered owner hereof, interest on said principal sum, at the rate per annum stated hereon, semiannually on March 1 and September 1 of each year, beginning March 1, 2013, 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 said interest payment date, or (b) this Bond is registered and authenticated after a Record Date (as hereinafter defined) and before the next succeeding interest payment date, in which event this Bond shall bear interest from such interest payment date, or (c) this Bond is registered and authenticated on or prior to the Record Date next preceding March 1, 2013, in which event this Bond shall bear interest from December 18, 2012, or (d) as shown by the records of the Paying Agent, 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. Interest on this Bond shall be paid initially on March 1, 2013 and thereafter semiannually on September 1 and March 1 of each year, until such principal sum is paid. The interest on this Bond is payable by check drawn on the Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania (the "Paying Agent") and the principal of this Bond payable upon surrender is payable in lawful money of the United States of America at the principal office of the Paying Agent, or its successor. Payment of the interest hereon shall be made by check mailed to the registered owner hereof, whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of the Bond not less than ten (10) days preceding such special record date. Such notice shall be mailed to the person in whose name the Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

This Bond is one of a series of bonds of the Issuer, known generally as "General Obligation Bonds, Series B of 2012" (the "Bonds"), all of like date and tenor, except as to numbers, in the aggregate principal amount of \$7,220,000.

The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the "Act") of the Commonwealth, and by virtue of a duly adopted Ordinance (the "Ordinance") of the Issuer. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds.

The Issuer has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to the Ordinance, that the Issuer: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year; (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the Sinking Fund established under the Ordinance or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF, AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF FULLY SET FORTH AT THIS PLACE.

This Bond shall not be entitled to any benefit under the Ordinance nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Paying Agent.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the facsimile signature of the Board of Commissioners, and a facsimile of its seal to be affixed hereto and the facsimile signature of the Chief Clerk of the Board of Commissioners to be affixed hereto in attestation thereof, all as of the \_\_\_\_ day of December, 2012.

COUNTY OF SCHUYLKILL, PENNSYLVANIA

ATTEST:

\_\_\_\_\_  
Darlene Laughlin, Chief Clerk

By: \_\_\_\_\_  
Frank J. Staudenmeier, Commissioner Chairman  
Board of Commissioners

By: \_\_\_\_\_  
George F. Halcovage, Jr., County Commissioner

By: \_\_\_\_\_  
Gary J. Hess, County Commissioner

(FORM OF PAYING AGENT'S CERTIFICATE)

CERTIFICATE OF AUTHENTICATION  
AND  
CERTIFICATE AS TO OPINION

It is certified that:

(i) This Bond is one of the General Obligation Bonds described in the within mentioned Ordinance; and

(ii) The text of the Opinion printed upon this Bond is a true and correct copy of the text of an original Opinion issued by Cerullo, Datte & Wallbillich, P.C., Bond Counsel, dated and delivered on the date of the original delivery of, and payment for, the Bonds of said series that is on file at our principal office where the same may be inspected.

MANUFACTURERS AND TRADERS  
TRUST COMPANY

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

Date of Authentication:

\_\_\_\_\_

(FORM OF BOND)  
(REVERSE OF BOND)

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF SCHUYLKILL  
General Obligation Bond, Taxable Series B of 2012

The Bonds are issuable only in the form of registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer and the Paying Agent shall not be required (a) to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any interest payment date and ending at the close of business on the interest payment date, or (b) to issue or transfer or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed, or (c) to transfer or exchange the portion of any bond selected for redemption until after the redemption date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations.

This Bond is transferable or exchangeable by the registered owner hereof upon surrender of this Bond to the Paying Agent, at its principal office, accompanied by a written instrument or instruments in form with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Issuer and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary.

Bonds maturing prior to September 1, 2021, are not subject to redemption prior to maturity. Bonds maturing on September 1, 2021, and thereafter, are subject to optional redemption prior to maturity on or after March 1, 2020.

After their optional redemption date, the Bonds are redeemable as a whole, at any time, or in part, from time to time, on any interest payment date, in any order of maturity and in any principal amount within a maturity, selected by the Paying Agent by lot within a maturity, in each case upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

The Series B Bonds stated to mature on September 1, 2027, shall be subject to mandatory redemption prior to maturity, in part, by lot in direct order of maturity, at the redemption price of 100% of the principal amount of Series B Bonds to be redeemed, plus accrued interest to the date fixed for redemption, on September 1 of the years (except on a maturity date) and in the aggregate amounts set forth in the following schedules:

Series B Term Bonds Due September 1, 2027

<u>Year</u>	<u>Amount</u>
2023	\$ 475,000
2024	\$ 775,000
2025	\$ 815,000
2026	\$ 835,000
2027	\$ 930,000*
	<u>\$3,830,000</u>

\*At maturity.

Such redemption shall be effected by payment of a redemption price equal to the principal amount of Bonds redeemed, together with accrued interest to the date fixed for redemption.

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

Any redemption, as hereinbefore authorized, shall be upon prior notice of redemption mailed by first class mail not less than thirty (30) days, and not more than sixty (60) days, prior to the date fixed for redemption to the registered owners of Bonds to be redeemed in whole or in part at the address shown on the registration books; provided, however, that failure to give such notice of redemption by mailing, or any defect therein in respect of any Bond shall not affect the validity of the redemption of any other Bond so called for redemption.

On the date designated for redemption, any money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds and portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

It hereby is 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 name, as required by law; and (ii) the debt represented by this Bond, together with any other indebtedness of the Issuer, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Issuer.

The Issuer, 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 the Bonds shall be deposited not later than the date fixed for the disbursement thereof. The Issuer has covenanted, in the Ordinance, to make payments from such sinking fund or from 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.

STATEMENT OF INSURANCE  
FINANCIAL SECURITY ASSURANCE INC.

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Manufacturers and Traders Trust Company, Harrisburg, PA, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ (the "Transferor"), the undersigned, hereby sells, assigns and transfers unto

\_\_\_\_\_  
Name (the "Transferee")

\_\_\_\_\_  
Address

Social Security or Federal Employer Identification No. \_\_\_\_\_ within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

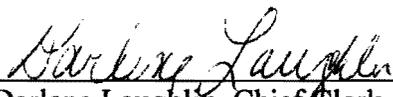
\_\_\_\_\_  
NOTICE: No transfer will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust and the name of the trustee should be supplied.

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

(BOND COUNSEL OPINION)

CERTIFICATION

I, DARLENE LAUGHLIN, Chief Clerk of the County of Schuylkill, hereby certify that the Ordinance attached hereto is a true and correct copy of Ordinance 2012-1 enacted by the Schuylkill County Board of County Commissioners on November 14, 2012, authorizing the issuance of general obligation bonds in the principal amount of \$21,175,000.00, prescribing the manner of sale thereof, awarding the purchase of said bonds, and authorizing application to be made to the Department of Community and Economic Development for approval to deliver general obligation bonds under Section 411(a) of the Local Government Unit Debt Act.

  
\_\_\_\_\_  
Darlene Laughlin, Chief Clerk  
Board of County Commissioners

(SEAL)