

**ORDINANCE NO: 08-2014**

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERKS, PENNSYLVANIA, AUTHORIZING AND DIRECTING INCURRING OF NONELECTORAL DEBT THROUGH THE ISSUANCE OF A SERIES OF GENERAL OBLIGATION BONDS OF THE COUNTY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIFTY-THREE MILLION ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$53,180,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA.C.S., CHAPTERS 80-82, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE COUNTY; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE COUNTY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR CERTAIN PROJECTS OF THE COUNTY WHICH INCLUDE, AMONG OTHER THINGS: (A) THE ADVANCE REFUNDING OF A PORTION OF THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES A OF 2010; (B) THE ADVANCE REFUNDING OF THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES OF 2008; AND (C) THE PAYMENT OF THE COSTS AND EXPENSES OF ISSUING THE BONDS; SETTING FORTH THE REMAINING REASONABLE ESTIMATED USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE REFINANCED BY THE BONDS; ACCEPTING THE PURCHASER'S PROPOSAL FOR THE PURCHASE OF SUCH BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY; FIXING THE DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES, REDEMPTION PROVISIONS, MANDATORY REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE COUNTY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY IN SUPPORT THEREOF; CREATING SINKING FUNDS IN CONNECTION WITH SUCH BONDS, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE COUNTY (IF

APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE PROJECT; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE COUNTY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE BONDS, INCLUDING, WITHOUT LIMITATION, THE PREPARATION, EXECUTION AND FILING OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE COUNTY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE COUNTY TO DELIVER THE BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE COUNTY FROM TAKING ACTIONS WHICH WOULD CAUSE THE BONDS TO BECOME "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY BONDS," AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING THE PURCHASE OF BOND INSURANCE (IF APPLICABLE); SETTING FORTH THE PROVISIONS, IF ANY, REQUIRED TO BE INCLUDED BY THE BOND INSURER; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE COUNTY AND THE ESCROW AGENT NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF THE PRIOR SERIES OF GENERAL OBLIGATION BONDS; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF; APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT; STATING AUTHORITY FOR ENACTMENT OF ORDINANCE AND APPLYING MANDATORY PROVISIONS OF LOCAL GOVERNMENT UNIT DEBT ACT WHETHER OR NOT SET FORTH; STATING THAT ORDINANCE IS CONTRACT WITH REGISTERED OWNERS OF BONDS AND REMEDIES THERETO ENTITLED; PROVIDING FOR AMENDMENT OF ORDINANCE; STATING THAT COVENANTS ARE FOR SOLE AND EXCLUSIVE BENEFIT OF COUNTY AND REGISTERED OWNERS OF BONDS; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH.

**WHEREAS**, the County of Berks, Pennsylvania (the "County"), is a county of the Commonwealth of Pennsylvania (the "Commonwealth"); and

**WHEREAS**, the County, in contemplation of the issuance and sale of its Bonds, as hereinafter defined, in an aggregate principal amount of not to exceed Fifty-three Million One Hundred Eighty Thousand Dollars (\$53,180,000), and to provide funds for and towards the Project (hereinafter defined) of the County, has determined that the Bonds (hereinafter defined) shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act") and has determined that a private sale by negotiation is in the best financial interests of the County; and

**WHEREAS**, the Board of Commissioners of the County (the "Board") has determined that such Bonds will be designated generally as "County of Berks, Pennsylvania, General Obligation Bonds, Series of 2015" (the "Bonds"); and

**WHEREAS**, the Bonds shall be issued in the aggregate principal amount of not to exceed Fifty-three Million One Hundred Eighty Thousand Dollars (\$53,180,000); and

**WHEREAS**, the Board has determined to accept the proposal of RBC Capital Markets, LLC (the "Purchaser"), for the purchase of the Bonds (the "Proposal"), such sale to be conditioned upon, among other things, the receipt of approval from the Department of Community and Economic Development of the Commonwealth (the "Department") relating to the incurring of the indebtedness to be evidenced by the Bonds; and

**WHEREAS**, the County has heretofore issued its General Obligation Bonds, Series A of 2010 in the aggregate principal amount of \$30,000,000 (the "2010 Bonds"); and

**WHEREAS**, the County desires to authorize the refunding of the 2010 Bonds for the purpose of reducing the total debt service over the life of the 2010 Bonds; and

**WHEREAS**, the County has heretofore issued its General Obligation Bonds, Series of 2008 in the aggregate principal amount of \$33,980,000 of which \$27,715,000 remains outstanding (the "2008 Bonds" and together with the 2010 Bonds, the "Refunded Bonds"); and

**WHEREAS**, the County desires to authorize the refunding of the 2008 Bonds for the purpose of reducing the total debt service over the life of the 2008 Bonds; and

**WHEREAS**, a portion of the proceeds of the Bonds may be deposited in escrow pursuant to the terms of one or more escrow agreements (each an "Escrow Agreement" and collectively, the "Escrow Agreements"), to be executed by and between the County and an escrow agent named therein (the "Escrow Agent"), such that the proceeds of the Bonds, together with interest to be earned thereon (if any), will be held by the Escrow Agent in a separate escrow account and irrevocably pledged for the redemption of the Refunded Bonds, all as shall be set forth more fully in the Escrow Agreements; and

**WHEREAS**, the Bonds which are being issued to refund the Refunded Bonds will not be outstanding through a maturity date that could not have been included in the issue of the 2010 Bonds or the 2008 Bonds; and

**WHEREAS**, the Board has determined to and desires to accept the Proposal of the Purchaser and to incur nonelectoral debt in the aggregate principal amount of not to exceed Fifty-three Million One Hundred Eighty Thousand Dollars (\$53,180,000) to fund a Project (hereinafter described) of the County pursuant to the provisions of the Act.

The above recitals are deemed to be part of the Ordinance.

**NOW, THEREFORE, BE AND IT HEREBY IS ORDAINED AND ENACTED** by the Board of Commissioners of the County of Berks, Pennsylvania, in lawful session duly assembled, as follows:

Section 1.     The Project.

A brief description of the project (the "Project") to be funded with, among other things, the proceeds of the Bonds is as follows: (1) the advance refunding of the Refunded Bonds; and (2) the payment of the costs and expenses of issuing the Bonds.

The remaining realistic estimated useful lives of the capital projects financed by the 2010 Bonds and refinanced by the Bonds is at least sixteen (16) years. It is hereby certified that an aggregate principal amount of the Bonds at least equal to the realistic estimated cost of each such capital project shall mature prior to the end of the useful life of such project.

The remaining realistic estimated useful lives of the capital projects financed by the 2008 Bonds and refinanced by the Bonds range from at least five (5) years to at least fifteen (15) years. It is hereby certified that an aggregate principal amount of the Bonds at least equal to the realistic estimated cost of each such capital project shall mature prior to the end of the useful life of such project.

Stated installments or maturities of principal of the Bonds will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Projects, if any, or two years from the date of issue of the Bonds.

The County hereby finds and certifies that realistic cost estimates have been obtained for the costs of the Project from financial analysts, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

In connection with the issuance and sale of the Bonds, the Board, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the refunding of the Refunded Bonds is to reduce total debt service over the life of the Refunded Bonds; and (b) that the refunding of the Refunded Bonds is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The Board further finds and determines that the final maturity date of the Bonds issued to effect the refunding of the Refunded Bonds does not extend to a date that could not have been included in the 2010 Bond issue or the 2008 issue, as applicable.

The Board hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the refunding of the Refunded Bonds, including, but not limited to providing notice to the Paying

Agent for the Refunded Bonds, and to call the Refunded Bonds for optional redemption in full on the first date that each series of the Refunded Bonds are eligible to be called for optional redemption. In accordance with Section 8246 of the Act, it is the intent of the Board that the Refunded Bonds shall no longer be outstanding from and after the date of the issuance of the Bonds.

Section 2. Incurrence of Indebtedness.

(a) Pursuant to the provisions of this Ordinance, the Board hereby authorizes and directs the incurrence of non-electoral debt through the issuance of the Bonds in the aggregate principal amount of not to exceed Fifty-three Million One Hundred Eighty Thousand Dollars (\$53,180,000). The Bonds shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation.

(b) The Board determines that the debt to be incurred pursuant to this Ordinance, and which will be evidenced by the Bonds, shall be nonelectoral debt of the County.

Section 3. Private Sale by Negotiation.

The private sale by negotiation of the Bonds to finance the Project and the costs and expenses of the financing is hereby determined to be in the best financial interest of the County.

Section 4. Acceptance of Proposal.

Subject to the approval of the Department, as required by the provisions of the Act, the Board shall and does hereby accept the Proposal of the Purchaser, for the purchase of the Bonds in accordance with the terms and conditions of this Ordinance and the Purchaser's Proposal, dated October 23, 2014. The sale of the Bonds shall be for an aggregate purchase price of not less than 95.0% nor more than 115.0% of the par amount of the Bonds, plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof. The Chairman of the Board of Commissioners of the County, or any other Commissioner or other proper officer or officers of the County, or, if applicable, their duly qualified respective successors, are hereby authorized and directed to accept and to execute the Purchaser's Proposal in the name and on behalf of the County, and the Chief Clerk or Assistant Chief Clerk to the Board of Commissioners is hereby authorized and directed to attest to such acceptance and execution. A copy of the Purchaser's Proposal, as presented to the Board and accepted by this Ordinance, is incorporated herein by reference and shall be attached to this Ordinance and maintained with the minutes of this meeting. The bid security, if any, accompanying the Purchaser's Proposal shall be held and shall be applied as provided by the Act; provided, however, that no allowance for interest shall be made by the County with respect to such bid security, except as provided by the Act.

Upon final pricing of the Bonds, the Purchaser will present to the County an Addendum to the Proposal setting forth the final terms and conditions of the Bonds, including the final principal amount, interest rates, redemption provisions and purchase price for the Bonds (the "Addendum"). As long as the terms and conditions set forth in the Addendum satisfy the parameters set forth in this Ordinance, the Chairman of the Board of Commissioners of the

County, or any other Commissioner or other proper officer or officers of the County is hereby authorized and directed to accept and to execute the Addendum in the name and on behalf of the County, and the Chief Clerk or Assistant Chief Clerk of the County is hereby authorized and directed to attest to such acceptance and execution.

Section 5. The Bonds.

(a) The Bonds, when issued, will be a general obligation of the County.

(b) The Bonds shall be fully registered, without coupons, in denominations of \$5,000 or any integral multiple thereof, in substantially the form hereinafter set forth in Section 7. The Bonds shall be dated as set forth in the definitive Bonds as delivered to the Purchaser in accordance with the provisions hereof, and shall bear interest from that date at the applicable rates per annum as set forth herein, payable in accordance with the provisions of the Bonds and this Ordinance, semiannually on May 15 and November 15 in each year, commencing with the May 15 or November 15 following the delivery of the Bonds (each an "Interest Payment Date"), until maturity or prior redemption.

(c) The Bonds shall bear interest at rates not to exceed the maximum rates of interest and shall mature, whether by maturity or mandatory sinking fund redemption on the dates and in the amounts not to exceed the maximum amounts as set forth on Exhibit A attached hereto.

The Bonds shall be subject to optional and mandatory sinking fund redemption as set forth in the definitive Bonds as delivered to the Purchaser in accordance with the provisions hereof.

In lieu of any mandatory redemption, the Paying Agent, on behalf of the County, may purchase, from money in the appropriate sinking fund, or the County may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond 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 of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of the same series and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent (hereinafter defined) as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given. Further notice of redemption shall be mailed at least twenty-five (25) days prior to the date fixed for redemption to The Bond Buyer and certain bond depositories or their respective successors, if any; provided,

however, that failure to mail notice to The Bond Buyer and such bond depositories shall not affect the validity of such redemption.

If at the time of mailing of the notice of redemption the County shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by such Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under this 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.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

The Bonds shall be executed on behalf of the County by the Chairman of the Board of Commissioners of the County, or any other Commissioner or other proper officer or officers of the County, or, if applicable, their duly qualified respective successors and shall have the corporate seal of the County or a facsimile thereof affixed thereto, duly attested by the Chief Clerk (or any acting Chief Clerk appointed for such purposes) to the Board of County Commissioners. Said officers are hereby authorized and directed to execute the Bonds. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Paying Agent. No Bond shall be valid until such Certificate of Authorization shall have been duly executed by the Paying Agent and such authentication shall be conclusive and the only proof that any Bond has been issued pursuant to this Ordinance and is entitled to any benefits conferred thereon under the provisions of this Ordinance. To the extent that any one signature on a Bond (including the signature of the authorized representative of the Paying Agent) is manual, all other signatures may be by facsimile. The Chief Clerk or his or her delegate is hereby authorized and directed to deliver, or cause to be delivered, the Bonds to the Purchaser and receive payment therefor on behalf of the County after sale of the same in the manner required by law and this Ordinance.

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

The proper officers of the County are hereby authorized, empowered and directed to contract with a bank or bank and trust company authorized to do business in the

Commonwealth of Pennsylvania and who has an office in the Commonwealth of Pennsylvania (the "Paying Agent"), for its services as paying agent, registrar and sinking fund depository in accordance with the terms and conditions of the Purchaser's Proposal, this Ordinance and the Act. Payment of the principal of and interest on the Bonds shall be made, when due, in accordance with the provisions of the Bonds, at the designated corporate trust office of the Paying Agent in lawful money of the United States of America. The County may, by ordinance, from time to time, appoint a successor paying agent, registrar or sinking fund depository to fill a vacancy or for any other reason.

Section 7. Form of Bonds.

(a) The Bonds shall be in substantially the form set forth in Exhibit "B" with appropriate insertions, omissions and variations.

(b) The Bonds shall be executed in the name and on behalf of the County by the true or facsimile signatures of the Chairman of the Board of Commissioners of the County, or any other Commissioner or other proper officer or officers of the County, or, if applicable, their duly qualified respective successors and the true or facsimile official seal of the County shall be affixed thereunto, duly attested by the true or facsimile signature of the Chief Clerk or Assistant Chief Clerk to the Board of Commissioners. Said officers are authorized and directed to execute and attest the Bonds.

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.

The Bonds shall initially 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 The Depository Trust Company ("DTC"). The Bonds issued in the name of Cede & Co. in accordance with the provisions of this Section may be issued in typewritten form satisfactory to DTC. Except as provided below all of the Bonds shall be registered in the registration books kept by the Paying Agent 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 the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Paying Agent, in connection with discontinuing the book-entry system as below or otherwise.

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, if any, of or interest on such Bonds shall be made to DTC or its nominee. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the County or the Paying Agent with



respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid.

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

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 shall be given to DTC.

In connection with any notice or other communication to be provided to registered owners of the Bonds pursuant to this Ordinance by the County or the Paying Agent with respect to any consent or other action to be taken by registered owners of the Bonds, 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 10 calendar days in advance of such special record date to the extent possible.

The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if: (1) after notice to the County and the Paying Agent, DTC determines to resign as securities depository for the Bonds; (2) after notice to DTC and the Paying Agent, the County determines that 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 or the beneficial owners of the Bonds. In any such event, unless the County appoints a successor securities depository, the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated in writing 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 written notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 8. General Obligation Covenant.

The County covenants to and with the registered owners from time to time of the Bonds that the County (i) shall include in its budget in each fiscal year the amount of the debt service for each fiscal year of the County in which such sums are payable, (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Bonds for such year, and (iii) shall duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal amount of the Bonds and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in Section 8104 of the Act, the foregoing covenant of the County shall be enforceable specifically.

Section 9. Sinking Funds.

(a) The County hereby covenants to create and there is hereby created, pursuant to Section 8221 of the Act, a sinking fund for the Bonds, to be known as "Sinking Fund – County of Berks, Pennsylvania, General Obligation Bonds, Series of 2015" (the "Sinking Fund"). The Sinking Fund shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Ordinance.

(b) The Paying Agent shall be the "sinking fund depository" with respect to the Sinking Fund created pursuant to this Section 9. The County covenants and agrees to deposit in the Sinking Fund, on or before each Interest Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Interest Payment Date all principal and accrued interest becoming due with respect to the Bonds. After such deposit, the Paying Agent shall, without further authorization or direction from the County or any of its officials, upon proper and timely presentation, execution and surrender of the Bonds, with respect to the payment of principal of the Bonds, or at the Interest Payment Date, with respect to the payment of interest on the Bonds, withdraw moneys from the Sinking Fund and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Ordinance and the provisions of the Act.

Section 10. Bond Payment Dates.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication of such Bonds, unless (a) such Bonds are registered and authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from said Interest Payment Date; or (b) the Bonds are registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bonds shall bear interest from such Interest Payment Date, or (c) the Bonds are registered and authenticated on or prior to the Record Date preceding the first Interest Payment Date, in which event such Bonds shall bear interest from the dated date thereof, or (d) as shown by the records of the Paying Agent, interest on such Bonds shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bonds. Interest on the Bonds shall be paid semiannually on May 15 and November 15 of each year, beginning with the May 15 or November 15 following the delivery of the Bonds, until the principal sum is paid.

If the use of the Book-Entry Only System is discontinued for any reason, bond certificates will be issued to the beneficial owners of the Bonds and interest on the Bonds will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner 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 the Bonds subsequent to such 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 name 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 to the registered owners of the 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 (5th) day preceding the date of mailing.

If the date for payment of the principal of or the interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then the payment of such principal or interest need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

The County and the Paying Agent shall not be required: (i) to issue or to register the transfer of 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 given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

The Bonds shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, at its designated corporate trust 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 his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Bonds in the registration books of the County maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees new fully registered Bonds of authorized denominations of the same series and maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time.

The County and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered on the registration books of the County maintained by the Paying Agent as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of and/or interest on the 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 and in the Bonds provided. All such payments shall be valid and effectual to satisfy in full and discharge the liability of the County upon the Bonds so paid, to the extent of the sum or sums so paid, and neither the County nor the Paying Agent shall be affected by any notice to the contrary.

The County shall cause to be kept, and the Paying Agent shall keep, at the designated corporate trust office of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as the 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 11. Investment Agreements.

If necessary, the County hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "Investments") for investment of the proceeds of the Bonds in connection with the Projects. The County hereby authorizes and directs the Chairman or Vice Chairman of the Board to execute and the Chief Clerk or Assistant Clerk to the Board of Commissioners to attest any investment agreement on behalf of the County, in the form approved by the Solicitor and Bond Counsel of the County. The Investments shall be limited to those authorized under law for proceeds of the Bonds.

Section 12. Debt Statement and Borrowing Base Certificate.

The Chairman or Vice Chairman of the Board, the Chief Clerk or Assistant Chief Clerk to the Board of Commissioners, and, if applicable, their duly qualified respective successors, are hereby authorized and directed, in the name and on behalf of the County: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare, execute and file with the Department, as required by Section 8111 of the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Purchaser's Proposal, and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the Bonds, including the debt statement and borrowing base certificate; (c) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (d) to pay or cause to be paid from proceeds of the Bonds or otherwise, all costs and expenses incurred by the County in connection with the issuance of the Bonds; (e) to advertise the enactment of this Ordinance, as required by the Act; and (f) to take any and all other action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Purchaser's Proposal, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the Bonds, to the extent not inconsistent with this Ordinance or applicable law.

Section 13. Preliminary Official Statement and Official Statement.

The Preliminary Official Statement in the form acceptable to the Solicitor to the County (a copy of which shall be filed with the records of the County) is hereby approved with such subsequent, necessary and appropriate additions, changes, variations, omissions and

insertions as may be approved by the proper official of the County with the advice of counsel. The use and distribution of the Preliminary Official Statement by the Purchaser is hereby ratified and approved and the distribution thereof on and after the date hereof, with such subsequent additions, changes, variations, omissions and insertions, as aforesaid, is hereby authorized in connection with the public offering by the Purchaser of the Bonds. An Official Statement in substantially the same form as the Preliminary Official Statement, with such changes, if any, as may be approved by the County's official executing the same with the advice of counsel, such approval to be conclusively evidenced by the execution thereof, is hereby authorized and directed to be prepared and upon its presentation, to be executed by the Chairman of the Board of Commissioners following such investigation as such Chairman of the Board of Commissioners deems necessary as to the contents thereof. The County hereby further approves the distribution and use of the Official Statement as so prepared and executed in connection with the sale of the Bonds.

Section 14. Compliance with Debt Act.

It is hereby declared that the debt to be evidenced by the Bonds, together with all other indebtedness of the County, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by the County.

Section 15. Delivery of the Bonds.

The proper officers of the County are hereby authorized and directed to deliver the Bonds to the Purchaser, upon due registration and authentication thereof as provided for herein, upon receipt of full and proper payment of the purchase price therefor, provided, however, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 16. Internal Revenue Code Covenants.

The County covenants to and with the registered owners of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder. The County further covenants that it will comply with the requirements of such Section 148 and Section 141 and with the regulations thereunder throughout the term of the Bonds. In addition, the Chairman or Vice Chairman of the Board, being the official(s) responsible for issuing the Bonds, attested by the Chief Clerk or Assistant Clerk to the Board of Commissioners, are hereby authorized and directed to execute and deliver, in the name and on behalf of the County, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds are not "arbitrage bonds" or "private activity bonds" within the meanings of Section 148 and Section 141 of the Code and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the Bonds, which certificate shall set forth the reasonable expectations of the County as to the amount and use of the proceeds of the Bonds.

Section 17. Bond Insurance.

The Board hereby authorizes and directs the purchase of a municipal bond insurance policy (the "Municipal Bond Insurance Policy"), if cost effective, to be issued by a municipal bond insurer acceptable to the Purchaser and the County insuring the payment when due of the principal of and interest on the Bonds as provided therein. Proper officers of the County are authorized and directed to take all required, necessary and/or appropriate action with respect to such insurance, as contemplated in the Purchaser's Proposal and the Commitment for Municipal Bond Insurance, including the payment of the premium thereof.

Section 18. Refunding of Refunded Bonds. On the date of delivery of the Bonds, to the extent required for a lawful defeasance of the Refunded Bonds, the proper officers of the County are hereby authorized, empowered and directed to execute, attest and deliver the Escrow Agreements in the form approved by such officers with the advice of the Solicitor to the County. Each Escrow Agreement shall provide for, among other things, the following: (i) a certification to the Escrow Agent of the amount required to pay the principal of, premium, if any, and interest on, the Refunded Bonds, (ii) the deposit with the Escrow Agent of an amount which, when taken together with the interest to be earned thereon, will be in the amount necessary to pay the principal of, premium, if any, and interest on the Refunded Bonds to and including the first call date for such Refunded Bonds (May 15, 2017 for the 2010 Bonds and November 15, 2018 for the 2008 Bonds), and to pay the principal amount of the Refunded Bonds maturing after such first call date, the date fixed for the redemption thereof, (iii) the investment of the amounts deposited with and held by the Escrow Agent, (iv) a direction to the Escrow Agent to cause notice of redemption to be given to the holders of the Refunded Bonds, and (v) the irrevocable pledge and escrow of, and grant of a security interest in favor of the Escrow Agent of all investments held by it pursuant to the Escrow Agreement.

The County hereby authorizes and directs the proper officers, agents and employees to execute any and all other documents and to take any and all action necessary in connection with the Project to cause the Refunded Bonds to "no longer be deemed to be outstanding" as of the date of delivery of the Bonds, within the meaning and for the purposes of Section 8250 of the Act and to cause the redemption of the 2010 Bonds on May 15, 2017 and the 2008 Bonds on November 15, 2018.

Section 19. Continuing Disclosure Obligations.

The proper officers of the County are hereby authorized to execute the Continuing Disclosure Certificate (hereinafter defined) with respect to the Bonds on behalf of the County and the County hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificates. Notwithstanding any other provision of this Ordinance, failure of the County to comply with the Continuing Disclosure Certificates shall not be considered an event of default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.

As used herein, the term "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate to be executed by the County with respect to the Bonds in order to comply with Securities and Exchange Commission Rule 15c2-12, and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 20. 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 to the Board of Commissioners is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

Section 21. Mandatory Provisions of Act.

This Ordinance is enacted pursuant to the Act, the County Code of 1955, as amended, and the laws and the Constitution of the Commonwealth of Pennsylvania, and the County hereby determines and declares that each and every matter and thing provided for herein is necessary and desirable to carry out and effect the public purposes of the County in accordance with such laws. All of the mandatory provisions of the Act shall apply hereunder whether or not explicitly stated herein and are specifically incorporated herein by reference.

Section 22. Contractual Obligation.

In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by those who shall purchase the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the County and the Holders from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the County shall be for the benefit, protection and security of the Holders from time to time of the Bonds. If the County shall default in the performance of any of its obligations hereunder, under the Bonds or under the Act, the holders or registered owners of the Bonds shall be entitled to all of the rights and remedies provided by the Act in the event of such default.

Section 23. General Authorization.

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

Section 24. Invalidity.

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 the remainder of this Ordinance shall remain in full force and effect.

Section 25. Repeal of Inconsistent Ordinances.

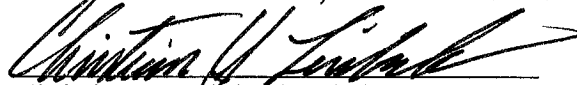
All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

Section 26. Effectiveness of Ordinance.

This Ordinance shall be effective in accordance with Section 8003 of the Act.

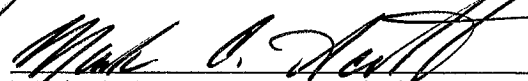
**DULY ENACTED, THIS 23rd DAY OF OCTOBER, 2014, BY THE BOARD OF COMMISSIONERS OF COUNTY OF BERKS, PENNSYLVANIA, IN LAWFUL SESSION DULY ASSEMBLED.**

COUNTY OF BERKS, PENNSYLVANIA

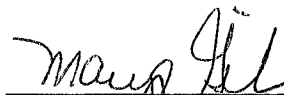
  
Christian Y. Leinbach, Chair

(SEAL)

  
Kevin S. Barnhardt, Commissioner

  
Mark C. Scott, Esq., Commissioner

Attest:

  
Maryjo Gibson, Chief Clerk



**EXHIBIT "A-1"**

**MAXIMUM DEBT SERVICE SCHEDULE**

# COUNTY OF BERKS, PENNSYLVANIA

## GENERAL OBLIGATION BONDS, SERIES OF 2015

### MAXIMUM DEBT SERVICE REQUIREMENTS

| DATE      | PRINCIPAL            | MAXIMUM<br>RATE | INTEREST             | DEBT SERVICE         | FISCAL YEAR<br>DEBT SERVICE |
|-----------|----------------------|-----------------|----------------------|----------------------|-----------------------------|
| 15-Jan-15 |                      |                 |                      |                      |                             |
| 15-May-15 |                      |                 | 886,333.33           | 886,333.33           |                             |
| 15-Nov-15 | 750,000.00           | 5.000%          | 1,329,500.00         | 2,079,500.00         | 2,965,833.33                |
| 15-May-16 | -                    |                 | 1,310,750.00         | 1,310,750.00         | -                           |
| 15-Nov-16 | 1,800,000.00         | 5.000%          | 1,310,750.00         | 3,110,750.00         | 4,421,500.00                |
| 15-May-17 | -                    |                 | 1,265,750.00         | 1,265,750.00         | -                           |
| 15-Nov-17 | 1,090,000.00         | 5.000%          | 1,265,750.00         | 2,355,750.00         | 3,621,500.00                |
| 15-May-18 | -                    |                 | 1,238,500.00         | 1,238,500.00         | -                           |
| 15-Nov-18 | 1,095,000.00         | 5.000%          | 1,238,500.00         | 2,333,500.00         | 3,572,000.00                |
| 15-May-19 | -                    |                 | 1,211,125.00         | 1,211,125.00         | -                           |
| 15-Nov-19 | 1,115,000.00         | 5.000%          | 1,211,125.00         | 2,326,125.00         | 3,537,250.00                |
| 15-May-20 | -                    |                 | 1,183,250.00         | 1,183,250.00         | -                           |
| 15-Nov-20 | 1,125,000.00         | 5.000%          | 1,183,250.00         | 2,308,250.00         | 3,491,500.00                |
| 15-May-21 | -                    |                 | 1,155,125.00         | 1,155,125.00         | -                           |
| 15-Nov-21 | 7,055,000.00         | 5.000%          | 1,155,125.00         | 8,210,125.00         | 9,365,250.00                |
| 15-May-22 | -                    |                 | 978,750.00           | 978,750.00           | -                           |
| 15-Nov-22 | 8,555,000.00         | 5.000%          | 978,750.00           | 9,533,750.00         | 10,512,500.00               |
| 15-May-23 | -                    |                 | 764,875.00           | 764,875.00           | -                           |
| 15-Nov-23 | 2,225,000.00         | 5.000%          | 764,875.00           | 2,989,875.00         | 3,754,750.00                |
| 15-May-24 | -                    |                 | 709,250.00           | 709,250.00           | -                           |
| 15-Nov-24 | 5,860,000.00         | 5.000%          | 709,250.00           | 6,569,250.00         | 7,278,500.00                |
| 15-May-25 | -                    |                 | 562,750.00           | 562,750.00           | -                           |
| 15-Nov-25 | 6,025,000.00         | 5.000%          | 562,750.00           | 6,587,750.00         | 7,150,500.00                |
| 15-May-26 | -                    |                 | 412,125.00           | 412,125.00           | -                           |
| 15-Nov-26 | 6,675,000.00         | 5.000%          | 412,125.00           | 7,087,125.00         | 7,499,250.00                |
| 15-May-27 | -                    |                 | 245,250.00           | 245,250.00           | -                           |
| 15-Nov-27 | 6,895,000.00         | 5.000%          | 245,250.00           | 7,140,250.00         | 7,385,500.00                |
| 15-May-28 | -                    |                 | 72,875.00            | 72,875.00            | -                           |
| 15-Nov-28 | 2,915,000.00         | 5.000%          | 72,875.00            | 2,987,875.00         | 3,060,750.00                |
|           | <b>53,180,000.00</b> |                 | <b>24,436,583.33</b> | <b>77,616,583.33</b> | <b>77,616,583.33</b>        |

**EXHIBIT "B"**

**REGISTERED**  
Number R-\_\_

**REGISTERED**  
\*\*\*\$ \_\_\_\_\_ \*\*\*

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

COUNTY OF BERKS  
PENNSYLVANIA

GENERAL OBLIGATION BOND, SERIES OF 2015

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>DATED DATE OF SERIES</u> | <u>CUSIP</u> |
|----------------------|----------------------|-----------------------------|--------------|
|                      | November 15, 20__    | _____, 2015                 |              |
| REGISTERED OWNER     | CEDE & CO.           |                             |              |
| PRINCIPAL AMOUNT     | \$                   |                             |              |

The County of Berks, Pennsylvania (the "County"), a county existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself to be indebted and promises to pay to the order of the Registered Owner hereof, or registered assigns, on the maturity date stated hereon (or upon prior redemption, as hereinafter provided), upon presentation and surrender hereof, the Principal Amount shown above and to pay semiannually on May 15 and November 15 of each year prior to maturity or redemption (each an "Interest Payment Date"), beginning \_\_\_\_\_, 201\_, to the registered owner hereof, interest on such principal sum, at the rate per annum stated hereon, from the Interest Payment Date next preceding the date of registration and authentication of this County of Berks, Pennsylvania, General Obligation Bond, Series of 2015 (the "Bond"), unless (a) this Bond is registered and authenticated as of an Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date, or (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or (c) this Bond is registered and authenticated on or prior to the Record Date preceding \_\_\_\_\_, 201\_, in which event such Bond shall bear interest from \_\_\_\_\_, 201\_, or (d) as shown by the records of

Manufacturers and Traders Trust Company, as paying agent, at its offices located in Buffalo, New York, or its successor (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 Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner 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 the Bond subsequent to such 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 name the 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 owners of Bonds (hereinafter defined) 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 (5th) day preceding the date of mailing.

Whenever the due date for payment of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then payment of such interest, principal, or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banks are authorized by law or executive order to remain closed, with the same force and effect as if made on the due date for payment of principal, interest or redemption price and no interest shall accrue thereon for any period after such due date.

This Bond is one of a series of bonds of the County known generally as "County of Berks, Pennsylvania, General Obligation Bond, Series of 2015," dated as of \_\_\_\_\_, 2015 (the "Bonds"), issued by the County in the aggregate principal amount of \_\_\_\_\_ Million \_\_\_\_\_ Hundred Thousand Dollars (\$\_\_\_\_\_).

The Bonds are in fully registered form, without coupons, and have been authorized and issued in accordance with the Local Government Unit Debt Act of the Commonwealth (the "Act"), without the assent of the electors, pursuant to an ordinance (the "Ordinance") of the Board of Commissioners of the County duly enacted on October 23, 2014. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

The County has covenanted in the Ordinance that it shall include in its budget the amount of the debt service for each fiscal year of the County in which principal and/or interest on the Bonds is payable, that it shall appropriate from its general revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due principal and interest on the Bonds.

In the Ordinance, the County has covenanted to and with registered owners of the Bonds that it will make no use of the proceeds of the Bonds, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Bonds, would cause the Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are

defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder.

This Bond has been designated, in the Ordinance, by the County, as a "qualified tax-exempt obligation," within the meaning of Section 265(b)(3)(B) of the Code.

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.

The Bonds maturing on and after November 15, \_\_\_\_\_ are subject to redemption prior to maturity, at the option of the County, in whole or in part, on or after \_\_\_\_\_, \_\_\_\_\_ in any order of maturities selected by the County at a redemption price of 100% of the principal amount, plus accrued interest to the date fixed for redemption. In the event that less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

Bonds stated to mature on November 15, \_\_\_\_\_, are subject to mandatory redemption prior to maturity on November 15 of the years (at a price equal to the principal amount of the Bonds called for mandatory redemption plus accrued interest thereon to the date fixed for such mandatory redemption) and in the principal amounts as set forth in the following schedule, as drawn by lot by the Paying Agent:

| <u>Year</u> | <u>Principal<br/>Amount</u> |
|-------------|-----------------------------|
| _____       | \$ _____                    |
| _____*      | _____                       |
| _____       | _____                       |

\* At maturity

In lieu of such mandatory redemption, the Paying Agent, on behalf of the County, may purchase, from money in the appropriate sinking fund, or the County may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond 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 of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of the same series and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books

kept by the Paying Agent as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given. Further notice of redemption shall be mailed at least twenty-five (25) days prior to the date fixed for redemption to The Bond Buyer and certain bond depositories or their respective successors, if any; provided, however, that failure to mail notice to The Bond Buyer and such bond depositories shall not affect the validity of such redemption.

If at the time of mailing of the notice of redemption the County shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by such Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof 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.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

This Bond may be transferred or exchanged by the registered owner hereof only upon surrender of this Bond to the Paying Agent at its principal corporate trust office, accompanied by a written instrument or instruments of transfer 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 maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of the same series and of authorized denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The County 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 County and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the registered owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the County upon the Bond as paid.

The County and the Paying Agent shall not be required: (i) to issue or to register the transfer of 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 given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

The County has caused CUSIP numbers to be printed on the Bonds as a convenience to bondholders. No representation is made as to the accuracy of such numbers as printed on the Bonds.

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

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the County to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the County is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania; that the County has established with the Paying Agent, as Sinking Fund Depositary, a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the County are hereby irrevocably pledged.

IN WITNESS WHEREOF, the County has caused this Bond to be executed in its name-by the manual or facsimile signature of its Chairman of the Board of Commissioners and its official seal or a facsimile of its official seal to be affixed hereto, duly attested by the manual or facsimile signature of the Chief Clerk of the County, as of the \_\_\_\_ day of \_\_\_\_\_, 2015.

ATTEST:

COUNTY OF BERKS,  
PENNSYLVANIA

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

By: \_\_\_\_\_  
Chairman, Board of Commissioners

(SEAL)

**(FORM OF PAYING AGENT'S CERTIFICATE)**

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

It is certified that:

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

(ii) The text of the Opinion attached to this Bond is a true and correct copy of the text of an original Opinion issued by Stevens & Lee, P.C., Reading, Pennsylvania, dated and delivered on the date of the original delivery of, and payment for, such Bonds, that is on file at our principal corporate trust office, where the same may be inspected.

MANUFACTURERS AND TRADERS TRUST  
COMPANY,  
as Paying Agent

By: \_\_\_\_\_

Authorized Representative

Date of Registration and Authentication:

\_\_\_\_\_



(FORM OF ASSIGNMENT)

ASSIGNMENT

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

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

\_\_\_\_\_  
Address

Social Security or Federal Employer Identification No. \_\_\_\_\_

the 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:** 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.

**NOTICE:** No transfer will be made 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 The 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.

(END OF FORM OF BOND)