

COUNTY OF YORK, PENNSYLVANIA

ORDINANCE NO. 2006-04

OF THE BOARD OF COUNTY COMMISSIONERS OF THIS COUNTY AUTHORIZING AND APPROVING A QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT (CONSTANT MATURITY SWAP) WITH RESPECT TO THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES OF 2006, OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF \$74,890,000; SETTING FORTH THE SUBSTANTIAL FORM OF THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT; SETTING FORTH AND ADOPTING AN INTEREST RATE MANAGEMENT PLAN; MAKING CERTAIN COVENANTS OF THIS COUNTY WHICH ARE INTENDED TO SECURE THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT; AND AUTHORIZING APPROPRIATE OFFICERS OF THIS COUNTY TO TAKE RELATED ACTIONS.

WHEREAS, The County of York, Pennsylvania (the "County") is a political subdivision (a county of the third class) of the Commonwealth of Pennsylvania (the "Commonwealth"), is governed by its Board of County Commissioners (the "Board"), and is a "Local Government Unit," within the meaning of the Local Government Unit Debt Act of the Commonwealth, 53 Pa. C.S. Chs. 80-82 (the "Debt Act"); and

WHEREAS, The Board enacted Ordinance #2005-10 on December 14, 2005 (the "2006 Bonds Enabling Ordinance"), that authorized and secured the issuance of its General

Obligation Bonds, Series of 2006, in the aggregate principal amount of \$74,890,000, dated as of January 15, 2006 (the "2006 Bonds"), as set forth in detail in the 2006 Bonds Enabling Ordinance; and

WHEREAS, The Department of Community and Economic Development (the "Department"), of the Commonwealth approved the proceedings of this County related to the increase of nonelectoral indebtedness evidenced by the 2006 Bonds, which approval of the Department was evidenced by Certificate of Approval No. GOB-16149, dated January 17, 2006; and

WHEREAS, The Board enacted Ordinance #2006-02 on February 22, 2006 (the "2006 Basis Swap Ordinance"), that authorized and secured an interest rate management agreement applicable to the 2006 Bonds (the "2006 Basis Swap"), and amended the 2006 Bonds Enabling Ordinance to increase the maximum interest rate to be used to calculate the maximum net payments due under the 2006 Basis Swap to 25%, in addition to the fixed interest rates payable on the 2006 Bonds; and

WHEREAS, RBC Capital Markets (the "Underwriter") has presented to the Board of the County a proposal (the "Proposal") in which the Authority would enter into an interest rate swap agreement with the Royal Bank of Canada ("RBC"), under which this County would pay RBC a variable interest rate equal to 100% of the One-month London Inter-Bank Offered Rate ("LIBOR") taxable bond index, and RBC would pay this County a variable interest rate equal to 100% of the 10-Year Constant Maturity LIBOR (USD ISDA Swap Rate) taxable bond index minus a negotiated percentage, in each case applied to the principal amount outstanding on the 2006 Bonds, over a term not to exceed the final maturity date of the Bonds (the "2006 CMS

Swap”), with an effective date at least one year after the trade confirmation date of the 2006 CMS Swap; and

WHEREAS, The Debt Act, including the amendments made by Act No. 2003-23, effective September 24, 2003, contemplates that the County may become obligated for all or a portion of the costs incurred under the terms of an interest rate swap agreement meeting the requirements for a “qualified interest rate management agreement”, as defined in the Debt Act, with respect to bonds of the County; and

WHEREAS, The 2006 CMS Swap in the judgment of the Board, is designed to manage, and will assist the Board in managing, interest rate risk or interest cost of the County associated with the 2006 Bonds, in accordance with the Debt Act; and

WHEREAS, Investment Management Advisory Group, Inc., has represented to the Board that it qualifies as an “Independent Financial Advisor” as defined in the Debt Act (the “Financial Advisor”), which is not the provider of the 2006 CMS Swap or an affiliate or agent of such provider, and has prepared “interest rate management plan”, as defined in the Debt Act, to address certain financial information and risks associated with the 2006 CMS Swap as well as previous swap agreements payable or guaranteed by the County (the “Interest Rate Management Plan”); and

WHEREAS, The Board desires to retain the Financial Advisor as its independent financial advisor in accordance with the Debt Act; and

WHEREAS, The Board of the County has duly read and considered the Proposal, the Interest Rate Management Plan prepared by the Financial Advisor, and the proposed form, terms and conditions of the 2006 CMS Swap; and

WHEREAS, The 2006 CMS Swap is consistent with the Interest Rate Management Plan; and

WHEREAS, The Authority proposes to award the 2006 CMS Swap to RBC, at private sale by negotiation, and to enter into the 2006 CMS Swap; and

WHEREAS, RBC possesses qualifications (including a credit rating) satisfying the criteria established by the Debt Act and the Interest Rate Management Plan; and

WHEREAS, As contemplated by the Debt Act, the maximum net payments by fiscal year for periodic scheduled payments by the County, not including any termination payments, on (i) the 2006 CMS Swap, (ii) the 2006 Basis Swap (as described in Ordinance #2006-02) and (iii) on every other interest rate management agreement to be entered into by the County with respect to the 2006 Bonds (collectively the "2006 Bonds Swaps"), shall not exceed in each case the maximum index rate of 25.0%, per annum, for calculating the net annual payments by the County thereon, in addition to paying the interest due on the 2006 Bonds at the fixed rates specified in the 2006 Bonds Enabling Ordinance; and

WHEREAS, The Board of the County desires to take all other action necessary to authorize and approve the execution and delivery of the 2006 CMS Swap and/or related instruments, to further secure the 2006 CMS Swap under the terms hereof and of the 2006 Bonds

Enabling Ordinance, as amended, and to execute and deliver such documents as may be necessary to implement the Proposal.

NOW, THEREFORE, BE IT RESOLVED, by the Board of the County, as follows:

SECTION 1. The Board hereby engages the Financial Advisor to serve as its independent financial advisor under the Debt Act, in connection with the 2006 CMS Swap and in accordance with the terms of an engagement letter presented to this County by the Financial Advisor. The Board also engages the law firm of Rhoads & Sinon LLP (the "Bond Counsel") to serve as special counsel to this County in connection with the 2006 CMS Swap and in accordance with the terms of an engagement letter presented to this County by the Bond Counsel.

SECTION 2. This County does hereby approve and adopt the Interest Rate Management Plan, a copy of which is attached hereto as Exhibit A, and, without limiting the generality of the foregoing, approves, ratifies and confirms the qualifications established by this County in said Plan for the selection of RBC as the provider of the 2006 CMS Swap, which qualifications include, among other things, a rating for the provider of the 2006 CMS Swap that is in one of the three highest rating categories of a nationally recognized credit rating agency.

SECTION 3. The Board of the County determines that (i) the 2006 CMS Swap shall be awarded at private sale by negotiation, which is determined to be in the best financial interest of the County, (ii) RBC possesses the qualifications required by law and the Interest Rate Management Plan for a provider of a qualified interest rate management agreement, and (iii) the 2006 CMS Swap shall be awarded to RBC.

SECTION 4. The Board hereby finds and declares the following:

- (1) the notional amount of the 2006 CMS Swap at all times shall not exceed the then outstanding principal amount of the 2006 Bonds;
- (2) the term of the 2006 CMS Swap shall not exceed the latest maturity date of the 2006 Bonds;
- (3) the 2006 CMS Swap shall contain a provision requiring the termination thereof if the 2006 Bonds are no longer outstanding;
- (4) the maximum annual interest rate which shall be required to be paid by this County under the 2006 CMS Swap, and on each of the other 2006 Bonds Swaps, shall be 25%, per annum;
- (5) the maximum net payments by fiscal year due and payable by the County for (i) periodic scheduled payments, not including any termination payments, due under the 2006 CMS Swap and under each of the other 2006 Bonds Swaps, and (ii) the interest on the 2006 Bonds, shall not exceed the aforesaid maximum interest rate specified in the 2006 CMS Swap and in each of the other 2006 Bonds Swaps, plus the fixed interest rates previously specified in the 2006 Bonds Enabling Ordinance;

(6) the source of payment of the County's obligations with respect to the 2006 CMS Swap shall be general revenues;

(7) the 2006 CMS Swap, in the form herein authorized and approved, contains provisions addressing the actions to be taken if the credit rating of RBC changes; and

(8) the periodic scheduled payments due under the 2006 CMS Swap and any payments due on the 2006 Bonds in respect of principal of and interest on the Bonds shall be senior in right and priority of payment to any termination payments due under the 2006 CMS Swap.

SECTION 5. The Board of the County does authorize and approve the 2006 CMS Swap, which shall be substantially in the form (including an ISDA Master Agreement, related Schedule(s) and Confirmation) attached hereto as Exhibit B. In accordance with the Debt Act, within fifteen (15) days following the enactment of this Ordinance, a certified copy thereof, including the Interest Rate Management Plan and substantial form of the 2006 CMS Swap, shall be filed with the Department.

SECTION 6. Subject to the receipt of (i) the oral opinion, which shall be followed by a written confirmation, from the Financial Advisor that the financial terms and conditions of the 2006 CMS Swap, including the proposed final Confirmation, are fair and reasonable to this County, and (ii) a determination by the County Administrator that the final terms and conditions of the 2006 CMS Swap (including the final percentage to be deducted from

10-Year LIBOR receivable by this County) are satisfactory, then the President or Vice President of the Board, or other authorized officers of the County, shall execute on behalf of the County such instruments and documents as may be necessary or appropriate to enter into and secure the 2006 CMS Swap under the terms hereof.

The 2006 CMS Swap shall be substantially in the form set forth in **Exhibit B**, with such insertions, omissions and variations consistent with this Ordinance as the County Administrator may request and approve, his execution of a certificate or similar instrument to constitute conclusive evidence of such approval. Officers and agents of the County shall file appropriate proceedings regarding the 2006 CMS Swap, and the amendment of the 2006 Bond Enabling Ordinance, with the Department of Community and Economic Development, as required by Section 8284 of the Debt Act

SECTION 7. The County hereby covenants to do the following:

(a) To include the periodic scheduled amounts payable under the 2006 CMS Swap for each fiscal year of the County in the budget of the County for that fiscal year; and

(b) To appropriate those amounts from the general revenues of the County for the payment of amounts due under the 2006 CMS Swap.

SECTION 8. The County does hereby pledge its full faith, credit and taxing power for the budgeting, appropriation and payment of periodic scheduled payments due under the 2006 CMS Swap.

SECTION 9. The County does hereby covenant that the periodic scheduled payments due under the 2006 CMS Swap, payments due under any other 2006 Bonds Swaps and the payments in respect of principal of and interest on the 2006 Bonds shall be equally and ratably payable and secured.

SECTION 10. The County hereby covenants to include any termination payment or similar payment required under the 2006 CMS Swap, which may become due and payable by the County under the terms of the 2006 CMS Swap, in the County's then current budget at any time during a fiscal year or in a budget adopted in a future fiscal year.

SECTION 11. The County covenants to include in its annual financial statements information with respect to the 2006 CMS Swap, including any information required pursuant to any Statement issued by the Governmental Accounting Standards Board. The Financial Advisor is retained to perform ongoing monitoring of the financial consequences of the 2006 CMS Swap, as well as other outstanding swap obligations payable by the County, subject to the terms of appropriate written agreements.

SECTION 12. The prior advertisement of a public notice of intent to enact this Ordinance in one or more newspapers of general circulation in the County is hereby ratified and confirmed, and the advertisement of a public notice of the enactment of this Ordinance within 15 days following its enactment, as required by the Debt Act, is hereby authorized and directed. The Chief Clerk of the Board is hereby authorized and directed to arrange for the advertisement of such notices or to authorize and direct the Solicitor or Bond Counsel for the County to make such arrangements.

SECTION 13. The President or Vice President of the Board and the Chief Clerk, respectively, of the County are authorized and directed, as required, necessary and/or appropriate: (a) to file with the Department of Community and Economic Development of the Commonwealth (the "Department") a certified copy of this Ordinance, including its appendices, and a copy of the proofs of publication of the required public notices of this Ordinance, (b) to pay or to cause to be paid to the Department all proper filing fees required in connection with the foregoing, and (c) to pay, or to authorize payment of, all other fees and expenses of the County incurred or to be incurred in connection with undertaking the 2006 CMS Swap as contemplated by the Interest Rate Management Plan and the Proposal, including fees and expenses of preparing, advertising and enacting this Ordinance.

SECTION 14. The 2006 Bonds Enabling Ordinance is hereby amended to include a maximum interest rate of 25.0% payable on each of the following: (i) the 2006 CMS Swap, (ii) the 2006 Basis Swap, and (iii) all other 2006 Bonds Swaps, plus the interest payable at the stated fixed rates by maturity on the 2006 Bonds. Exhibit C contains schedules illustrating: (1) the fixed, scheduled payments due on the 2006 Bonds, (2) the maximum, scheduled net payments on the 2006 CMS Swap (assuming County payments of 100% of One-month LIBOR based on a constant index rate of 25% netted against County receipts of 100% of 10-Year Constant Maturity LIBOR based on a constant index rate of 0%), and (3) the maximum, scheduled net payments on the 2006 Basis Swap. The remainder of the 2006 Bond Enabling Ordinance, as amended by Ordinance #2006-02, shall remain in full force and effect.

SECTION 15. Proper officers of the County are authorized and directed to take all other required, necessary and/or appropriate action, or to authorize all other required, necessary or appropriate action to be taken, by or on behalf of the County, to implement the 2006 CMS Swap, the Proposal and the approved Interest Rate Management Plan.

SECTION 16. Any reference in this Ordinance to an officer of the County or a member or officer of the Board of the County shall be deemed to refer to his or her duly qualified successor in office, if applicable.

SECTION 17. This Ordinance shall be effective for all purposes immediately upon its enactment, as permitted by the Debt Act.

SECTION 18. 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.

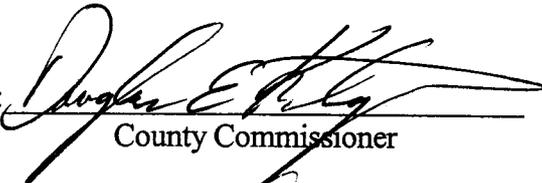
SECTION 19. All Ordinances or parts of Ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

DULY ENACTED, by the Board of the County, in lawful session duly assembled,

this 20th day of September, 2006.

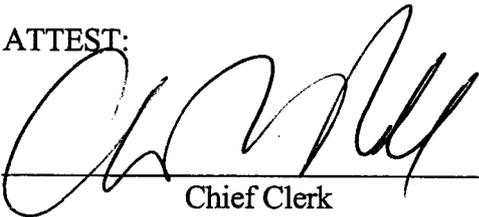
COUNTY OF YORK, PENNSYLVANIA

By: 
County Commissioner

By: 
County Commissioner

By: 
County Commissioner

ATTEST:


Chief Clerk

(SEAL)

EXHIBIT A

INTEREST RATE MANAGEMENT PLAN

September 19, 2006

County of York, Pennsylvania

Interest Rate Management Plan

OVERVIEW

In accordance with the requirements of Act 23 of 2003, amending the Pennsylvania Local Government Unit Debt Act ("LGUDA" or the "Debt Act"), this report shall presently serve as the "Interest Rate Management Plan" (the "Plan"), as that phrase is defined in the Debt Act, of the County of York, Pennsylvania (the "County"). This Plan has been prepared by Investment Management Advisory Group, Inc. ("IMAGE"), which constitutes an "Independent Financial Advisor", as that phrase is defined in the Debt Act. This Plan shall cover all Qualified Interest Rate Management Agreements ("QIRMAs"), as that phrase is defined in the Debt Act, including but not limited to the 2006 Constant Maturity Swap (hereinafter defined), and all other interest rate swaps, caps, floors, swaptions and similar derivative instruments currently payable or guaranteed by the County (including such agreements entered into by GASP or YCIDA, hereinafter defined, with respect to bonds or other obligations which are payable by or guaranteed by the County).

This analysis has been performed specifically with regard to a new QIRMA which would be entered into by the County in the near future and which would be paid directly by the County. The County has also guaranteed certain sums payable by the General Authority of Southcentral Pennsylvania ("GASP") under Loan Agreements with GASP, and under a Guaranty Agreement with the York County Industrial Development Authority ("YCIDA"), under other QIRMAs which will be further described below.

Existing 2006 Basis Swap

The County entered into a transaction commonly known as a basis swap (the "2006 Basis Swap") on February 22, 2006 relating to the County's \$74,890,000 outstanding General Obligation Bonds, Series of 2006 (the "2006 Bonds"), issued on January 24, 2006, as fixed rate bonds. In the 2006 Basis Swap, the County agreed to pay commencing on March 1, 2006, to Royal Bank of Canada ("RBC" or the "Counterparty"), interest on the outstanding notional amounts at a rate equal to 100% of Bond Market Association Municipal Index ("BMA") which will be netted against receipts from the Counterparty on the same notional amount equal to 67% of the USD-LIBOR-BBA index having a one-month maturity ("1-Month LIBOR") plus a fixed spread of 42.39 "basis points" (1/100th of 1.0%) or .4239% (the "Fixed Spread"). BMA is an index that reflects prevailing tax-

exempt interest rates and LIBOR is an index that reflects prevailing taxable interest rates. The County executed the 2006 Basis Swap expecting it to result in payments to the County that will be deposited in the sinking fund for the 2006 Bonds and applied to reduce debt service otherwise payable from its general fund. The maximum interest rate payable on the 2006 Basis Swap is 25.0%, per annum. The 2006 Basis Swap is the subject of an interest rate management plan approved in the County's ordinance #2006-02 enacted on February 22, 2006, that authorized and secures the 2006 Basis Swap, and is incorporated herein by this reference.

Proposed 2006 Constant Maturity Swap

The County is considering entering into a transaction commonly known as a constant maturity swap (the "2006 Constant Maturity Swap"), that will also relate to the County's 2006 Bonds in addition to the 2006 Basis Swap. It is expected that the 2006 Constant Maturity Swap will be structured with a declining notional (principal) amount which will mirror the annual principal amortization of the 2006 Bonds.

The final termination date of the 2006 Constant Maturity Swap will not be later than June 1, 2033, the final maturity date of the 2006 Bonds. The 2006 Constant Maturity Swap will be structured so that after its effective date, which is assumed for this analysis to be December 1, 2007, the County will agree to pay to Royal Bank of Canada ("RBC" or the "Counterparty"), interest on the outstanding notional amounts at a floating rate equal to 100% of the USD-LIBOR-BBA index having a one-month maturity ("1-Month LIBOR"), which will be netted against interest receipts from the Counterparty on the same notional amounts equal to a 100% of USD-ISDA-SWAP Rate having a ten-year maturity ("10 Year LIBOR") less a fixed spread (percentage) to be determined at pricing.

Historical data between 1990 and 2006, inclusive, indicates that the average annual return or profit for a party paying 100% of 1-month LIBOR versus receiving 100% of 10-LIBOR less a fixed spread of 57 basis points (an estimated return based on current market conditions) has been approximately 133 basis points (1.33%). If this average relationship between the two indexes continues over the entire term of the 2006 Constant Maturity Swap, the County will be a net receiver over the term of the 2006 Constant Maturity Swap. However, during periods when the interest rate yield curve (the level of interest rates for various terms or maturities) is flat or inverted (short term rates are higher than long term rates) (See Interest Rate Curve Risk below), as the yield curve has been for most of 2006, the County would be required to make a net payment. If the interest rate yield curve returns to a more "typical" or average shape (upwardly sloping), the County will receive net payments. The payments resulting from the 2006 Constant Maturity Swap are unrelated to those arising from the 2006 Basis Swap.

The County hopes that the 1-Month LIBOR/10-Year LIBOR relationship will return to its historic average by the effective date of the 2006 Constant Maturity Swap on

or about January 1, 2008. Payments to the County under the 2006 Constant Maturity Swap will be deposited in the sinking fund for the 2006 Bonds and applied to reduce debt service otherwise payable from its general fund. If this transaction had been entered into in 1990, on a bond issue identical to the 2006 Bonds, the County would have received annual payments of up to \$2,305,000 (1992) and the County would have made annual payments of up to \$195,754 (1998). (see schedule below which assumes a party receiving 100% of 10-Year LIBOR less a fixed spread of 57 basis points versus paying 100% of 1-Month LIBOR, on the fixed notional amount of \$74.89 million).

Year	A			B		=A-B	Cashflow Benefit/(Cost)
	Avg BMA	Avg 1M LIBOR	Avg 10YR LIBOR	100.00% 10 Year LIBOR - 57bp	100.00% of 1M LIBOR	Annual Basis Benefit	
1990	5.91	8.24	9.31	8.74	8.24	0.5066	379,419
1991	4.37	5.89	8.44	7.87	5.89	1.9780	1,481,310
1992	2.78	3.75	7.40	6.83	3.75	3.0789	2,305,784
1993	2.40	3.19	6.20	5.63	3.19	2.4349	1,822,501
1994	2.84	4.49	7.47	6.90	4.49	2.4105	1,805,209
1995	3.85	5.96	6.94	6.37	5.96	0.4037	302,335
1996	3.43	5.45	6.79	6.22	5.45	0.7715	577,767
1997	3.66	5.65	6.74	6.17	5.65	0.5257	393,726
1998	3.43	5.58	5.89	5.32	5.58	(0.2614)	(195,754)
1999	3.31	5.25	6.47	5.90	5.25	0.6484	485,599
2000	4.12	6.42	7.14	6.57	6.42	0.1516	113,525
2001	2.61	3.86	5.82	5.25	3.86	1.3941	1,044,073
2002	1.38	1.77	5.17	4.60	1.77	2.8331	2,121,745
2003	1.03	1.21	4.40	3.83	1.21	2.6203	1,962,320
2004	1.23	1.51	4.69	4.12	1.51	2.6139	1,957,586
2005	2.46	3.40	4.74	4.17	3.40	0.7635	571,817
2006	3.36	4.95	5.40	4.83	4.95	(0.1169)	(87,526)
AVERAGE ANNUAL BENEFIT						1.338%	\$1,002,496

Cashflows based upon existing swap notional of \$74.89 million (non amortizing)

The County is assuming risk that historic relationship between short term and long term interest rates will be altered by unforeseeable changes in the bond market (i.e. a steeper sloping interest rate yield curve). If a long term or structural change occurs in the relationship between the two indexes which is sufficiently large (that the yield differential between the two is relatively small), the County could find itself a net payer under the 2006 Constant Maturity Swap.

A flat or inverted interest rate yield curve can result from market forces outside of the control the County and are generally tied to the overall economy of the United States and the rest of the world and various global events. Such situations have occurred in the past, however they have typically been short-lived. The possibility of a prolonged flat or inverted interest rate curve that would adversely affect the benefit of the 2006 Constant Maturity Swap is known as "Interest Rate Yield Curve Risk". Currently, the interest rate yield curve is flat but is expected to return to an average shape at some point in the future. The effective date of the 2006 Constant Maturity Swap is being delayed until approximately January 1, 2008, to allow time for the yield curve to return to a positive slope. However, no-one can predict the future of interest rates, particularly over a period of over 25 years which is the length of the proposed 2006 Constant Maturity Swap.. Interest Rate Yield Curve Risk is discussed in further detail below.

The County has selected RBC to be the provider of the 2006 Constant Maturity Swap, and RBC qualifies to serve as a party to a QIRMP under the requirements of the Debt Act (see discussion of Counterparty Risk, below). The County has entered into engagement agreements with IMAGE to serve as financial advisor, and Rhoads & Sinon LLP to serve as special counsel, in connection with the 2006 Constant Maturity Swap. These firms will receive payments directly from RBC after the 2006 Constant Maturity Swap is entered into (as listed in Appendix B). These payments have the affect of decreasing the fixed percentage of 10-Year LIBOR to be received by the County and, therefore, reducing the net payments that will be receivable by the County under the 2006 Constant Maturity Swap.

I. County Debt Outstanding

The County had total debt outstanding backed by its full faith, credit and taxing power of \$219,585,000 as of this date, consisting of \$126,680,000 of General Obligation Bonds of the County itself, \$82,350,000 of lease rental debt evidenced by outstanding bonds or notes of GASP (as to which the County is the guarantor), and \$10,375,000 of lease rental debt evidence by a guaranty of outstanding bonds of the YCIDA. A schedule of all currently outstanding debt obligations, including fixed annual debt service and, for floating rate debt, estimated annual debt service, is shown in Appendix A. No new debt is proposed or associated with entering into the 2006 Constant Maturity Swap other than the previously issued 2006 Bonds.

II. County/Authority Swaps Outstanding

The County has only entered into the 2006 Basis Swap allocable to its own general obligation bonds as of this date (as described above in Background). The County has also effectively guaranteed five swaps that are currently outstanding, four covering bonds issued by GASP and one covering bonds issued by YCIDA.

On June 29, 2000, GASP issued its Variable Rate Demand County Guaranteed Revenue Bonds, Series A of 2000 (the "2000A GASP Bonds"), in the aggregate principal amounts of \$22,035,000 (\$19,090,000 of which remain outstanding). On October 19, 2001, GASP issued its Variable Rate Demand County Guaranteed Revenue Bonds, Series of 2001 (the "2001 GASP Bonds"), in the aggregate principal amount of \$32,435,000 (\$30,645,000 of which remain outstanding). The 2000A GASP Bonds and the 2001 GASP Bonds were issued in a floating rate mode with weekly interest rate resets, and both carry AMBAC municipal bond insurance. The 2000A Bonds were further secured by a Standby Bond Purchase Agreement issued by First Union/Wachovia Bank (together, the "2000A Liquidity Facility"). The 2001 Bonds were further secured by a Standby Bond Purchase Agreement issued by JP Morgan/Chase Bank (the "2001 Liquidity Facility"). All sums due on the 2000A GASP Bonds and on the 2000A Liquidity Facility, as well as all sums due on the 2001 GASP Bonds and on the 2001 Liquidity

Facility, are payable by the County under a Loan Agreement (which does not legally constitute County indebtedness), and under a Guaranty Agreement (which does constitute County lease rental debt), both dated as of June 1, 2000. The maximum interest rate on the 2000A GASP Bonds and on the 2001 GASP Bonds is 15.0%.

On June 27, 2003, GASP entered into a forward starting interest rate swap with RBC with respect to the \$32,435,000 then outstanding principal amount of the 2001 GASP Bonds, under the terms of which GASP (and the County under the Loan Agreement and Guaranty Agreement) make fixed rate payments of 4.06% and receive a floating rate payments based on 100% of the BMA Index commencing on January 2, 2004 (the "2001 Bonds Fixed Pay Swap").

On October 30, 2003, GASP issued the 2003 GASP Bonds in the aggregate principal amounts of \$32,620,000 (\$32,615,000 of which remain outstanding). The 2003 GASP Bonds were issued in a floating rate mode, with weekly interest rate resets (which continues today), and carry AMBAC municipal bond insurance. The 2003 Bonds were further secured by a Standby Bond Purchase Agreement issued by RBC Centura Bank (the "2003 Liquidity Facility"). All sums due on the 2003 GASP Bonds and on the 2003 Liquidity Facility are payable by the County under a Loan Agreement (which does not legally constitute County indebtedness), and under a Guaranty Agreement (which does constitute County lease rental debt), both dated as of October 1, 2003. The maximum interest rate on the 2003 GASP Bonds is 15.0%.

On March 1, 2004, GASP (at the request of the County) did the following: a) converted both the 2000A GASP Bonds and the 2001 GASP Bonds from the weekly floating rate mode to a term rate mode having a fixed rate of 4.50% for a period ending on December 1, 2008, b) applied additional proceeds of the remarketing of the 2000A GASP Bonds and 2001 GASP Bonds at a premium interest rate (reducing the outstanding principal amount of the 2000A GASP Bonds from \$21,590,000 to \$19,090,000, and reducing the outstanding principal amount of the 2001 GASP Bonds from \$32,435,000 to \$30,645,000, c) terminated the 2000A Liquidity Facility and 2001 Liquidity Facility, and the Remarketing Agreements associated with the 2000A GASP Bonds and the 2001 GASP Bonds, during the term rate period, and d) simultaneously executed a floating rate pay (100% of BMA)/fixed rate receipt (2.51%) interest rate swap (the "2000A/2001 Term Period Floating Pay Swap") with RBC to synthetically convert the 2000A GASP Bonds and 2001 GASP Bonds *back* to floating rate obligations (plus the differential in the fixed rate obligations) during the same term rate period. The 2001 Bond Fixed Pay Swap remained in place as originally contemplated so that the floating rate obligations on the 2000A/2001 Term Period Floating Pay Swap attributable to the 2001 GASP Bonds are offset to create "synthetic fixed rate" obligations on the 2001 GASP Bonds. The maximum interest rate applicable to payments by the County on the 2000A/2001 Term Period Floating Pay Swap is 17.51%.

On November 16, 2004, YCIDA entered into a floating rate (100% of LIBOR) receipt/fixed rate (4.71%) pay (the "2003B YCIDA Bonds Fixed Pay Swap") relating to a portion of the YCIDA's outstanding \$8,375,000 Variable Rate Demand County Guaranteed Economic Development Revenues Bonds (York County Economic Development Corporation Project), Series 2003B (Taxable) (the "2003B YCIDA Bonds"). The 2003B YCIDA Bonds Fixed Pay Swap is on an initial notional amount of \$5,000,000 declining to \$3,000,000 on December 1, 2009, creating a partial "synthetic fixed rate" liability of GASP (and the County as guarantor of the 2003B YCIDA Bonds and the 2003B YCIDA Bonds Fixed Pay Swap). RBC is the provider of the 2003B YCIDA Bonds Fixed Pay Swap. The final termination date of the 2003B YCIDA Bonds Swap is December 1, 2014, which is not later than the final maturity date of the 2003B YCIDA Bonds. The remaining portion of the 2003B YCIDA Bonds in the amount of \$2,375,000 (increasing to \$5,375,000) will remain as unhedged floating rate bonds. Also, the \$2,000,000 Variable Rate Demand County Guaranteed Economic Development Revenues Bonds (York County Economic Development Corporation Project), Series 2003A (Taxable) (the "2003A YCIDA Bonds"), also guaranteed by the County, remain unhedged in a floating rate mode. The maximum interest rate on the 2003A YCIDA Bonds and on the 2003B YCIDA Bonds is 25.0%.

On March 16, 2005, GASP, at the County's request, entered into two forward starting, floating rate receipt/fixed rate pay swaps (together, the "2000A/2003 Bonds Fixed Pay Swaps"), relating to (1) GASP's \$19,090,000 outstanding County Guaranteed Revenue Bonds Series A of 2000 (the "2000A GASP Bonds"), currently in a term rate (fixed) mode through December 1, 2008, and its corresponding floating rate pay/fixed rate receipt obligations under the 2004 Term Rate Swap (see above), and (2) GASP's \$32,260,000 outstanding County Guaranteed Revenue Bonds, Series of 2003 (the "2003 GASP Bonds"), currently in a weekly floating rate mode. The 2000A/2003 Bonds Fixed Pay Swaps were structured with a declining notional (principal) amount that mirrored the principal amortization schedules on the 2000A GASP Bonds and 2003 GASP Bonds, respectively, thus creating "synthetic fixed rate" liabilities of GASP and the County. The 2000A/2003 Bonds Fixed Pay Swaps was structured so that after their effective date, June 1, 2006, GASP will receive semiannual payments equal to the notional amount of each of the 2000A/2003 Bonds Fixed Pay Swaps multiplied by a floating rate based on 100% of the rate established by the Bond Market Association ("BMA") tax-exempt obligation floating rate index, during that period. On the same payment dates, GASP will be required to make payments, based on the same notional amounts, multiplied by a fixed rate of 4.335% on the 2000A Bonds Fixed Pay Swap and 4.43% on the 2003 Bonds Fixed Pay Swaps. The GASP (via the County) will continue to make regularly scheduled payments on the associated Bonds. The net effect being is that GASP created a synthetic fixed rate obligation from the effective date to the termination date of the 2000A/2003 Bonds Fixed Pay Swaps.

The proposed 2006 Constant Maturity Swap, the 2006 Basis Swap, the 2000A/2003 Bonds Fixed Pay Swaps, the 2001 Bonds Fixed Pay Swap, the 2000A/2001 Term Period

Floating Pay Swap and the 2003B YCIDA Bonds Fixed Pay Swap are collectively referred to as the "County Swaps".

III. Fees Paid or Payable in Connection with the 2006 Constant Maturity Swap

The Debt Act states that a QIRMA must contain, among other provisions "a schedule listing all consulting, advisory, brokerage or similar fees, paid or payable, by the local government unit in connection with the qualified interest management agreement, and a schedule of any finder's fees, consulting fees, or brokerage fees, paid or payable by the other party in connection with the qualified interest management agreement." A schedule of all consulting, advisory, brokerage or similar fees to be paid by the County, RBC and any other party in connection with the 2006 Constant Maturity Swap, is shown in Appendix B.

IV. Scheduled Periodic Payments under the 2006 Constant Maturity Swap

A schedule of fixed, and in the case of floating rate obligations, estimated and maximum periodic scheduled annual payments, payable by the County, and to be received from RBC under the 2006 Constant Maturity Swap and 2006 Basis Swap in each year during the term of the 2006 Constant Maturity Swap and 2006 Basis Swap, is shown in Appendix C. These maximum schedules are based on a cap of 25% on the County payments under both the 2006 Basis Swap and the 2006 Constant Maturity Swap. The schedules also assume that the 1-Month LIBOR index equals 100% of BMA, both at 25% and that 10 Year LIBOR is at 0.00%. Therefore, under the 2006 Basis Swap, the County would pay 25% and RBC would pay 67% of 25% = 16.75%, which would result in maximum net payments by the County, and under the 2006 Constant Maturity Swap the County will pay 25% and receive 0.00% from RBC also representing maximum payments by the County. The County amended the ordinance originally authorizing the 2006 Bonds to increase the payments on the 2006 Bonds and the 2006 Basis Swap to equal the 25% cap on the swap payments plus the fixed rate payments on the 2006 Bonds. The County is again amending the 2006 Bonds ordinance to increase the total interest payable to include up to 25% on the 2006 Constant Maturity Swap.

V. Risk Analysis on the Proposed 2000A/2003 Bonds Fixed Pay Swaps

The following is an analysis of certain potential (1) risks to the County by entering into the 2006 Constant Maturity Swap, (2) the risks inherent in the County's currently outstanding debt, and (3) risks already assumed by the County under the documents supporting the other County Swaps (because the County is the true obligor on the County Swaps, we will refer to the obligations as being those of the County even

though GASP and/or the YCIDA is the party signing the contract as the issuer of the underlying bonds):

Classifications of Risks Inherent in Swap Contracts

1. **Interest Rate Risk** is the risk that short term interest rates payable on floating rate bonds payable by the County increase in the future due to a change generally in the tax-exempt bond market, or due specifically to credit concerns relating to the County. The County currently has exposure to floating interest rates on the 2000A GASP Bonds (combined with the 2000A/2001 Term Period Floating Pay Swap) and on the 2003 GASP Bonds which has been mitigated substantially by the BMA floating rate payments it receives on the 2000A/2003 Bonds Fixed Pay Swaps. The 2001 GASP Bonds are already hedged by the 2001 Bonds Fixed Pay Swap. The \$5,000,000 out of the \$8,375,000 outstanding 2003B YCIDA Bonds are effectively at fixed rates under the 2003B YCIDA Bonds Fixed Pay Swap (though the \$2,000,000 2003A YCIDA Bonds remain floating), and are payable from sources other than County general revenues. After entering into the 2000A/2003 Bonds Fixed Pay Swaps, 100% of the debt service payable by the County general revenues was in fixed rate bonds or synthetically fixed by swap transactions, thereby minimizing interest rate risk.

The 2006 Bonds have been issued as fixed rate bonds and do not themselves add any additional interest rate risk to the County. However, the addition of the 2006 Basis Swap introduced a specific type of interest rate risk to the County. Historically, the receipt of 67% of 1-Month LIBOR and the payment of BMA has effectively cancelled out resulting in the overall benefit to a basis swap being the Fixed Spread. As is further discussed in the explanation of Basis Risk, if the 67% of 1-Month LIBOR is not sufficient to offset the BMA payment due to any of the factors described below (primarily Tax Risk), at higher levels of short term interest rates (i.e. 1-Month LIBOR and BMA) the risk and the and any resulting mismatch will be greater, and could decrease or eliminate the benefit from the 2006 Basis Swap. At lower levels of short term interest rates, the interest rate risk as a result of a mismatch will be substantially smaller.

Interest rate increases resulting from rating downgrades due specifically to County credit perceptions in the marketplace (and resulting mismatches between the County's bond payments and receipts based on a nationwide index) can be avoided by the County observing sound fiscal policies. The use of municipal bond insurance (and the insured AAA rating) on any underlying bonds should also allow the bonds to be remarketed at variable rates approximating the BMA index. As the 2006 Basis Swap and the 2006 Constant Maturity Swap payments/receipts do not rely on the specific credit perception of the County, only the general relationship of the tax-exempt and taxable indices utilized will impact the cashflow benefits.

a. **Yield Curve Risk** Under the 2006 Constant Maturity Swap, the County will be paying 100% of 1-Month LIBOR in exchange for a 100% of 10-Year LIBOR less a fixed spread. Under this structure, the County is exposed to a form of Interest Rate Risk commonly referred to as "yield curve risk" which will result in a loss to the County whenever the LIBOR yield curve is flat to inverted. Negative cashflows as a result of the 2006 Constant Maturity Swap increase as the level of interest rates rise in a flat or inverted yield curve environment, as the receipt from the 2006 Constant Maturity Swap will not sufficiently outweigh the payment. A flat yield curve in a high interest rate environment will result in larger losses to the County than in a low interest rate environment

2. **Counterparty Risk** is the risk that the swap counterparty will not perform pursuant to the swap contract's terms. Under the current County Swaps, for example, if RBC defaults and the County elects to terminate the fixed pay swap(s), the County would return to (an unhedged) floating rate position, reassuming the original interest rate risk of variable rate bonds. With regard to the 2006 Basis Swap, under the liquidated damages clause in the Swap Documents, an early termination of the agreement would require a payment (regardless of the cause of the termination or party at fault) (a) by the County to RBC if the long term % of LIBOR to BMA ratio has increased or remained approximately the same, or (b) a payment by RBC to the County, if the long term % of LIBOR to BMA ratio has decreased since the date the 2006 Basis Swap was entered into. The overall market level of interest rates, while factoring into the termination payment, is not as significant as the ratio of BMA to LIBOR in determining the exposure of one party to the other under the 2006 Basis Swap.

With regard to the 2006 Constant Maturity Swap, under the liquidated damages clause in the Swap Documents, an early termination of the agreement would require a payment (regardless of the cause of the termination or party at fault) (a) by the County to RBC if the difference between short term rates (1-Month LIBOR) and long term rates (10-Year LIBOR) has decreased or gone negative, or (b) a payment by RBC to the County, if the difference between short and long term rates (and the related indexes) have increased substantially since the date the 2006 Constant Maturity Swap was entered into. The overall market level of interest rates, while a factor in the termination payment, is not as significant as the relative difference between the 1-Month and 10-Year LIBOR indexes, in determining the exposure of one party to the other under the 2006 Constant Maturity Swap.

Before entering into the 2006 Constant Maturity Swap, RBC has been the counterparty on a total of \$211,980,000 of swap contracts currently payable directly, or guaranteed, by the County. Some of that exposure is currently

offsetting (some County Swaps have additional County Swaps underlying them that counteract or neutralize each other until December 1, 2008), for a net exposure of \$112,510,000. The addition of the 2006 Constant Maturity Swap will increase the principal amount of the County Swaps to total \$286,870,000 with a net exposure after June 1, 2006 of \$187,400,000. After December 1, 2008 however, the exposure will increase to \$237,135,000 (as 2000A and 2001 Term Period Floating Pay Swaps expire and some of the offsetting exposure is eliminated).

RBC is the counterparty on all of the County Swaps. RBC's credit rating is currently AA- by Moody's Investor's Service, Aa2 by Standard & Poor's Corporation and AA by Fitch Investors Service. These are relatively high ratings (in the second highest rating category), and compare favorably to other providers of such swaps of municipal obligations in Pennsylvania. RBC's credit ratings exceed the Debt Act's minimum credit rating requirement of "at least the third highest rating category from a nationally recognized rating agency". Nevertheless, the County should continuously monitor exposure levels, ratings thresholds and collateralization requirements, if necessary, on all County Swaps by regularly consulting with a qualified swap advisory firm.

3. **Termination Risk** is the risk that a swap could be terminated unintentionally and prematurely as a result of any of several events, which may include a covenant default by the counterparty (which would relate to counterparty risk), a credit rating downgrade against the County or RBC (due to financial distress or otherwise), bond payment defaults (cross defaults), and other specified termination events as defined in the swap documents. As stated above for counterparty risk, a premature termination, *regardless of fault or the party causing the termination*, could result in a termination payment being owed by the County dependent on the prevailing interest rate market in to the case of the Fixed Payer and Fixed Receipt Swaps, the BMA/LIBOR ratio in to the case of the 2006 Basis Swap and the relationship of 1-Month LIBOR to 10-Year LIBOR in the case of the 2006 Constant Maturity Swap. The party not causing the termination event typically has the option of terminating or not terminating the contract, but who makes the payment and the amount of the payment are determined entirely by market conditions.

The most common cause of unintended termination is a credit rating downgrade against one of the parties to the transaction. The existing and proposed County Swap Documents provide for a termination event if the County's credit rating falls below BBB/Baa2 (at RBC's option), or in the event RBC's credit rating falls below BBB/Baa2 (at the County's option).

The County's credit rating is currently AA- by Standard & Poor's Corporation, two grades above the termination rating. The County's finances are

currently sound based upon analyses conducted by the various insurers of its Bonds within the past year, as well as analyses performed by Standard & Poor's in assigning these underlying ratings.

RBC's credit ratings of AA-/Aa2/AA, as previously discussed, are relatively high at two grades above the termination threshold. Swap documents can provide for collateralization from both the Counterparty or the Issuer that require a downgraded party to post marketable securities (such as treasury obligations) as collateral, held by a third party custodian at various rating levels triggered as a result of successive downgrades, that can be liquidated in the event of a termination. Collateral posted by the County is the subject of legal issues regarding the ability of a public body segregating funds for that purpose. IMAGE believes that given the credit rating of RBC and the County, the County need not require RBC to post collateral to support its obligations under the 2006 Constant Maturity Swap.

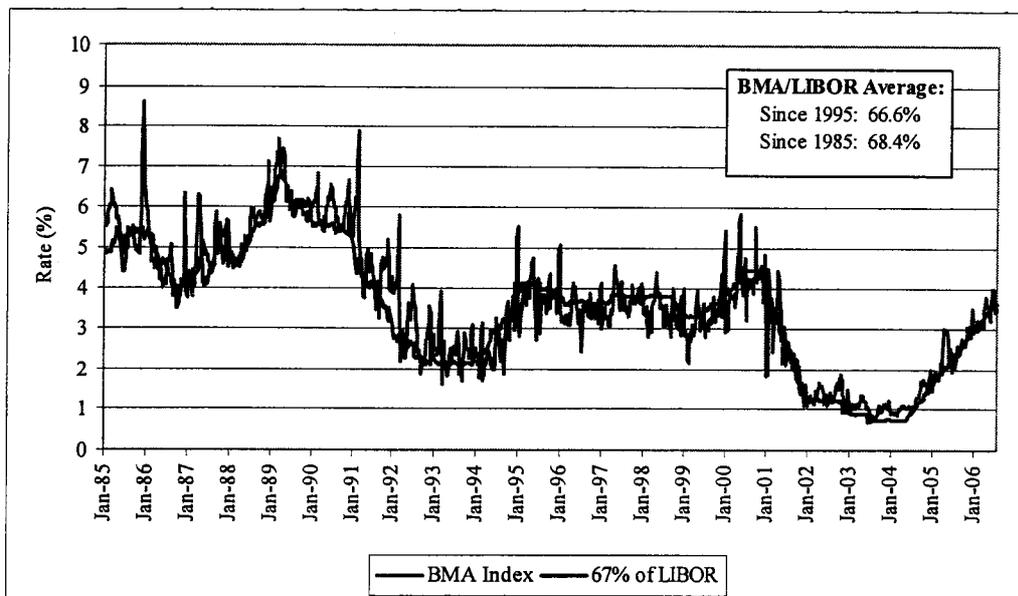
A schedule illustrating the consequences of terminating any of the County Swaps prior to their expiration dates, including payments to be made or received by the County under various assumed interest rate environments, is included in Appendix D.

4. **Market Access Risk** is the risk that the County is unable to access the debt market when it has capital needs in the future in association with a swap transaction. This risk is subject to overall general market conditions as well as the County's credit at the time. Given the County's current rating and financial condition, market access risk appears to be minimal. This could change, however, if the County fails to continue observing prudent fiscal policies.,

The County is not assuming any additional Market Access Risk as a result of the 2006 Constant Maturity Swap. The County will be required to access the capital markets at end of the term rate period on December 1, 2008, to remarket the 2000A GASP Bonds and the 2001 GASP Bonds. Because the 2000A/2003 Bonds Fixed Pay Swaps are floating receipt swaps, these underlying bonds would need to be remarketed to a floating rate mode or one that would be created via another floating pay swap. If the bonds are remarketed in a floating rate mode, the County would need to obtain a liquidity facility at that time (see Liquidity/Remarketing Risk below).

5. **Basis Risk** in relation to the fixed pay County Swaps is the risk of a mismatch arising between the monthly floating rate payments receivable by the County from the Counterparty and the monthly interest payments due on the County's floating rate bonds. If the floating swap payments by the Counterparty, based on 100% of the BMA index are less than what the County owes on its

underlying bonds, it will be required to pay the difference in addition to fixed payments due on the County Swaps. However, basis differential could increase if the County's financial situation deteriorates resulting in remarketed rates on the floating rate bonds which are higher than the BMA index, causing a negative mismatch of payments and receipts.



spread of 57 basis points have averaged approximately 133 basis points higher than the historical receipt of the 1-Month LIBOR. The expectation for the future is that Basis Risk on the 2006 Basis Swap will be mitigated by the expected receipts on the 2006 Constant Maturity Swap. If 1-Month LIBOR maintains the average and the relationship between 1-Month LIBOR and 10-Year LIBOR remains at or near the historical average, the County could expect to realize approximately 157 basis points (42 basis points in the 2006 Basis Swap and 133 basis points in the 2006 Constant Maturity Swap) of benefit as a result of the combined transactions. Any mitigation of Basis Risk in the 2006 Basis Swap by the 2006 Constant Maturity Swap is dependent on the shape of the yield curve, with a historically average yield curve, the mitigation will be approximately 133 basis points.

In the event Basis Risk begins to negatively impact the County to a significant degree, the County may elect to terminate any of its swaps at any time in the future possibly resulting in a termination payment by the County to RBC.

6. **Tax Risk** is the risk all issuers of tax-exempt floating rate debt face, because the floating rate demanded by bondholders will increase if marginal income tax rates decline (and the benefit of tax exemption is reduced). This

possibility of (primarily federal) tax law changes is known as tax risk, which also creates basis risk if the underlying index for the swap is based on taxable rates (such as LIBOR) and the bond payments are at tax-exempt rates. Using a percentage of the taxable LIBOR index (67% for example) to hedge tax-exempt obligations is a common strategy for municipal issuers, but it places tax risk with the issuer since the interest rate payments could increase following an adverse tax law change, but the taxable rate index would not increase the payments receivable by the issuer (creating the mismatch described above).

The County's Fixed Pay Swaps are based on the BMA Index, which is an index of tax-exempt interest rates, and payments to the County would increase following an adverse tax law change commensurate with the tax-exempt bond rates it is paying. Hence, tax risk is not material for the County's Fixed Pay Swaps. If however, the swap transactions are terminated the County would reassume tax risk inherent in unhedged floating rate tax-exempt bonds.

The 2006 Basis Swap was primarily based upon the County assuming Tax Risk. In the 2006 Basis Swap, the County will receive a payment equal to 67% of LIBOR plus a Fixed Spread and make a payment equal to 100% of BMA. As the relationship of BMA to LIBOR (historically it has approximated 67%) is based primarily on the benefit received by holders of tax-exempt debt, any change in the benefit of tax-exemption will result in a concurrent change of the benefit of the 2006 Basis Swap. Any decrease in marginal tax rates (from the current top rate of 35%), or similar tax law changes, will negatively impact the cashflow benefit resulting from the 2006 Basis Swap. Alternatively, any increase in marginal tax rates will positively impact the cashflow benefit. There can be no assurances that marginal tax rates or the benefit of tax exemption on municipal bonds will not change during the life of the 2006 Basis Swap. In addition, as was discussed previously, Tax Risk and Basis Risk is increased as the level of interest rates rises resulting in the possibility of larger negative (or positive) cashflows from the 2006 Basis Swap. Although no representation can be made in regards to future tax changes, the overall risk to the County is reduced as the underlying 2006 Bonds amortize (and resulting amortization of the 2006 Basis Swap occurs) and is also mitigated as time elapses the present value cost of any negative tax changes is less in the future.

The addition of the 2006 Constant Maturity does not increase Tax Risk to the County. This does not alter that fact the County still is exposed to the Tax Risk discussed above that was accepted when the County entered into the 2006 Basis Swap. However, as the 2000 Constant Maturity Swap will not be affected by a change in tax law or a reduction in the benefit of tax-exemption (because both of the legs of the 2006 Constant Maturity Swap are based on taxable rates), the expected benefit based on historical results will assist in mitigating the impact of any such change that results in negative results from the 2006 Basis Swap. The

resulting benefit and level of mitigation will coincide with the 2006 Basis Swap as the 2006 Bonds are amortized simultaneously and be dependent on the shape of the yield curve at the time.

7. **Liquidity/Remarketing Risk** is the risk that the County will be unable to obtain a reasonably priced renewal of existing Standby Bond Purchase Agreements or new letters or line of credit to support the County's obligation to purchase bonds that are tendered and cannot be remarketed. A required remarketing will also occur at the end of the term rate period on December 1, 2008, for the 2000A GASP Bonds and the 2001 GASP Bonds. This risk exists independently of the 2000A/2003 Bonds Fixed Pay Swaps, however in the event that liquidity is not available and the underlying bonds would have to be retired (presumably with fixed rate refunding bonds) which, under the Debt Act, would require the related swap(s) to be terminated. A termination payment might then be due depending on the general level of interest rates at the time. A strategy similar to that which was utilized to create a synthetic floating rate (eliminating the need for a liquidity facility) under the 2000A/2001 Term Period Floating Pay Swap could be utilized. The 2006 Basis Swap and the 2006 Constant Maturity Swap do not introduce any additional Liquidity/Remarketing Risk to the County as the underlying 2006 Bonds were issued as fixed rate securities. In any event, IMAGE does not believe Liquid/Remarketing Risk is material for the County.

8. **Amortization Risk** is the risk of the County facing a termination payment resulting from the remaining notional amount of an outstanding swap exceeding the outstanding principal amount of the underlying bonds. Under the Debt Act the notional amount of a swap cannot exceed the outstanding principal amount of the underlying bonds. As has occurred with all of the County's previous Swaps, the scheduled reduction in the notional amounts of the 2006 Basis Swap and the 2006 Constant Maturity Swap mirror the principal amortization of the 2006 Bonds. However, if the County prepays any of the 2006 Bonds, it would be forced to terminate at least a matched portion of the 2006 Basis Swap and the 2006 Constant Maturity Swap which could trigger a payment by the County in an unfavorable market conditions. This could impact the County's ability to optionally redeem the 2006 Bonds in connection with a cash defeasance or refunding.

The Swap Documents contain a provision which allows the 2006 Basis Swap and the 2006 Constant Maturity Swap to also apply to new bonds which are issued by the County refund the 2006 Bonds. To avoid a termination payment, the annual maturities of the refunding bonds could not be less than the scheduled annual notional amounts remaining on the 2006 Basis Swap. Any principal maturities on the refunding bond that exceed the notional amounts of the 2006 Basis Swap would not be covered by that transaction.

9. **Yield Curve Risk** — As the 2006 Constant Maturity Swap takes advantage of the difference between long and short term rates, Yield Curve Risk is being introduced. Yield Curve Risk occurs when the LIBOR interest rate yield curve (the level of interest rates for different maturities) becomes inverted, i.e., interest rates on short-term maturities are higher than long term maturities. The 2006 Constant Maturity Swap capitalizes on the current flat yield curve (the current spread between short term maturities and long term maturities which is near historical lows). Should the LIBOR yield curve remain relatively flat or invert for a significant period of time, the benefits of the 2006 Constant Maturity Swap will be negatively impacted or result in negative cashflows. Although historic data (shown previously) suggests that the 2006 Constant Maturity Swap should produce positive cashflows to the County, past performance is not a guaranty of future results. In addition, in the environment where the Yield Curve is flat to inverted and cashflow is negatively impacted, the County will be exposed to the largest termination payment scenario, during periods where cashflows are greatest, any termination will result in a payment being available to the County if it elects to terminate the 2006 Constant Maturity Swap. Yield Curve Risk is not applicable to the other County Swaps.

VI. ONGOING MONITORING

Appendix A and C contain schedules of the fixed, estimated and maximum net scheduled periodic payments (a) due under the 2006 Constant Maturity Swap and 2006 Basis Swap, (b) due on all indebtedness issued or guaranteed by the County and (c) due under all other County Swaps. The 2003A and B YCIDA Bonds and corresponding 2003B YCIDA Bonds Fixed Pay Swap are illustrated for information purposes, but are self-liquidating from non-County revenues.

The Debt Act requires the County to monitor and disclose certain information relating to interest rate risk, basis risk, termination risk, credit risk, market-access risk and other risks, including the valuation of the market and termination cost/value of the 2000A/2003 Bonds Fixed Pay Swaps and all other swaps payable by the County. The County has retained DerivActiv, (of which IMAGE is a co-owner) a qualified swap monitor to monitor, report and document the following items, including coordinating such matters with the County's auditors and financial personnel, on no less than an annual basis:

1. Maintain a database of existing County Swaps including a description of all outstanding interest rate swap agreements, including bond series, type of swap, rates paid and received by the County, total notional amount, average life of each swap agreement, remaining term of each swap agreement.
2. Material changes to swap agreements

3. Termination exposure of each of the County Swaps
4. Credit rating of RBC or other swap counterparty
5. If applicable, information concerning any potential or actual default by a swap counterparty under the swap documents, including but not limited to the financial impact to the County.
6. If applicable, information concerning any potential or actual default by County to a swap counterparty under the swap documents, including but not limited to the financial impact to the County.
7. Assist in an election to terminate any of the County Swaps

DerivActiv provides these services in a separate engagement with the County and is available to assist the County in its monitoring and reporting responsibilities.

VII. FAIR AND REASONABLENESS OPINION TO BE RENDERED BY IMAGE

For a swap transaction to be considered a Qualified Interest Rate Management Plan under the Debt Act, an Independent Financial Advisor (as defined in the Debt Act) must render an opinion to the Local Government Unit that the "financial terms and conditions" of the transaction, including the interest rate to be paid or received, are "fair and reasonable to the local government unit as of the date of the award". IMAGE regularly monitors and oversees swap transactions by municipal entities throughout the United States and is familiar with the methodology for pricing such transactions. Because the County has elected to enter into the 2006 Constant Maturity Swap on a negotiated basis, and the inherent complexity of such transaction, it must rely on IMAGE to assure that the County is receiving fair and reasonable pricing and terms, consistent with the facts and circumstances of the trade. A representative of IMAGE will be present on the recorded conference call during which the final terms (particularly the interest rates to be paid by the County) will be confirmed and accepted by a County representative. At that time the IMAGE representative will orally confirm the fairness and reasonableness of the financial terms, which will subsequently be confirmed in a written opinion of the firm.

Appendix E contains the substantial form of Opinion proposed to be rendered by IMAGE to the County to comply with the requirements of the Debt Act and provide comfort to the County that the ultimate pricing of the 2006 Constant Maturity Swap will be fair and reasonable.

Appendix A

Current Debt Service on All Outstanding Bonds Issued or Guaranteed by the County

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 General Obligation Bonds, Series of 2000
 Semiannual Debt Service Payment Schedules

Date	Principal Maturity	Coupon	Interest 30/360 Day Basis	Debt Service	Annual Debt Service
6/1/2006					
12/1/2006			19,166.25	19,166.25	19,166.25
6/1/2007	185,000	4.700%	19,166.25	204,166.25	204,166.25
12/1/2007			14,818.75	14,818.75	218,985.00
6/1/2008	185,000	4.750%	14,818.75	209,818.75	209,818.75
12/1/2008			10,187.50	10,187.50	220,006.25
6/1/2009	205,000	4.800%	10,187.50	215,187.50	220,455.00
12/1/2009			5,267.50	5,267.50	220,455.00
6/1/2010	215,000	4.900%	5,267.50	220,267.50	220,267.50
12/1/2010			-	-	-
6/1/2011			-	-	-
12/1/2011			-	-	-
6/1/2012			-	-	-
12/1/2012			-	-	-
6/1/2013			-	-	-
12/1/2013			-	-	-
6/1/2014			-	-	-
12/1/2014			-	-	-
6/1/2015			-	-	-
12/1/2015			-	-	-
6/1/2016			-	-	-
12/1/2016			-	-	-
6/1/2017			-	-	-
12/1/2017			-	-	-
6/1/2018			-	-	-
12/1/2018			-	-	-
6/1/2019			-	-	-
12/1/2019			-	-	-
6/1/2020			-	-	-
12/1/2020			-	-	-
6/1/2021			-	-	-
12/1/2021			-	-	-
6/1/2022			-	-	-
12/1/2022			-	-	-
6/1/2023			-	-	-
12/1/2023			-	-	-
6/1/2024			-	-	-
12/1/2024			-	-	-
6/1/2025			-	-	-
12/1/2025			-	-	-
6/1/2026			-	-	-
12/1/2026			-	-	-
6/1/2027			-	-	-
12/1/2027			-	-	-
6/1/2028			-	-	-
12/1/2028			-	-	-
6/1/2029			-	-	-
12/1/2029			-	-	-
6/1/2030			-	-	-
12/1/2030			-	-	-
6/1/2031			-	-	-
12/1/2031			-	-	-
6/1/2032			-	-	-
12/1/2032			-	-	-
6/1/2033			-	-	-
12/1/2033			-	-	-
	800,000		98,880.00	898,880.00	898,880.00

COUNTY OF YORK, PENNSYLVANIA
 GASP - Series A of 2000
 Semiannual Debt Service Payment Schedules

Date	Principal Maturity	Coupon	VRDB Interest	Liquidity 0.20%	Remarketing 0.10%	2004 Fixed Conversion 4.50%	2004 Fixed Receipt 2.51%	2004 Swap Pay BMA 3.05%	2005 Swap Fixed Pay 4.335%	2005 Swap Rec. BMA 3.05%	Debt Service	Annual Debt Service
6/1/2006						429,525.00	(239,579.50)	291,122.50	413,775.75	(291,122.50)	603,721.25	603,721.25
12/1/2006						429,525.00	(239,579.50)	291,122.50	413,775.75	(291,122.50)	603,721.25	1,207,442.50
6/1/2007						429,525.00	(239,579.50)	291,122.50	413,775.75	(291,122.50)	603,721.25	1,207,442.50
12/1/2007						429,525.00	(239,579.50)	291,122.50	413,775.75	(291,122.50)	603,721.25	1,207,442.50
6/1/2008	560,000	3.050%	291,122.50	19,360.44	9,545.00							
12/1/2008	560,000	3.050%	282,582.50	18,792.51	9,265.00							
6/1/2010	580,000	3.050%	282,582.50	18,792.51	9,265.00							
12/1/2010	580,000	3.050%	273,737.50	18,204.29	8,975.00							
6/1/2011	605,000	3.050%	273,737.50	18,204.29	8,975.00							
12/1/2011	605,000	3.050%	264,511.25	17,590.72	8,672.50							
6/1/2012	630,000	3.050%	264,511.25	17,590.72	8,672.50							
12/1/2012	630,000	3.050%	254,903.75	16,951.80	8,357.50							
6/1/2013	665,000	3.050%	254,903.75	16,951.80	8,357.50							
12/1/2013	665,000	3.050%	244,915.00	16,287.52	8,030.00							
6/1/2014	680,000	3.050%	244,915.00	16,287.52	8,030.00							
12/1/2014	680,000	3.050%	234,545.00	15,597.88	7,690.00							
6/1/2015	705,000	3.050%	234,545.00	15,597.88	7,690.00							
12/1/2015	705,000	3.050%	223,793.75	14,882.90	7,337.50							
6/1/2016	735,000	3.050%	223,793.75	14,882.90	7,337.50							
12/1/2016	735,000	3.050%	212,585.00	14,137.48	6,970.00							
6/1/2017	765,000	3.050%	212,585.00	14,137.48	6,970.00							
12/1/2017	765,000	3.050%	200,918.75	13,361.65	6,587.50							
6/1/2018	785,000	3.050%	200,918.75	13,361.65	6,587.50							
12/1/2018	785,000	3.050%	188,795.00	12,555.38	6,190.00							
6/1/2019	825,000	3.050%	188,795.00	12,555.38	6,190.00							
12/1/2019	825,000	3.050%	176,213.75	11,718.70	5,777.50							
6/1/2020	860,000	3.050%	176,213.75	11,718.70	5,777.50							
12/1/2020	860,000	3.050%	163,098.75	10,846.51	5,347.50							
6/1/2021	880,000	3.050%	163,098.75	10,846.51	5,347.50							
12/1/2021	880,000	3.050%	149,526.25	9,943.90	4,902.50							
6/1/2022	930,000	3.050%	149,526.25	9,943.90	4,902.50							
12/1/2022	930,000	3.050%	135,343.75	9,000.73	4,437.50							
6/1/2023	965,000	3.050%	135,343.75	9,000.73	4,437.50							
12/1/2023	965,000	3.050%	120,627.50	8,022.06	3,955.00							
6/1/2024	1,005,000	3.050%	120,627.50	8,022.06	3,955.00							
12/1/2024	1,005,000	3.050%	105,301.25	7,002.82	3,452.50							
6/1/2025	1,040,000	3.050%	105,301.25	7,002.82	3,452.50							
12/1/2025	1,040,000	3.050%	89,441.25	5,948.09	2,932.50							
6/1/2026	1,085,000	3.050%	89,441.25	5,948.09	2,932.50							
12/1/2026	1,085,000	3.050%	72,895.00	4,847.72	2,390.00							
6/1/2027	1,125,000	3.050%	72,895.00	4,847.72	2,390.00							
12/1/2027	1,125,000	3.050%	55,738.75	3,706.78	1,827.50							
6/1/2028	1,170,000	3.050%	55,738.75	3,706.78	1,827.50							
12/1/2028	1,170,000	3.050%	37,896.25	2,520.20	1,242.50							
6/1/2029	1,220,000	3.050%	37,896.25	2,520.20	1,242.50							
12/1/2029	1,220,000	3.050%	19,291.25	1,282.92	632.50							
6/1/2030	1,265,000	3.050%	19,291.25	1,282.92	632.50							
12/1/2030												
6/1/2031												
12/1/2031												
6/1/2032												
12/1/2032												
6/1/2033												
12/1/2033												
	18,090,000		7,304,445.00	485,765.55	239,490.00	2,147,825.00	(1,197,897.50)	1,455,612.50	12,450,770.25	(8,760,057.50)	33,215,753.30	33,215,753.30

Assumptions:
 BMA and County VRDBs trade flat at average BMA since 1990.
 Remarketing and Liquidity available at assumed rates.

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 GASP - Series of 2001
 Semiannual Debt Service Payment Schedules

Date	Principal Maturity	Coupon	VRDB Interest	Liquidity 0.20%	Remarketing 0.10%	2003 Swap Fixed Pay 4.060%	2003 Swap Rec. BMA 3.05%	2004 Fixed Conversion 4.50%	2004 Swap Receipt 2.51%	2004 Swap Pay BMA 3.05%	Debt Service	Annual Debt Service
6/1/2006						622,093.50	(467,336.25)	689,512.50	(384,594.75)	467,336.25	927,011.25	927,011.25
12/1/2006						622,093.50	(467,336.25)	689,512.50	(384,594.75)	467,336.25	927,011.25	1,854,022.50
6/1/2007						622,093.50	(467,336.25)	689,512.50	(384,594.75)	467,336.25	927,011.25	1,854,022.50
12/1/2007						622,093.50	(467,336.25)	689,512.50	(384,594.75)	467,336.25	927,011.25	1,854,022.50
6/1/2008	435,000	3.050%	467,336.25	31,079.14	15,322.50	622,093.50	(467,336.25)	689,512.50	(384,594.75)	467,336.25	1,103,495.14	1,762,501.11
12/1/2008	465,000	3.050%	460,702.50	30,637.98	15,105.00	613,263.00	(460,702.50)	689,512.50	(384,594.75)	467,336.25	1,124,005.98	1,772,868.36
6/1/2009	720,000	3.050%	453,611.25	30,166.39	14,872.50	603,823.50	(453,611.25)	689,512.50	(384,594.75)	467,336.25	1,368,862.39	2,002,018.56
12/1/2009	760,000	3.050%	442,631.25	29,436.19	14,512.50	589,207.50	(442,631.25)	689,512.50	(384,594.75)	467,336.25	1,393,196.19	2,009,733.81
6/1/2010	805,000	3.050%	431,041.25	28,665.42	14,132.50	573,779.50	(431,041.25)	689,512.50	(384,594.75)	467,336.25	1,421,577.42	2,020,594.44
12/1/2010	855,000	3.050%	418,765.00	27,849.02	13,730.00	557,438.00	(418,765.00)	689,512.50	(384,594.75)	467,336.25	1,454,017.02	2,034,382.92
6/1/2011	910,000	3.050%	405,726.25	26,981.90	13,302.50	540,081.50	(405,726.25)	689,512.50	(384,594.75)	467,336.25	1,480,365.90	2,050,880.82
12/1/2011	960,000	3.050%	391,848.75	26,059.01	12,847.50	521,608.50	(391,848.75)	689,512.50	(384,594.75)	467,336.25	1,509,516.01	2,060,088.43
6/1/2012	1,015,000	3.050%	377,208.75	25,085.41	12,367.50	502,120.50	(377,208.75)	689,512.50	(384,594.75)	467,336.25	1,554,573.41	2,072,005.45
12/1/2012	1,075,000	3.050%	361,730.00	24,056.03	11,860.00	481,516.00	(361,730.00)	689,512.50	(384,594.75)	467,336.25	1,592,432.03	2,086,413.84
6/1/2013	1,140,000	3.050%	345,336.25	22,965.80	11,322.50	459,693.50	(345,336.25)	689,512.50	(384,594.75)	467,336.25	1,633,981.80	2,103,095.46
12/1/2013	1,205,000	3.050%	327,951.25	21,809.65	10,752.50	436,551.50	(327,951.25)	689,512.50	(384,594.75)	467,336.25	1,674,113.65	2,116,941.24
6/1/2014	1,280,000	3.050%	309,575.00	20,587.58	10,150.00	412,090.00	(309,575.00)	689,512.50	(384,594.75)	467,336.25	1,722,827.58	2,137,733.03
12/1/2014	1,350,000	3.050%	290,055.00	19,289.45	9,510.00	386,106.00	(290,055.00)	689,512.50	(384,594.75)	467,336.25	1,764,805.45	2,150,361.78
6/1/2015	1,435,000	3.050%	269,467.50	17,920.33	8,835.00	358,701.00	(269,467.50)	689,512.50	(384,594.75)	467,336.25	1,820,456.33	2,174,609.32
12/1/2015	1,515,000	3.050%	247,563.75	16,465.00	8,155.00	329,570.50	(247,563.75)	689,512.50	(384,594.75)	467,336.25	1,868,153.00	2,190,257.53
6/1/2016	1,610,000	3.050%	224,480.00	14,928.53	7,360.00	298,816.00	(224,480.00)	689,512.50	(384,594.75)	467,336.25	1,931,104.53	2,217,088.26
12/1/2016	1,700,000	3.050%	199,927.50	13,285.73	6,555.00	266,133.00	(199,927.50)	689,512.50	(384,594.75)	467,336.25	1,985,983.73	2,234,883.37
6/1/2017	1,800,000	3.050%	174,002.50	11,571.64	5,705.00	231,623.00	(174,002.50)	689,512.50	(384,594.75)	467,336.25	2,048,899.64	2,258,533.78
12/1/2017	1,905,000	3.050%	146,552.50	9,746.14	4,905.00	195,063.00	(146,552.50)	689,512.50	(384,594.75)	467,336.25	2,114,834.14	2,282,712.30
6/1/2018	2,010,000	3.050%	117,501.25	7,814.15	3,852.50	156,411.50	(117,501.25)	689,512.50	(384,594.75)	467,336.25	2,178,078.15	2,302,309.83
12/1/2018	2,130,000	3.050%	86,848.75	5,775.68	2,847.50	115,606.50	(86,848.75)	689,512.50	(384,594.75)	467,336.25	2,254,231.68	2,331,999.18
6/1/2019	3,565,000	3.050%	54,366.25	3,615.50	1,782.50	72,369.50	(54,366.25)	689,512.50	(384,594.75)	467,336.25	3,642,767.50	3,642,767.50
12/1/2019	30,645,000		13,541,161.25	900,524.22	443,972.50	21,135,751.00	(13,541,161.25)	3,447,562.50	(1,922,873.75)	2,336,681.25	54,649,538.47	54,649,538.47

Assumptions:
 BMA and County VRDBs trade flat at average BMA since 1990.
 Remarketing and Liquidity available at assumed rates.

COUNTY OF YORK, PENNSYLVANIA
 General Obligation Bonds, Series of 2002
 Semiannual Debt Service Payment Schedules

Date	Principal Maturity	Coupon	Interest	Debt Service	Annual Debt Service
4/1/2006					
10/1/2006	2,610,000	6.25%	358,125.00	2,968,125.00	2,968,125.00
4/1/2007					
10/1/2007	2,775,000	6.25%	276,562.50	276,562.50	276,562.50
4/1/2008					
10/1/2008	2,945,000	6.25%	189,843.75	3,051,562.50	3,328,125.00
4/1/2009					
10/1/2009	3,130,000	6.25%	189,843.75	3,134,843.75	3,324,687.50
4/1/2010					
10/1/2010			87,812.50	97,812.50	3,325,625.00
4/1/2011			87,812.50	3,227,812.50	
10/1/2011			-	-	-
4/1/2012			-	-	-
10/1/2012			-	-	-
4/1/2013			-	-	-
10/1/2013			-	-	-
4/1/2014			-	-	-
10/1/2014			-	-	-
4/1/2015			-	-	-
10/1/2015			-	-	-
4/1/2016			-	-	-
10/1/2016			-	-	-
4/1/2017			-	-	-
10/1/2017			-	-	-
4/1/2018			-	-	-
10/1/2018			-	-	-
4/1/2019			-	-	-
10/1/2019			-	-	-
4/1/2020			-	-	-
10/1/2020			-	-	-
4/1/2021			-	-	-
10/1/2021			-	-	-
4/1/2022			-	-	-
10/1/2022			-	-	-
4/1/2023			-	-	-
10/1/2023			-	-	-
4/1/2024			-	-	-
10/1/2024			-	-	-
4/1/2025			-	-	-
10/1/2025			-	-	-
4/1/2026			-	-	-
10/1/2026			-	-	-
4/1/2027			-	-	-
10/1/2027			-	-	-
4/1/2028			-	-	-
10/1/2028			-	-	-
4/1/2029			-	-	-
10/1/2029			-	-	-
4/1/2030			-	-	-
10/1/2030			-	-	-
4/1/2031			-	-	-
10/1/2031			-	-	-
4/1/2032			-	-	-
10/1/2032			-	-	-
4/1/2033			-	-	-
10/1/2033			-	-	-
	11,460,000		1,486,562.50	12,946,562.50	12,946,562.50

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 GASP - Series of 2003
 Semiannual Debt Service Payment Schedules

Date	Principal Maturity	Coupon	VRDB Interest	Liquidity 0.20%	Remarketing 0.10%	2005 Swap Fixed Pay 4.430%	2005 Swap Rec. BMA 3.05%	Debt Service	Annual Debt Service
6/1/2006		3.000%	489,225.00	33,090.64	16,307.50	722,422.25	(497,378.75)	763,666.64	763,666.64
12/1/2006	5,000	3.000%	489,225.00	33,090.64	16,307.50	722,422.25	(497,378.75)	768,666.64	1,532,216.20
6/1/2007	5,000	3.000%	489,150.00	33,085.56	16,305.00	722,311.50	(497,302.50)	763,548.56	1,531,982.05
12/1/2007	5,000	3.000%	489,075.00	33,080.49	16,302.50	722,200.75	(497,226.25)	768,432.49	1,531,747.91
6/1/2009	5,000	3.000%	489,000.00	33,075.42	16,300.00	722,090.00	(497,150.00)	763,315.42	1,848,904.02
12/1/2009	330,000	3.000%	489,000.00	33,075.42	16,300.00	722,090.00	(497,150.00)	1,093,315.42	1,848,904.02
6/1/2010	345,000	3.000%	484,050.00	32,740.60	16,135.00	714,780.50	(492,117.50)	1,100,588.60	1,848,098.18
12/1/2010	360,000	3.000%	478,875.00	32,390.57	15,962.50	707,138.75	(488,856.25)	1,107,510.57	1,846,591.90
6/1/2012	365,000	3.000%	473,475.00	32,025.32	15,782.50	699,184.75	(481,366.25)	1,104,081.32	1,834,616.32
12/1/2013	380,000	3.000%	468,000.00	31,655.00	15,600.00	691,000.00	(475,000.00)	1,110,535.00	1,832,172.46
6/1/2014	390,000	3.000%	462,300.00	31,269.46	15,410.00	682,663.00	(470,005.00)	1,111,637.46	1,824,143.23
12/1/2014	405,000	3.000%	456,450.00	30,873.77	15,215.00	674,024.50	(464,057.50)	1,112,505.77	1,820,528.64
6/1/2015	420,000	3.000%	450,375.00	30,462.86	15,012.50	665,053.75	(457,881.25)	1,117,505.77	1,816,211.60
12/1/2015	430,000	3.000%	444,075.00	30,036.74	14,802.50	655,750.75	(451,476.25)	1,123,022.86	1,806,309.21
6/1/2016	445,000	3.000%	437,825.00	29,600.47	14,587.50	646,226.25	(444,918.75)	1,128,120.47	1,800,821.45
12/1/2016	460,000	3.000%	430,950.00	29,148.98	14,365.00	636,369.50	(438,132.50)	1,132,700.98	1,794,631.25
6/1/2017	470,000	3.000%	424,050.00	28,682.27	14,135.00	626,180.50	(431,117.50)	1,137,930.27	1,782,855.68
12/1/2017	485,000	3.000%	417,000.00	28,205.42	13,900.00	615,770.00	(423,950.00)	1,143,117.50	1,775,494.76
6/1/2018	505,000	3.000%	409,725.00	27,713.34	13,657.50	605,027.25	(416,553.75)	1,148,569.34	1,772,314.32
12/1/2018	1,775,000	3.000%	402,150.00	27,200.98	13,405.00	593,841.50	(408,852.50)	1,154,569.34	2,988,929.07
6/1/2019	1,805,000	3.000%	375,525.00	25,400.09	12,517.50	554,525.25	(381,783.75)	1,161,500.00	2,935,104.86
12/1/2019	1,835,000	3.000%	348,450.00	23,568.77	11,615.00	514,544.50	(354,267.50)	1,161,500.00	2,879,875.78
6/1/2020	1,870,000	3.000%	320,925.00	21,707.01	10,697.50	473,899.25	(326,273.75)	1,161,500.00	2,828,124.75
12/1/2020	1,800,000	3.000%	292,875.00	19,809.74	9,762.50	432,478.75	(297,756.25)	1,161,500.00	2,769,851.77
6/1/2021	1,830,000	3.000%	264,375.00	17,882.03	8,812.50	390,393.75	(268,781.25)	1,161,500.00	2,710,173.92
12/1/2021	1,960,000	3.000%	235,425.00	15,923.89	7,847.50	347,644.25	(239,348.75)	1,161,500.00	2,649,091.19
6/1/2022	2,000,000	3.000%	206,025.00	13,835.30	6,867.50	304,230.25	(209,468.75)	1,161,500.00	2,596,369.44
12/1/2022	5,770,000	3.000%	176,025.00	11,906.14	5,867.50	259,930.25	(178,958.75)	1,161,500.00	6,184,438.13
6/1/2023	5,865,000	3.000%	89,475.00	6,051.99	2,982.50	132,124.75	(90,966.25)	1,161,500.00	6,104,667.99
12/1/2023									65,409,933.71
	32,615,000		21,009,300.00	1,421,045.71	700,310.00	31,023,733.00	(21,359,455.00)	65,409,933.71	

Assumptions:
 BMA and County VRDBs trade flat at average BMA since 1990.
 Remarketing and Liquidity available at assumed rates.
 Fixed pay swap becomes effective June 1, 2006

CITY OF YORK, PENNSYLVANIA
 COUNTY OF YORK, PENNSYLVANIA
 General Obligation Bonds, Series of 2003
 Semiannual Debt Service Payment Schedules

Date	Principal Maturity	Coupon	Interest	Debt Service	Annual Debt Service
6/1/2006			513,880.00	513,880.00	1,032,712.50
12/1/2006		1.900%	513,880.00	518,880.00	1,032,712.50
6/1/2007	5,000		513,832.50	513,832.50	1,032,608.75
12/1/2007		2.250%	513,832.50	513,776.25	1,032,608.75
6/1/2008	5,000		513,776.25	513,776.25	1,032,487.50
12/1/2008		2.600%	513,711.25	513,711.25	1,032,487.50
6/1/2009	1,055,000		513,711.25	1,568,711.25	2,063,860.00
12/1/2009		3.500%	485,248.75	485,248.75	2,063,860.00
6/1/2010	1,075,000		485,248.75	1,570,248.75	2,048,297.50
12/1/2010		3.200%	478,048.75	478,048.75	2,048,297.50
6/1/2011	1,095,000		457,517.50	457,517.50	2,030,566.25
12/1/2011		3.750%	457,517.50	457,517.50	2,030,566.25
6/1/2012	1,130,000		434,917.50	434,917.50	2,022,435.00
12/1/2012		4.000%	434,917.50	434,917.50	2,022,435.00
6/1/2013	1,160,000		411,717.50	411,717.50	2,006,635.00
12/1/2013		4.000%	411,717.50	411,717.50	2,006,635.00
6/1/2014	1,195,000		381,842.50	381,842.50	1,988,560.00
12/1/2014		5.000%	381,842.50	381,842.50	1,988,560.00
6/1/2015	1,235,000		350,967.50	350,967.50	1,967,810.00
12/1/2015		5.000%	350,967.50	350,967.50	1,967,810.00
6/1/2016	1,280,000		318,967.50	318,967.50	1,949,935.00
12/1/2016		5.000%	318,967.50	318,967.50	1,949,935.00
6/1/2017	1,330,000		285,717.50	285,717.50	1,934,685.00
12/1/2017		5.000%	285,717.50	285,717.50	1,934,685.00
6/1/2018	1,380,000		251,217.50	251,217.50	1,916,935.00
12/1/2018		5.000%	251,217.50	251,217.50	1,916,935.00
6/1/2019	1,425,000		215,592.50	215,592.50	1,891,810.00
12/1/2019		5.000%	215,592.50	215,592.50	1,891,810.00
6/1/2020	1,485,000		178,467.50	178,467.50	1,879,060.00
12/1/2020		5.000%	178,467.50	178,467.50	1,879,060.00
6/1/2021	1,535,000		143,546.25	143,546.25	1,857,013.75
12/1/2021		4.550%	143,546.25	143,546.25	1,857,013.75
6/1/2022	1,570,000		107,828.75	107,828.75	1,821,375.00
12/1/2022		4.550%	107,828.75	107,828.75	1,821,375.00
6/1/2023	360,000		99,458.75	99,458.75	567,287.50
12/1/2023		4.650%	99,458.75	99,458.75	567,287.50
6/1/2024	360,000		90,528.75	90,528.75	569,987.50
12/1/2024		4.700%	90,528.75	90,528.75	569,987.50
6/1/2025	400,000		81,128.75	81,128.75	571,657.50
12/1/2025		4.700%	81,128.75	81,128.75	571,657.50
6/1/2026	420,000		71,258.75	71,258.75	572,387.50
12/1/2026		4.700%	71,258.75	71,258.75	572,387.50
6/1/2027	440,000		60,918.75	60,918.75	572,177.50
12/1/2027		4.700%	60,918.75	60,918.75	572,177.50
6/1/2028	465,000		49,875.00	49,875.00	575,783.75
12/1/2028		4.750%	49,875.00	49,875.00	575,783.75
6/1/2029	485,000		38,356.25	38,356.25	573,231.25
12/1/2029		4.750%	38,356.25	38,356.25	573,231.25
6/1/2030	510,000		26,243.75	26,243.75	574,600.00
12/1/2030		4.750%	26,243.75	26,243.75	574,600.00
6/1/2031	540,000		13,418.75	13,418.75	579,662.50
12/1/2031		4.750%	13,418.75	13,418.75	579,662.50
6/1/2032	565,000		14,185.970	14,185.970	578,418.75
12/1/2032		4.750%	14,185.970	14,185.970	578,418.75
6/1/2033	22,530,000				37,244,802.50
12/1/2033					37,244,802.50
			14,185,970.00	36,725,970.00	37,244,802.50

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 Series of 2003A (YCIDA)
 Semiannual Debt Service Payment Schedules

Date	Principal Maturity	Variable Rate Paid (1)	Interest on Bonds	Liquidity @ 0.20%	Remarketing @ 0.125%	Debt Service	Annual Debt Service
6/1/2006	-	4.500%	45,000.00	2,038.33	1,250.00	48,288.33	48,288.33
12/1/2006	-	4.500%	45,000.00	2,038.33	1,250.00	48,288.33	48,288.33
6/1/2007	-	4.500%	45,000.00	2,038.33	1,250.00	48,288.33	96,576.67
12/1/2007	-	4.500%	45,000.00	2,038.33	1,250.00	48,288.33	96,576.67
6/1/2008	-	4.500%	45,000.00	2,038.33	1,250.00	48,288.33	96,576.67
12/1/2008	-	4.500%	45,000.00	2,038.33	1,250.00	48,288.33	96,576.67
6/1/2009	470,000	4.500%	45,000.00	2,038.33	1,250.00	518,288.33	566,576.67
12/1/2009	470,000	4.500%	45,000.00	2,038.33	1,250.00	518,288.33	566,576.67
6/1/2010	490,000	4.500%	34,425.00	1,559.33	956.25	36,940.58	563,881.15
12/1/2010	490,000	4.500%	34,425.00	1,559.33	956.25	36,940.58	563,881.15
6/1/2011	510,000	4.500%	23,400.00	1,059.93	650.00	25,109.93	560,219.87
12/1/2011	510,000	4.500%	23,400.00	1,059.93	650.00	25,109.93	560,219.87
6/1/2012	530,000	4.500%	11,925.00	540.16	331.25	12,786.41	555,592.82
12/1/2012	530,000	4.500%	11,925.00	540.16	331.25	12,786.41	555,592.82
6/1/2013	-	-	-	-	-	-	-
12/1/2013	-	-	-	-	-	-	-
6/1/2014	-	-	-	-	-	-	-
12/1/2014	-	-	-	-	-	-	-
6/1/2015	-	-	-	-	-	-	-
12/1/2015	-	-	-	-	-	-	-
6/1/2016	-	-	-	-	-	-	-
12/1/2016	-	-	-	-	-	-	-
6/1/2017	-	-	-	-	-	-	-
12/1/2017	-	-	-	-	-	-	-
6/1/2018	-	-	-	-	-	-	-
12/1/2018	-	-	-	-	-	-	-
6/1/2019	-	-	-	-	-	-	-
12/1/2019	-	-	-	-	-	-	-
6/1/2020	-	-	-	-	-	-	-
12/1/2020	-	-	-	-	-	-	-
6/1/2021	-	-	-	-	-	-	-
12/1/2021	-	-	-	-	-	-	-
6/1/2022	-	-	-	-	-	-	-
12/1/2022	-	-	-	-	-	-	-
6/1/2023	-	-	-	-	-	-	-
12/1/2023	-	-	-	-	-	-	-
6/1/2024	-	-	-	-	-	-	-
12/1/2024	-	-	-	-	-	-	-
6/1/2025	-	-	-	-	-	-	-
12/1/2025	-	-	-	-	-	-	-
6/1/2026	-	-	-	-	-	-	-
12/1/2026	-	-	-	-	-	-	-
6/1/2027	-	-	-	-	-	-	-
12/1/2027	-	-	-	-	-	-	-
6/1/2028	-	-	-	-	-	-	-
12/1/2028	-	-	-	-	-	-	-
6/1/2029	-	-	-	-	-	-	-
12/1/2029	-	-	-	-	-	-	-
6/1/2030	-	-	-	-	-	-	-
12/1/2030	-	-	-	-	-	-	-
6/1/2031	-	-	-	-	-	-	-
12/1/2031	-	-	-	-	-	-	-
6/1/2032	-	-	-	-	-	-	-
12/1/2032	-	-	-	-	-	-	-
6/1/2033	-	-	-	-	-	-	-
12/1/2033	-	-	-	-	-	-	-
6/1/2034	-	-	-	-	-	-	-
12/1/2034	-	-	-	-	-	-	-
6/1/2035	-	-	-	-	-	-	-
12/1/2035	-	-	-	-	-	-	-
6/1/2036	-	-	-	-	-	-	-
12/1/2036	-	-	-	-	-	-	-
	2,000,000		454,500.00	20,587.17	12,625.00	2,487,712.17	2,487,712.17

(1) Expected variable interest rates based on taxable average rates since 1990.

Date	Principal Maturity	Coupon (%)	Interest	Liquidity @ 0.20% (2)	Remarketing @ 0.125% (2)	Swap Notional (3)	Variable Rate Rec'd on Swap (1)	Interest on Swap Rec'd. on Swap	Fixed Rate Paid on Swap (4)	Interest on Swap Paid. on Swap	Debt Service	Annual Debt Service
6/1/2006		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(112,500.00)	4.710%	117,750.00	207,457.40	207,457.40
12/1/2006		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(112,500.00)	4.710%	117,750.00	207,457.40	414,914.79
6/1/2007		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(112,500.00)	4.710%	117,750.00	207,457.40	414,914.79
12/1/2007		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(112,500.00)	4.710%	117,750.00	207,457.40	414,914.79
6/1/2008		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(112,500.00)	4.710%	117,750.00	207,457.40	414,914.79
12/1/2008		4.500%	188,437.50	8,535.52	5,234.38	2,000,000	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
6/1/2009		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
12/1/2009		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
6/1/2010		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
12/1/2010		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
6/1/2011		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
12/1/2011		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
6/1/2012		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
12/1/2012		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
6/1/2013		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
12/1/2013		4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	205,357.40	410,714.79
6/1/2014		4.500%	188,437.50	8,535.52	5,234.38	3,000,000	4.500%	(67,500.00)	4.710%	70,650.00	577,207.40	770,360.73
12/1/2014	375,000	4.500%	188,437.50	8,535.52	5,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	183,153.33	766,890.44
6/1/2015	390,000	4.500%	180,000.00	8,153.33	5,000.00	-	4.500%	(67,500.00)	4.710%	70,650.00	593,737.11	767,575.11
12/1/2015	410,000	4.500%	171,225.00	7,755.86	4,756.25	-	4.500%	(67,500.00)	4.710%	70,650.00	173,838.00	762,414.73
6/1/2016	425,000	4.500%	162,000.00	7,338.00	4,500.00	-	4.500%	(67,500.00)	4.710%	70,650.00	608,576.73	761,409.30
12/1/2016	445,000	4.500%	152,437.50	6,904.85	4,234.38	-	4.500%	(67,500.00)	4.710%	70,650.00	152,832.58	759,438.11
6/1/2017	465,000	4.500%	142,425.00	6,451.33	3,956.25	-	4.500%	(67,500.00)	4.710%	70,650.00	617,832.58	756,501.15
12/1/2017	485,000	4.500%	131,962.50	5,977.41	3,665.63	-	4.500%	(67,500.00)	4.710%	70,650.00	141,605.54	747,729.84
6/1/2018	505,000	4.500%	121,050.00	5,483.12	3,362.50	-	4.500%	(67,500.00)	4.710%	70,650.00	626,605.54	741,865.66
12/1/2018	525,000	4.500%	109,687.50	4,968.44	3,046.88	-	4.500%	(67,500.00)	4.710%	70,650.00	129,885.62	739,974.93
6/1/2019	545,000	4.500%	97,875.00	4,433.38	2,718.75	-	4.500%	(67,500.00)	4.710%	70,650.00	634,895.62	732,588.43
12/1/2019	570,000	4.500%	85,612.50	3,877.93	2,378.13	-	4.500%	(67,500.00)	4.710%	70,650.00	642,702.81	741,865.66
6/1/2020	595,000	4.500%	72,787.50	3,297.00	2,021.88	-	4.500%	(67,500.00)	4.710%	70,650.00	650,027.13	741,865.66
12/1/2020	620,000	4.500%	59,400.00	2,690.60	1,650.00	-	4.500%	(67,500.00)	4.710%	70,650.00	661,868.55	739,974.93
6/1/2021	645,000	4.500%	45,450.00	2,058.72	1,262.50	-	4.500%	(67,500.00)	4.710%	70,650.00	673,106.38	736,846.98
12/1/2021	675,000	4.500%	30,937.50	1,401.35	859.38	-	4.500%	(67,500.00)	4.710%	70,650.00	683,740.80	732,588.43
6/1/2022	700,000	4.500%	15,750.00	713.42	437.50	-	4.500%	(67,500.00)	4.710%	70,650.00	693,771.22	726,968.45
12/1/2022											708,198.23	725,099.15
6/1/2023											716,900.92	716,900.92
12/1/2023											-	-
6/1/2024											-	-
12/1/2024											-	-
6/1/2025											-	-
12/1/2025											-	-
6/1/2026											-	-
12/1/2026											-	-
6/1/2027											-	-
12/1/2027											-	-
6/1/2028											-	-
12/1/2028											-	-
6/1/2029											-	-
12/1/2029											-	-
6/1/2030											-	-
12/1/2030											-	-
6/1/2031											-	-
12/1/2031											-	-
6/1/2032											-	-
12/1/2032											-	-
6/1/2033											-	-
12/1/2033											-	-
6/1/2034											-	-
12/1/2034											-	-
6/1/2035											-	-
12/1/2035											-	-
6/1/2036											-	-
12/1/2036											-	-
	8,375,000			295,648.84	181,918.75	5,000,000		(1,462,500.00)		1,530,750.00	15,470,892.59	15,470,892.59

(1) Expected variable interest rates based on historical average taxable rates since 1990 and a perfect correlation between variable swap payment and receipt.
 (2) Expected liquidity and remarketing costs, assumed to be constant for the life of the bonds.
 (3) Swap Notional amount does not amortize with 2003B Bonds and is only shown for calculation purposes.

Date	Principal Maturity	Coupon	Interest	Debt Service	Annual Debt Service
6/1/2006			1,789,828.75	1,789,828.75	1,789,828.75
12/1/2006			1,789,828.75	1,789,828.75	1,789,828.75
6/1/2007	345,000	3.250%	1,789,828.75	2,134,828.75	3,579,657.50
12/1/2007			1,789,828.75	1,789,828.75	1,789,828.75
6/1/2008	215,000	3.350%	1,784,222.50	1,999,222.50	3,919,051.25
12/1/2008			1,784,222.50	1,784,222.50	1,784,222.50
6/1/2009	2,235,000	3.500%	1,780,621.25	4,015,821.25	3,779,843.75
12/1/2010			1,741,508.75	1,741,508.75	5,757,130.00
6/1/2011	2,330,000	4.000%	1,694,908.75	4,071,508.75	5,766,417.50
12/1/2011			1,694,908.75	1,694,908.75	1,694,908.75
6/1/2012	2,440,000	4.000%	1,646,108.75	4,134,908.75	5,781,017.50
12/1/2012			1,646,108.75	1,646,108.75	1,646,108.75
6/1/2013	2,555,000	4.250%	1,591,815.00	4,201,108.75	5,792,923.75
12/1/2013			1,591,815.00	1,591,815.00	1,591,815.00
6/1/2014	2,890,000	5.000%	1,524,565.00	4,281,815.00	5,806,380.00
12/1/2014			1,524,565.00	1,524,565.00	1,524,565.00
6/1/2015	2,845,000	5.000%	1,453,440.00	4,369,565.00	5,823,005.00
12/1/2015			1,453,440.00	1,453,440.00	1,453,440.00
6/1/2016	3,005,000	4.500%	1,385,827.50	4,458,440.00	5,844,267.50
12/1/2016			1,385,827.50	1,385,827.50	1,385,827.50
6/1/2017	3,165,000	5.000%	1,306,702.50	4,550,827.50	5,857,530.00
12/1/2017			1,306,702.50	1,306,702.50	1,306,702.50
6/1/2018	3,345,000	5.000%	1,223,077.50	4,651,702.50	5,874,760.00
12/1/2018			1,223,077.50	1,223,077.50	1,223,077.50
6/1/2019	3,530,000	5.000%	1,134,827.50	4,753,077.50	5,887,905.00
12/1/2019			1,134,827.50	1,134,827.50	1,134,827.50
6/1/2020	3,735,000	5.000%	1,041,452.50	4,869,827.50	5,911,280.00
12/1/2020			1,041,452.50	1,041,452.50	1,041,452.50
6/1/2021	2,210,000	5.000%	986,202.50	3,251,452.50	4,237,655.00
12/1/2021			986,202.50	986,202.50	986,202.50
6/1/2022	2,340,000	5.000%	927,702.50	3,326,202.50	4,253,905.00
12/1/2022			927,702.50	927,702.50	927,702.50
6/1/2023	2,485,000	5.000%	865,577.50	3,412,702.50	4,278,260.00
12/1/2023			865,577.50	865,577.50	865,577.50
6/1/2024	2,640,000	4.750%	802,877.50	3,505,577.50	4,308,455.00
12/1/2024			802,877.50	802,877.50	802,877.50
6/1/2025	2,810,000	4.750%	736,140.00	3,612,877.50	4,349,017.50
12/1/2025			736,140.00	736,140.00	736,140.00
6/1/2026	3,000,000	5.000%	661,140.00	3,736,140.00	4,397,280.00
12/1/2026			661,140.00	661,140.00	661,140.00
6/1/2027	3,180,000	4.600%	588,000.00	3,841,140.00	4,429,140.00
12/1/2027			588,000.00	588,000.00	588,000.00
6/1/2028	3,375,000	4.600%	510,375.00	3,963,000.00	4,473,375.00
12/1/2028			510,375.00	510,375.00	510,375.00
6/1/2029	3,590,000	5.000%	420,625.00	4,100,375.00	4,521,000.00
12/1/2029			420,625.00	420,625.00	420,625.00
6/1/2030	3,820,000	5.000%	325,125.00	4,240,625.00	4,565,750.00
12/1/2030			325,125.00	325,125.00	325,125.00
6/1/2031	4,055,000	5.000%	223,750.00	4,380,125.00	4,603,875.00
12/1/2031			223,750.00	223,750.00	223,750.00
6/1/2032	4,320,000	5.000%	115,750.00	4,543,750.00	4,659,500.00
12/1/2032			115,750.00	115,750.00	115,750.00
6/1/2033	4,630,000	5.000%	115,750.00	4,745,750.00	4,745,750.00
12/1/2033			115,750.00	115,750.00	115,750.00
	74,890,000		60,104,000.00	134,994,000.00	134,994,000.00

County of York, Pennsylvania
COUNTY OF YORK, PENNSYLVANIA
Outstanding Debt Service - EXISTING
Semiannual Debt Service Payment Schedules

Date	County 2000 GO Bonds	GASP - Series 2000A (1)	GASP - Series 2001 (2)	County 2002 GO Bonds	GASP - Series 2003 (3)	County 2003 GO Bonds	YCIDA 2003A Bonds (4)	YCIDA 2003B Bonds (5)	County 2005 GO Note	County 2005A GO Note	County 2006 GO Bonds	Annual Debt Service
2006	19,166	603,721	927,011	2,968,125	763,667	1,032,713	48,288	207,457	220,000	429,000	1,789,829	9,008,977
2007	218,995	1,207,443	1,854,023	3,328,125	1,532,216	1,032,713	96,577	414,915	6,148,101	11,429,000	3,579,658	30,841,754
2008	220,006	1,207,443	1,854,023	3,324,886	1,531,992	1,032,609	96,577	414,915	-	-	3,919,051	13,601,282
2009	220,455	1,432,376	1,762,501	3,325,625	1,531,748	1,032,488	566,577	414,915	-	-	3,779,844	14,066,528
2010	220,268	1,425,941	1,772,868	-	1,848,904	2,063,960	563,881	410,715	-	-	5,757,130	14,063,667
2011	-	1,423,462	2,002,019	-	1,848,099	2,048,298	560,220	410,715	-	-	5,766,418	14,059,229
2012	-	1,419,823	2,009,734	-	1,846,592	2,030,566	555,593	410,715	-	-	5,781,018	14,054,040
2013	-	1,415,025	2,020,594	-	1,834,616	2,022,435	-	410,715	-	-	5,792,924	13,496,309
2014	-	1,409,067	2,034,383	-	1,832,172	2,006,635	-	410,715	-	-	5,806,380	13,499,353
2015	-	1,401,950	2,050,881	-	1,824,143	1,988,560	-	770,361	-	-	5,823,005	13,858,900
2016	-	1,398,568	2,060,088	-	1,820,529	1,987,810	-	766,890	-	-	5,844,268	13,858,143
2017	-	1,393,774	2,072,005	-	1,816,212	1,949,935	-	767,575	-	-	5,867,530	13,857,031
2018	-	1,387,599	2,086,414	-	1,806,309	1,934,685	-	762,415	-	-	5,874,780	13,852,202
2019	-	1,380,033	2,103,095	-	1,800,821	1,916,935	-	761,409	-	-	5,887,905	13,850,199
2020	-	1,375,959	2,116,941	-	1,794,631	1,891,810	-	759,438	-	-	5,911,280	13,850,060
2021	-	1,365,378	2,137,733	-	1,782,656	1,879,060	-	756,501	-	-	4,237,655	12,158,183
2022	-	1,363,174	2,150,362	-	1,775,495	1,857,014	-	752,598	-	-	4,259,905	12,162,547
2023	-	1,354,230	2,174,609	-	1,772,314	1,821,375	-	747,730	-	-	4,276,280	12,148,539
2024	-	1,348,548	2,190,258	-	2,988,929	567,288	-	741,896	-	-	4,308,455	12,145,372
2025	-	1,336,126	2,217,088	-	2,935,105	569,986	-	739,975	-	-	4,349,018	12,147,299
2026	-	1,331,849	2,234,883	-	2,879,876	571,658	-	736,847	-	-	4,397,280	12,152,392
2027	-	1,320,601	2,258,534	-	2,828,125	572,368	-	732,512	-	-	4,428,140	12,141,298
2028	-	1,312,381	2,282,712	-	2,769,852	572,178	-	728,969	-	-	4,473,375	12,137,467
2029	-	1,306,959	2,302,310	-	2,710,174	575,794	-	725,099	-	-	4,521,000	12,141,336
2030	-	1,284,334	2,331,999	-	2,649,091	573,231	-	716,901	-	-	4,565,750	12,131,307
2031	-	-	3,642,768	-	2,586,369	574,600	-	-	-	-	4,603,875	11,417,612
2032	-	-	-	-	6,184,438	579,663	-	-	-	-	4,659,500	11,423,601
2033	-	-	-	-	6,104,668	578,419	-	-	-	-	4,745,750	11,428,837
	899,860	33,215,753	54,649,836	12,946,563	65,409,934	37,244,803	2,487,712	15,470,893	6,368,101	11,650,000	134,994,000	375,544,475

Assumes all debt service are traditional fixed rate unless noted below.
 (1) Includes payments on 2004 and 2005 Sweeps. See Schedule
 (2) Includes payments on 2003 and 2004 Sweeps. See Schedule
 (3) Includes payments on 2005 Swap. See Schedule
 (4) Variable rate at average one month LIBOR since 1990. See Schedule
 (5) Includes swap on a portion of the 2003B Bonds. See Schedule

Appendix B

Summary of All Fees and Expenses to Paid in Connection With the 2006 Constant Maturity Swap

After making appropriate inquiries IMAGE has determined that the following sums represent all fees and expenses that will be paid in connection with the 2006 Constant Maturity Swap. These sums will be paid by RBC directly, after the 2006 Constant Maturity Swap is entered into (following the swap confirmation conference call). These payments by RBC have the effect of reducing the fixed percentage of 10-Year LIBOR received by the County on the 2006 Constant Maturity Swap and are therefore, effectively paid by the County. It is not expected that the County will pay any fees or expenses from other funds.

It is assumed that County will not integrate the payments on the 2006 Constant Maturity Swap in the calculation of the "yield" on the 2006 Bonds for arbitrage rebate purposes.

IMAGE will receive a total fee of \$65,000 for its services as the independent financial advisor to the County, including producing the Interest Rate Management Plan and rendering an opinion that the interest rate to be paid and other terms of the 2006 Constant Maturity Swap are fair and reasonable.

The law firm of Rhoads and Sinon LLP will receive a total fee of \$55,000 for its services as Special Counsel to the County.

Appendix C

Expected and Maximum Payments

**2006 Basis Swap, 2006 Constant Maturity Swap
and Total Outstanding Debt Service**

"MAXIMUM" RESULTS

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 2008 BASIS SWAP- MAXIMUM
 Semiannual Debt Service Payment Schedules

Assumptions:
 BMA Rate = 25.000%
 LIBOR 25.000%
 Actual BMA:LIBOR Relationship 67.000%

Date	Notional Principal*	Est. BMA Rate (%)	Est. Variable Int. - OUT (%)	Est. LIBOR Receipt Rate (%)	Est. LIBOR Rate (%)	Est. Variable Int. - IN (%)	Fixed Spread (%)	Fixed Spread IN	NET SWAP Debt Service	Annual Debt Service (Benefit)/Cost
6/1/2008	-	25.000%	9.361,250.00	16.750%	(6.272,037.50)	(156,728.36)	0.4239%	2,930,483.15	2,930,483.15	
12/1/2008	-	25.000%	9,361,250.00	16.750%	(6,272,037.50)	(156,728.36)	0.4239%	2,930,483.15	5,860,966.29	
6/1/2009	345,000	25.000%	9,361,250.00	16.750%	(6,272,037.50)	(156,728.36)	0.4239%	2,930,483.15	5,847,466.27	
12/1/2009	215,000	25.000%	9,318,125.00	16.750%	(6,243,143.75)	(157,968.13)	0.4239%	2,816,983.12	5,625,553.19	
6/1/2010	2,235,000	25.000%	9,291,250.00	16.750%	(6,225,137.50)	(157,542.44)	0.4239%	2,808,570.07	5,729,663.46	
12/1/2010	2,330,000	25.000%	9,011,875.00	16.750%	(6,037,856.25)	(152,805.35)	0.4239%	2,621,113.40	5,551,052.73	
6/1/2011	2,440,000	25.000%	8,720,625.00	16.750%	(5,842,816.75)	(147,866.92)	0.4239%	2,729,938.33	5,364,400.25	
12/1/2011	2,555,000	25.000%	8,415,625.00	16.750%	(5,638,468.75)	(142,895.34)	0.4239%	2,634,460.91	5,188,943.40	
6/1/2012	2,690,000	25.000%	8,096,250.00	16.750%	(5,424,487.50)	(137,280.02)	0.4239%	2,534,482.48	4,983,703.83	
12/1/2012	2,845,000	25.000%	7,760,000.00	16.750%	(5,199,200.00)	(131,578.56)	0.4239%	2,429,221.44	4,747,116.61	
6/1/2013	3,005,000	25.000%	7,404,375.00	16.750%	(4,960,831.25)	(125,548.58)	0.4239%	2,317,895.17	4,518,203.18	
12/1/2013	3,165,000	25.000%	7,028,750.00	16.750%	(4,709,262.50)	(119,178.49)	0.4239%	2,200,308.02	4,276,768.00	
6/1/2014	3,345,000	25.000%	6,633,125.00	16.750%	(4,444,183.75)	(112,471.27)	0.4239%	2,076,459.88	4,022,028.44	
12/1/2014	3,530,000	25.000%	6,215,000.00	16.750%	(4,164,050.00)	(105,381.54)	0.4239%	1,945,588.48	3,753,006.26	
6/1/2015	3,735,000	25.000%	5,773,750.00	16.750%	(3,868,412.50)	(97,899.71)	0.4239%	1,807,437.80	3,468,723.17	
12/1/2015	3,940,000	25.000%	5,308,875.00	16.750%	(3,555,606.25)	(89,983.37)	0.4239%	1,661,285.38	3,236,082.35	
6/1/2016	4,150,000	25.000%	5,030,625.00	16.750%	(3,370,518.75)	(85,299.29)	0.4239%	1,574,806.97	3,058,048.58	
12/1/2016	4,370,000	25.000%	4,738,125.00	16.750%	(3,174,543.75)	(80,338.65)	0.4239%	1,463,241.60	2,869,243.91	
6/1/2017	4,600,000	25.000%	4,427,500.00	16.750%	(2,966,425.00)	(75,072.69)	0.4239%	1,386,002.31	2,668,700.10	
12/1/2017	4,840,000	25.000%	4,097,500.00	16.750%	(2,745,325.00)	(69,477.21)	0.4239%	1,282,697.79	2,455,438.88	
6/1/2018	5,090,000	25.000%	3,746,250.00	16.750%	(2,509,687.50)	(63,521.42)	0.4239%	1,172,741.09	2,228,090.87	
12/1/2018	5,350,000	25.000%	3,371,250.00	16.750%	(2,258,737.50)	(57,162.92)	0.4239%	1,055,349.59	1,988,264.18	
6/1/2019	5,620,000	25.000%	2,973,750.00	16.750%	(1,982,412.50)	(50,422.81)	0.4239%	930,814.60	1,729,763.75	
12/1/2019	5,900,000	25.000%	2,551,675.00	16.750%	(1,706,756.25)	(43,269.59)	0.4239%	798,849.18	1,457,219.82	
6/1/2020	6,200,000	25.000%	2,103,125.00	16.750%	(1,406,063.75)	(35,660.58)	0.4239%	658,370.68	1,167,262.82	
12/1/2020	6,520,000	25.000%	1,625,625.00	16.750%	(1,088,168.75)	(27,584.10)	0.4239%	506,982.15	859,110.13	
6/1/2021	6,860,000	25.000%	1,118,750.00	16.750%	(749,562.50)	(18,868.53)	0.4239%	350,217.86	531,392.19	
12/1/2021	7,220,000	25.000%	578,750.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2022	7,600,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2022	8,000,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2023	8,420,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2023	8,860,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2024	9,320,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2024	9,790,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2025	10,270,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2025	10,760,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2026	11,260,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2026	11,770,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2027	12,290,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2027	12,820,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2028	13,360,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2028	13,910,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2029	14,470,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2029	15,040,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2030	15,620,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2030	16,210,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2031	16,810,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2031	17,420,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2032	18,040,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2032	18,670,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2033	19,310,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2033	19,960,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2034	20,620,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2034	21,290,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2035	21,970,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2035	22,660,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2036	23,360,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2036	24,070,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2037	24,790,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2037	25,520,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2038	26,260,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2038	27,010,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2039	27,770,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2039	28,540,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2040	29,320,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2040	30,110,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2041	30,910,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2041	31,720,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2042	32,540,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2042	33,370,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2043	34,210,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2043	35,060,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2044	35,920,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2044	36,790,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2045	37,670,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2045	38,560,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2046	39,460,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2046	40,370,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2047	41,290,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2047	42,220,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2048	43,160,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
12/1/2048	44,110,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	
6/1/2049	45,070,000	25.000%	308,122,500.00	16.750%	(387,762.50)	(8,813.29)	0.4239%	161,174.22	161,174.22	

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 2006 CONSTANT MATURITY SWAP ESTIMATED
 Semiannual Debt Service Payment Schedules

Assumptions: 1-Month LIBOR (1) 4.550% 10 Year LIBOR (1) 6.430%
 Payment % (1) 100.000% 10 Year Receipt % (1) 100.00%
 Fixed Spread (1) 0.0000% Est. Fixed Spread (2) -0.57%

"ESTIMATED" RESULTS

Date	Notional Principal *	Est. 1-Mo. LIBOR Payment Rate (1)	Est. Variable Int. - OUT	Est. 10 Year Receipt Rate (1)	Est. Variable Int. - IN	Less: Fixed Spread - (2)	Est. Fixed Spread Int. - IN (2)	NET SWAP Debt Service *	Annual Debt Service * (Benefit)/Cost
9/1/2006									
12/1/2006									
9/1/2007									
12/1/2007									
6/1/2008	345,000	4.55%	1,703,747.50	6.430%	(2,407,713.50)	-0.57%	213,436.50	(490,529.50)	
12/1/2008	-	4.55%	1,695,898.75	6.430%	(2,396,821.75)	-0.57%	212,453.25	(488,269.75)	(978,799.25)
6/1/2009	215,000	4.55%	1,695,898.75	6.430%	(2,396,821.75)	-0.57%	212,453.25	(488,269.75)	
12/1/2009	-	4.55%	1,691,007.50	6.430%	(2,389,709.50)	-0.57%	211,840.50	(486,861.50)	(975,131.25)
6/1/2010	2,235,000	4.55%	1,691,007.50	6.430%	(2,389,709.50)	-0.57%	211,840.50	(486,861.50)	
12/1/2010	-	4.55%	1,640,161.25	6.430%	(2,317,854.25)	-0.57%	205,470.75	(472,222.25)	(959,083.75)
6/1/2011	2,330,000	4.55%	1,640,161.25	6.430%	(2,317,854.25)	-0.57%	205,470.75	(472,222.25)	
12/1/2011	-	4.55%	1,587,153.75	6.430%	(2,242,944.75)	-0.57%	198,830.25	(458,980.75)	(929,183.00)
6/1/2012	2,440,000	4.55%	1,587,153.75	6.430%	(2,242,944.75)	-0.57%	198,830.25	(458,980.75)	
12/1/2012	-	4.55%	1,531,643.75	6.430%	(2,164,498.75)	-0.57%	191,876.25	(440,978.75)	(897,939.50)
6/1/2013	2,555,000	4.55%	1,531,643.75	6.430%	(2,164,498.75)	-0.57%	191,876.25	(440,978.75)	
12/1/2013	-	4.55%	1,473,517.50	6.430%	(2,082,355.50)	-0.57%	184,594.50	(424,243.50)	(865,222.25)
6/1/2014	2,690,000	4.55%	1,473,517.50	6.430%	(2,082,355.50)	-0.57%	184,594.50	(424,243.50)	
12/1/2014	-	4.55%	1,412,320.00	6.430%	(1,995,872.00)	-0.57%	176,928.00	(406,624.00)	(830,867.50)
6/1/2015	2,845,000	4.55%	1,412,320.00	6.430%	(1,995,872.00)	-0.57%	176,928.00	(406,624.00)	
12/1/2015	-	4.55%	1,347,596.25	6.430%	(1,904,405.25)	-0.57%	168,819.75	(387,989.25)	(794,613.25)
6/1/2016	3,005,000	4.55%	1,347,596.25	6.430%	(1,904,405.25)	-0.57%	168,819.75	(387,989.25)	
12/1/2016	-	4.55%	1,279,232.50	6.430%	(1,807,794.50)	-0.57%	160,255.50	(368,306.50)	(756,295.75)
6/1/2017	3,165,000	4.55%	1,279,232.50	6.430%	(1,807,794.50)	-0.57%	160,255.50	(368,306.50)	
12/1/2017	-	4.55%	1,207,228.75	6.430%	(1,706,039.75)	-0.57%	151,235.25	(347,575.75)	(715,882.25)
6/1/2018	3,345,000	4.55%	1,207,228.75	6.430%	(1,706,039.75)	-0.57%	151,235.25	(347,575.75)	
12/1/2018	-	4.55%	1,131,130.00	6.430%	(1,598,498.00)	-0.57%	141,702.00	(325,866.00)	(673,241.75)
6/1/2019	3,530,000	4.55%	1,131,130.00	6.430%	(1,598,498.00)	-0.57%	141,702.00	(325,866.00)	
12/1/2019	-	4.55%	1,050,822.50	6.430%	(1,485,008.50)	-0.57%	131,641.50	(302,544.50)	(628,210.50)
6/1/2020	3,735,000	4.55%	1,050,822.50	6.430%	(1,485,008.50)	-0.57%	131,641.50	(302,544.50)	
12/1/2020	-	4.55%	965,851.25	6.430%	(1,364,928.25)	-0.57%	120,996.75	(278,080.25)	(580,624.75)
6/1/2021	2,210,000	4.55%	965,851.25	6.430%	(1,364,928.25)	-0.57%	120,996.75	(278,080.25)	
12/1/2021	-	4.55%	915,573.75	6.430%	(1,293,876.75)	-0.57%	114,698.25	(263,804.75)	(541,685.00)
6/1/2022	2,340,000	4.55%	915,573.75	6.430%	(1,293,876.75)	-0.57%	114,698.25	(263,804.75)	
12/1/2022	-	4.55%	862,338.75	6.430%	(1,218,645.75)	-0.57%	108,029.25	(248,277.75)	(511,882.50)
6/1/2023	2,485,000	4.55%	862,338.75	6.430%	(1,218,645.75)	-0.57%	108,029.25	(248,277.75)	
12/1/2023	-	4.55%	805,805.00	6.430%	(1,138,753.00)	-0.57%	100,947.00	(232,001.00)	(480,278.75)
6/1/2024	2,640,000	4.55%	805,805.00	6.430%	(1,138,753.00)	-0.57%	100,947.00	(232,001.00)	
12/1/2024	-	4.55%	745,745.00	6.430%	(1,053,877.00)	-0.57%	93,423.00	(214,709.00)	(446,710.00)
6/1/2025	2,810,000	4.55%	745,745.00	6.430%	(1,053,877.00)	-0.57%	93,423.00	(214,709.00)	
12/1/2025	-	4.55%	681,817.50	6.430%	(963,535.50)	-0.57%	85,414.50	(196,303.50)	(411,012.50)
6/1/2026	3,000,000	4.55%	681,817.50	6.430%	(963,535.50)	-0.57%	85,414.50	(196,303.50)	
12/1/2026	-	4.55%	613,567.50	6.430%	(867,085.50)	-0.57%	76,864.50	(178,653.50)	(372,957.00)
6/1/2027	3,180,000	4.55%	613,567.50	6.430%	(867,085.50)	-0.57%	76,864.50	(178,653.50)	
12/1/2027	-	4.55%	541,222.50	6.430%	(764,848.50)	-0.57%	67,801.50	(155,824.50)	(332,478.00)
6/1/2028	3,375,000	4.55%	541,222.50	6.430%	(764,848.50)	-0.57%	67,801.50	(155,824.50)	
12/1/2028	-	4.55%	464,441.25	6.430%	(656,342.25)	-0.57%	58,182.75	(133,718.25)	(289,542.75)
6/1/2029	3,590,000	4.55%	464,441.25	6.430%	(656,342.25)	-0.57%	58,182.75	(133,718.25)	
12/1/2029	-	4.55%	382,768.75	6.430%	(540,923.75)	-0.57%	47,951.25	(110,203.75)	(243,922.00)
6/1/2030	3,820,000	4.55%	382,768.75	6.430%	(540,923.75)	-0.57%	47,951.25	(110,203.75)	
12/1/2030	-	4.55%	295,863.75	6.430%	(418,110.75)	-0.57%	37,064.25	(85,182.75)	(195,386.50)
6/1/2031	4,055,000	4.55%	295,863.75	6.430%	(418,110.75)	-0.57%	37,064.25	(85,182.75)	
12/1/2031	-	4.55%	203,612.50	6.430%	(287,742.50)	-0.57%	25,507.50	(58,622.50)	(143,805.25)
6/1/2032	4,320,000	4.55%	203,612.50	6.430%	(287,742.50)	-0.57%	25,507.50	(58,622.50)	
12/1/2032	-	4.55%	105,332.50	6.430%	(148,854.50)	-0.57%	13,195.50	(30,326.50)	(88,949.00)
6/1/2033	4,630,000	4.55%	105,332.50	6.430%	(148,854.50)	-0.57%	13,195.50	(30,326.50)	
12/1/2033	-								(30,326.50)
	74,890,000		50,967,052.50		(72,025,966.50)	(0.29)	6,384,883.50	(14,674,030.50)	(14,674,030.50)

Assumes Effective Date of 12/1/2007.

* Notional amount of 2006 Bonds, for calculation purposes not used in sum of net payments.

(1) Assumes 1-Month LIBOR and 10 Year LIBOR equal approximate 15 year historical averages.

(2) Estimate of % of 10 Year LIBOR less fixed spread receipt based on current market conditions, 9/10/06.

Investment Management Advisory Group, Inc.

"MAXIMUM" RESULTS

COUNTY OF YORK, PENNSYLVANIA 2006 CONSTANT MATURITY SWAP MAXIMUM Semiannual Debt Service Payment Schedules	Assumptions:	1-Month LIBOR (1)	25.000%	10 Year LIBOR (1)	0.000%
		Payment % (1)	100.000%	10 Year Receipt % (1)	100.00%
		Fixed Spread (1)	0.0000%	Est. Fixed Spread (2)	-0.57%

Date	Notional Principal *	Est. 1-Mo. LIBOR Payment Rate (1)	Est. Variable Int. - OUT	Est. 10 Year Receipt Rate (1)	Est. Variable Int. - IN	Less: Fixed Spread - (2)	Est. Fixed Spread Int. - IN (2)	NET SWAP Debt Service *	Annual Debt Service * (Benefit)/Cost
9/1/2006									
12/1/2006									
9/1/2007									
12/1/2007									
8/1/2008	345,000	25.00%	9,361,250.00	0.000%	-	-0.57%	213,436.50	9,574,686.50	
12/1/2008	-	25.00%	9,318,125.00	0.000%	-	-0.57%	212,453.25	9,530,578.25	19,105,264.75
8/1/2009	215,000	25.00%	9,318,125.00	0.000%	-	-0.57%	212,453.25	9,530,578.25	
12/1/2009	-	25.00%	9,291,250.00	0.000%	-	-0.57%	211,840.50	9,503,090.50	19,033,668.75
8/1/2010	2,235,000	25.00%	9,291,250.00	0.000%	-	-0.57%	211,840.50	9,503,090.50	
12/1/2010	-	25.00%	9,011,875.00	0.000%	-	-0.57%	205,470.75	9,217,345.75	18,720,436.25
8/1/2011	2,330,000	25.00%	9,011,875.00	0.000%	-	-0.57%	205,470.75	9,217,345.75	
12/1/2011	-	25.00%	8,720,625.00	0.000%	-	-0.57%	198,830.25	8,919,455.25	18,136,801.00
8/1/2012	2,440,000	25.00%	8,720,625.00	0.000%	-	-0.57%	198,830.25	8,919,455.25	
12/1/2012	-	25.00%	8,415,625.00	0.000%	-	-0.57%	191,876.25	8,607,501.25	17,526,956.50
8/1/2013	2,555,000	25.00%	8,415,625.00	0.000%	-	-0.57%	191,876.25	8,607,501.25	
12/1/2013	-	25.00%	8,096,250.00	0.000%	-	-0.57%	184,594.50	8,280,844.50	16,888,345.75
8/1/2014	2,690,000	25.00%	8,096,250.00	0.000%	-	-0.57%	184,594.50	8,280,844.50	
12/1/2014	-	25.00%	7,760,000.00	0.000%	-	-0.57%	176,928.00	7,936,928.00	16,217,772.50
8/1/2015	2,845,000	25.00%	7,760,000.00	0.000%	-	-0.57%	176,928.00	7,936,928.00	
12/1/2015	-	25.00%	7,404,375.00	0.000%	-	-0.57%	168,819.75	7,573,194.75	15,510,122.75
8/1/2016	3,005,000	25.00%	7,404,375.00	0.000%	-	-0.57%	168,819.75	7,573,194.75	
12/1/2016	-	25.00%	7,028,750.00	0.000%	-	-0.57%	160,255.50	7,189,005.50	14,762,200.25
8/1/2017	3,165,000	25.00%	7,028,750.00	0.000%	-	-0.57%	160,255.50	7,189,005.50	
12/1/2017	-	25.00%	6,633,125.00	0.000%	-	-0.57%	151,235.25	6,784,360.25	13,973,385.75
8/1/2018	3,345,000	25.00%	6,633,125.00	0.000%	-	-0.57%	151,235.25	6,784,360.25	
12/1/2018	-	25.00%	6,215,000.00	0.000%	-	-0.57%	141,702.00	6,356,702.00	13,141,062.25
8/1/2019	3,530,000	25.00%	6,215,000.00	0.000%	-	-0.57%	141,702.00	6,356,702.00	
12/1/2019	-	25.00%	5,773,750.00	0.000%	-	-0.57%	131,641.50	5,905,391.50	12,262,093.50
8/1/2020	3,735,000	25.00%	5,773,750.00	0.000%	-	-0.57%	131,641.50	5,905,391.50	
12/1/2020	-	25.00%	5,306,875.00	0.000%	-	-0.57%	120,996.75	5,427,871.75	11,333,263.25
8/1/2021	2,210,000	25.00%	5,306,875.00	0.000%	-	-0.57%	120,996.75	5,427,871.75	
12/1/2021	-	25.00%	5,030,625.00	0.000%	-	-0.57%	114,698.25	5,145,323.25	10,573,195.00
8/1/2022	2,340,000	25.00%	5,030,625.00	0.000%	-	-0.57%	114,698.25	5,145,323.25	
12/1/2022	-	25.00%	4,738,125.00	0.000%	-	-0.57%	108,029.25	4,848,154.25	9,991,477.50
8/1/2023	2,485,000	25.00%	4,738,125.00	0.000%	-	-0.57%	108,029.25	4,848,154.25	
12/1/2023	-	25.00%	4,427,500.00	0.000%	-	-0.57%	100,947.00	4,528,447.00	9,374,601.25
8/1/2024	2,640,000	25.00%	4,427,500.00	0.000%	-	-0.57%	100,947.00	4,528,447.00	
12/1/2024	-	25.00%	4,087,500.00	0.000%	-	-0.57%	93,423.00	4,190,923.00	8,719,370.00
8/1/2025	2,810,000	25.00%	4,087,500.00	0.000%	-	-0.57%	93,423.00	4,190,923.00	
12/1/2025	-	25.00%	3,746,250.00	0.000%	-	-0.57%	85,414.50	3,831,664.50	8,022,587.50
8/1/2026	3,000,000	25.00%	3,746,250.00	0.000%	-	-0.57%	85,414.50	3,831,664.50	
12/1/2026	-	25.00%	3,371,250.00	0.000%	-	-0.57%	76,864.50	3,448,114.50	7,279,779.00
8/1/2027	3,180,000	25.00%	3,371,250.00	0.000%	-	-0.57%	76,864.50	3,448,114.50	
12/1/2027	-	25.00%	2,973,750.00	0.000%	-	-0.57%	67,801.50	3,041,551.50	6,489,666.00
8/1/2028	3,375,000	25.00%	2,973,750.00	0.000%	-	-0.57%	67,801.50	3,041,551.50	
12/1/2028	-	25.00%	2,551,875.00	0.000%	-	-0.57%	58,182.75	2,610,057.75	5,651,609.25
8/1/2029	3,590,000	25.00%	2,551,875.00	0.000%	-	-0.57%	58,182.75	2,610,057.75	
12/1/2029	-	25.00%	2,103,125.00	0.000%	-	-0.57%	47,951.25	2,151,076.25	4,761,134.00
8/1/2030	3,820,000	25.00%	2,103,125.00	0.000%	-	-0.57%	47,951.25	2,151,076.25	
12/1/2030	-	25.00%	1,625,625.00	0.000%	-	-0.57%	37,064.25	1,662,689.25	3,813,765.50
8/1/2031	4,055,000	25.00%	1,625,625.00	0.000%	-	-0.57%	37,064.25	1,662,689.25	
12/1/2031	-	25.00%	1,118,750.00	0.000%	-	-0.57%	25,507.50	1,144,257.50	2,806,946.75
8/1/2032	4,320,000	25.00%	1,118,750.00	0.000%	-	-0.57%	25,507.50	1,144,257.50	
12/1/2032	-	25.00%	578,750.00	0.000%	-	-0.57%	13,195.50	591,945.50	1,736,203.00
8/1/2033	4,630,000	25.00%	578,750.00	0.000%	-	-0.57%	13,195.50	591,945.50	
12/1/2033	-								591,945.50
	74,890,000		280,038,750.00			(0.29)	6,364,663.50	286,423,633.50	286,423,633.50

Assumes Effective Date of 12/1/2007.

* Notional amount of 2006 Bonds, for calculation purposes not used in sum of net payments.

(1) Assumes 1-Month LIBOR at Maximum Rate of 25% and 10 Year LIBOR at minimum of 0%.

(2) Estimate of % of 10 Year LIBOR less fixed spread receipt based on current market conditions, 9/10/06.

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 POTENTIAL RESULTS OF 2008 BASIS SWAP
 Semiannual Debt Service Payment Schedules

Date	County 2000 GO Bonds	GASP - Series 2000A (1)	GASP - Series 2001 (2)	County 2002 GO Bonds	GASP - Series 2003 (3)	County 2002 GO Bonds	YCGDA 2003A Bonds (4)	YCGDA 2003B Bonds (5)	County 2005 GO Note	County 2005A GO Note	County 2006 GO Bonds	Subtotal Annual Debt Service	EXPECTED RESULTS 2008 BASIS SWAP	EXPECTED RESULTS 2008 CMS	NET Annual Debt Service
2006	18,166	603,721	927,011	2,868,125	763,667	1,032,713	48,288	207,457	220,000	428,000	1,789,829	9,008,977	(158,729)	-	8,850,248
2007	218,985	1,207,443	1,854,023	3,328,125	1,532,216	1,032,713	96,577	414,915	6,148,101	11,428,000	3,579,658	30,841,754	(317,459)	-	30,524,295
2008	220,006	1,207,443	1,854,023	3,324,688	1,531,992	1,032,609	96,577	414,915	-	-	3,919,051	13,601,292	(316,727)	(978,798)	12,305,766
2009	220,455	1,432,376	1,762,501	3,325,625	1,531,748	1,032,488	566,577	414,915	-	-	3,779,844	14,066,528	(315,541)	(975,131)	12,775,856
2010	220,268	1,425,941	1,772,868	-	1,848,904	2,063,960	563,881	410,715	-	-	5,757,130	14,063,667	(310,348)	(959,084)	12,784,235
2011	-	1,423,462	2,002,019	-	1,848,099	2,048,298	560,220	410,715	-	-	5,766,418	14,059,229	(300,672)	(928,183)	12,829,374
2012	-	1,419,823	2,008,734	-	1,846,592	2,030,566	555,583	410,715	-	-	5,781,018	14,054,040	(290,562)	(897,940)	12,865,538
2013	-	1,415,025	2,020,594	-	1,834,616	2,022,435	-	410,715	-	-	5,792,924	13,496,309	(279,975)	(865,222)	12,351,112
2014	-	1,409,067	2,034,383	-	1,832,172	2,006,635	-	410,715	-	-	5,806,380	13,489,353	(268,859)	(830,868)	12,399,626
2015	-	1,401,950	2,050,881	-	1,824,143	1,988,560	-	770,361	-	-	5,823,005	13,858,900	(257,127)	(794,613)	12,807,160
2016	-	1,398,598	2,060,088	-	1,820,529	1,987,810	-	788,890	-	-	5,844,268	13,858,143	(244,728)	(756,296)	12,857,119
2017	-	1,393,774	2,072,005	-	1,816,212	1,948,935	-	787,575	-	-	5,857,530	13,857,031	(231,651)	(715,892)	12,909,498
2018	-	1,387,598	2,086,414	-	1,806,309	1,934,665	-	782,415	-	-	5,874,700	13,852,202	(217,853)	(673,242)	12,961,107
2019	-	1,380,033	2,103,095	-	1,800,821	1,916,935	-	781,409	-	-	5,887,905	13,850,169	(203,281)	(628,211)	13,018,707
2020	-	1,375,959	2,116,941	-	1,794,631	1,891,810	-	759,438	-	-	5,911,280	13,850,650	(187,863)	(580,625)	13,081,552
2021	-	1,365,378	2,137,733	-	1,782,856	1,879,060	-	756,501	-	-	4,237,655	12,158,183	(175,263)	(541,685)	11,442,215
2022	-	1,363,174	2,150,362	-	1,775,495	1,857,014	-	752,598	-	-	4,253,905	12,152,547	(165,639)	(511,883)	11,475,026
2023	-	1,354,230	2,174,609	-	1,772,314	1,821,375	-	747,730	-	-	4,276,280	12,148,539	(155,412)	(480,279)	11,512,848
2024	-	1,348,548	2,190,258	-	2,988,929	567,288	-	741,896	-	-	4,308,455	12,145,372	(144,550)	(446,710)	11,554,112
2025	-	1,336,126	2,217,088	-	2,935,105	569,988	-	739,875	-	-	4,349,018	12,147,298	(132,989)	(411,013)	11,603,288
2026	-	1,331,849	2,234,883	-	2,879,876	571,658	-	736,847	-	-	4,397,280	12,152,392	(120,684)	(372,957)	11,658,751
2027	-	1,320,601	2,256,534	-	2,828,125	572,388	-	732,512	-	-	4,428,140	12,141,298	(107,586)	(332,478)	11,701,235
2028	-	1,312,381	2,285,712	-	2,769,652	572,178	-	726,969	-	-	4,473,375	12,137,467	(93,682)	(289,543)	11,754,232
2029	-	1,306,959	2,302,310	-	2,710,174	575,794	-	725,089	-	-	4,521,000	12,141,336	(78,930)	(243,922)	11,818,484
2030	-	1,294,334	2,331,969	-	2,649,091	573,231	-	716,801	-	-	4,565,750	12,131,307	(63,225)	(195,387)	11,872,696
2031	-	-	3,642,768	-	2,586,369	574,600	-	-	-	-	4,603,875	11,417,612	(46,534)	(143,805)	11,227,273
2032	-	-	-	-	6,184,438	579,663	-	-	-	-	4,656,500	11,423,601	(28,783)	(88,949)	11,305,869
2033	-	-	-	-	6,104,668	578,419	-	-	-	-	4,745,750	11,428,837	(9,813)	(30,327)	11,388,697
	898,880	33,215,753	54,648,936	12,946,563	65,409,934	37,344,803	2,487,712	15,470,693	6,958,101	11,858,000	134,894,000	375,544,475	(5,224,525)	(14,674,031)	355,645,919

Assumes all debt service are traditional fixed rate unless noted below.

- (1) Includes payments on 2004 and 2005 Sweeps. See Schedule
- (2) Includes payments on 2003 and 2004 Sweeps. See Schedule
- (3) Includes payments on 2005 Sweep. See Schedule
- (4) Variable rate at average one month LIBOR since 1990. See Schedule
- (5) Includes sweep on a portion of the 2003B Bonds. See Schedule

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 POTENTIAL RESULTS OF 2006 BASIS SWAP
 Semiannual Debt Service Payment Schedules

Date	County 2000 GO Bonds	GASP - Series 2000A (1)	GASP - Series 2001 (2)	County 2002 GO Bonds	GASP - Series 2003 (3)	County 2002 GO Bonds	County 2002 GO Bonds	YCIDA 2003A Bonds (4)	YCIDA 2003B Bonds (5)	County 2005 GO Note	County 2005A GO Note	County 2006 GO Bonds	Subtotal Annual Debt Service	MAXIMUM RESULTS 2006 BASIS SWAP	MAXIMUM RESULTS 2006 CMS	NET Annual Debt Service
2006	19,166	603,721	927,011	2,866,125	763,667	1,032,713	48,288	207,457	220,000	1,789,829	429,000	1,789,829	9,008,977	2,930,483	-	11,939,461
2007	218,865	1,207,443	1,654,023	3,328,125	1,532,216	1,032,713	96,577	414,915	6,148,101	3,579,658	11,429,000	3,579,658	30,841,754	5,860,966	-	36,702,720
2008	220,066	1,207,443	1,654,023	3,324,688	1,531,992	1,032,609	96,577	414,915	-	3,919,051	-	3,919,051	13,601,282	5,847,468	19,105,265	38,554,023
2009	220,455	1,432,376	1,762,501	3,325,625	1,531,746	1,032,488	566,577	414,915	-	3,778,844	-	3,778,844	14,066,528	5,825,553	19,033,669	38,825,750
2010	220,268	1,425,941	1,772,868	-	1,848,904	2,063,860	563,881	410,715	-	5,757,130	-	5,757,130	14,063,667	5,729,683	19,720,436	39,519,786
2011	-	1,423,462	2,002,019	-	1,848,099	2,048,298	560,220	410,715	-	5,766,418	-	5,766,418	14,059,229	5,551,053	18,136,801	37,747,083
2012	-	1,419,823	2,008,734	-	1,846,592	2,030,566	555,593	410,715	-	5,781,018	-	5,781,018	14,054,040	5,364,400	17,526,957	36,946,397
2013	-	1,415,025	2,020,594	-	1,834,816	2,022,435	-	410,715	-	5,792,924	-	5,792,924	13,496,309	5,168,843	16,886,346	35,553,598
2014	-	1,409,067	2,034,383	-	1,832,172	2,006,635	-	410,715	-	5,806,380	-	5,806,380	13,499,353	4,963,704	16,217,773	34,680,829
2015	-	1,401,950	2,050,881	-	1,824,143	1,888,560	-	770,361	-	5,823,005	-	5,823,005	13,858,900	4,747,117	15,510,123	34,116,140
2016	-	1,398,558	2,060,088	-	1,820,529	1,967,810	-	766,890	-	5,844,268	-	5,844,268	13,858,143	4,518,203	14,762,200	33,138,546
2017	-	1,383,774	2,072,005	-	1,816,212	1,949,935	-	767,575	-	5,857,530	-	5,857,530	13,857,031	4,276,768	13,873,366	32,107,665
2018	-	1,387,599	2,086,414	-	1,806,309	1,934,685	-	762,415	-	5,874,780	-	5,874,780	13,852,202	4,022,028	13,141,062	31,015,293
2019	-	1,380,033	2,103,095	-	1,800,821	1,916,935	-	761,408	-	5,887,905	-	5,887,905	13,850,189	3,753,006	12,262,084	29,865,299
2020	-	1,375,959	2,116,941	-	1,794,631	1,891,810	-	759,438	-	5,911,280	-	5,911,280	13,850,060	3,468,723	11,333,263	28,652,046
2021	-	1,365,378	2,137,733	-	1,782,956	1,879,060	-	756,501	-	4,237,655	-	4,237,655	12,189,183	3,236,092	10,573,195	25,968,470
2022	-	1,363,174	2,150,362	-	1,775,495	1,857,014	-	752,599	-	4,253,905	-	4,253,905	12,152,547	3,058,049	9,891,478	25,202,073
2023	-	1,354,230	2,174,609	-	1,772,314	1,821,375	-	747,730	-	4,278,280	-	4,278,280	12,148,539	2,869,244	9,374,601	24,392,364
2024	-	1,348,548	2,190,258	-	1,768,929	1,806,968	-	741,896	-	4,308,465	-	4,308,465	12,145,372	2,688,700	8,719,370	23,533,442
2025	-	1,336,126	2,217,088	-	1,765,105	1,789,847	-	739,975	-	4,348,018	-	4,348,018	12,141,299	2,455,439	8,022,586	22,625,325
2026	-	1,331,849	2,234,863	-	1,762,876	1,771,658	-	736,847	-	4,387,280	-	4,387,280	12,152,382	2,228,091	7,279,779	21,660,262
2027	-	1,320,601	2,258,534	-	1,760,125	1,759,388	-	732,512	-	4,428,140	-	4,428,140	12,141,298	1,986,264	6,489,666	20,617,229
2028	-	1,312,381	2,282,712	-	1,757,852	1,746,969	-	726,969	-	4,473,375	-	4,473,375	12,137,487	1,728,764	5,651,609	19,518,840
2029	-	1,306,959	2,302,310	-	1,755,231	1,735,794	-	725,099	-	4,521,000	-	4,521,000	12,141,338	1,457,220	4,761,134	18,359,690
2030	-	1,294,334	2,331,989	-	1,753,091	1,723,231	-	716,901	-	4,565,750	-	4,565,750	12,131,307	1,167,263	3,813,766	17,112,335
2031	-	-	3,642,768	-	2,596,369	574,600	-	-	-	4,603,875	-	4,603,875	11,417,612	859,110	2,806,947	15,083,669
2032	-	-	-	-	6,184,438	579,663	-	-	-	4,745,750	-	4,745,750	11,423,601	531,392	1,736,203	13,891,186
2033	-	-	-	-	6,104,668	578,419	-	-	-	-	-	-	11,428,837	181,174	591,946	12,201,956
	899,880	33,215,753	54,649,836	12,946,563	65,409,934	37,244,803	2,487,712	15,470,693	6,365,101	134,984,000	11,859,000	134,984,000	375,544,475	86,655,900	286,423,634	758,424,008

Assumes all debt service are traditional fixed rate unless noted below:
 (1) Includes payments on 2004 and 2005 Sweeps. See Schedule
 (2) Includes payments on 2003 and 2004 Sweeps. See Schedule
 (3) Includes payments on 2005 Swap. See Schedule
 (4) Variable rate at average one month LIBOR minus 180. See Schedule
 (5) Includes swap on a portion of the 2003B Bonds. See Schedule

Appendix D

Termination Matrix of Proposed Swap

10Y CMS/1M LIBOR Termination Analysis

Change in Steepness (bps)	Change in Absolute Rates ¹ (bps)						
	-150	-100	50	25	50	100	150
150	(6,637,108)	(6,749,997)	(6,863,489)	(7,035,666)	(7,093,791)	(7,211,416)	(7,331,179)
100	(4,648,334)	(4,746,152)	(4,842,502)	(4,985,151)	(5,032,392)	(5,126,682)	(5,221,004)
50	(2,669,454)	(2,754,222)	(2,835,473)	(2,951,633)	(2,889,017)	(3,062,041)	(3,133,016)
25	283,776	214,797	152,405	70,273	45,763	789	(39,052)
50	1,264,955	1,200,228	1,143,113	1,070,806	1,050,080	1,013,436	982,945
100	3,223,660	3,165,916	3,117,838	3,062,912	3,048,994	3,027,488	3,014,163
150	5,178,624	5,126,029	5,084,966	5,044,391	5,036,272	5,027,879	5,029,686

Notes: Based on a 100.0% of 10Y CMS -57 bps versus 100.0% of 1-Mo LIBOR structure with an amortizing notional amount of \$74,890,000 and an average term of 15 years. Amounts shown represent estimated termination values. Actual results will vary.

(1) Change measured in terms of the taxable market; assumes a parallel shift in the prevailing LIBOR curve as of September 1, 2006.

(2) Steepness represents the difference between 1Y and 30Y LIBOR; changes assessed by shifting current 1Y LIBOR by the specified number of basis points and interpolating all rates between 1Y and 30Y points.

Other County Swaps Termination Matrices on following page:



Sensitivity Analysis Report as of August 31, 2006
York County, Pennsylvania

Description	Initial Notional	Counterparty	-200 bps	-100 bps	Mark-to-Market	+100 bps	+200 bps
York - \$5M LIBOR Swap	\$5,000,000	Royal Bank of Canada	(\$424,133)	(\$130,153)	\$144,562	\$401,525	\$642,121
York - \$32.435M BMA Swap	\$32,435,000	Royal Bank of Canada	(\$7,667,985)	(\$3,600,765)	(\$184,742)	\$2,885,108	\$5,484,446
York - \$49.735M BMA Swap	\$49,735,000	Royal Bank of Canada	\$1,151,731	(\$33,067)	(\$1,181,425)	(\$2,304,473)	(\$3,393,510)
York - \$32.615M BMA Swap	\$32,615,000	Royal Bank of Canada	(\$11,140,589)	(\$5,809,171)	(\$1,455,183)	\$2,391,737	\$5,562,461
York - \$19.09M BMA Swap	\$19,090,000	Royal Bank of Canada	(\$5,012,838)	(\$2,677,645)	(\$689,009)	\$1,110,422	\$2,654,181
York - \$74.89M Basis Swap	\$74,890,000	Royal Bank of Canada	\$5,633,909	\$2,563,165	(\$45,584)	(\$2,336,883)	(\$4,305,244)

- DerivaActiv has performed various analyses relating to how shifts in interest rates will affect the value of each of the swaps and calculated the mark-to-market on each swap based on changes in interest rates of plus and minus 100 basis points (PV+100 and PV-100) and plus and minus 200 basis points (PV+200 and PV-200) shifts in the yield curve.

- All sensitivity values are estimates only, based upon market conditions as of the report date and are provided from the County's point of view.
 - Relative changes in LIBOR are applied as uniform shifts across the LIBOR swap curve and do not account for any potential future changes in the shape of the yield curve.

Description	Initial Notional	Counterparty	-2 Ratios	-1 Ratio	Mark-to-Market	+1 Ratio	+2 Ratios
York - \$74.89M Basis Swap	\$74,890,000	Royal Bank of Canada	\$646,316	\$300,366	(\$45,584)	(\$391,534)	(\$737,484)

- IMAGE has performed various analyses relating to how shifts in interest rates will affect the value of the swap and calculated the expected change in value of the swap based on movements in the ratios of BMA to LIBOR and calculated the mark-to-market on the swap based on changes in the ratio of plus and minus 1, 2 and 3 ratios.

- All sensitivity values are estimates only, based upon market conditions as of the report date and are provided from the County's point of view.
 - Relative changes in ratios are applied as uniform shifts across the curve and do not account for any potential future changes in the shape of the yield curve or interest rate levels.

Appendix E

Form of IMAGE Fair and Reasonableness Opinion

, 2006

County of York
Charles R. Noll
Administrator / Chief Clerk
One West Marketway, 4th Floor
York, PA 17401

Re: Independent Financial Advisor Opinion Regarding Constant Maturity Swap relating to:
County of York, Pennsylvania
General Obligation Bonds, Series of 2006 (the "2006 Bonds")

Dear County:

In connection with an interest rate swap transaction between the County of York, Pennsylvania (the "County") and Royal Bank of Canada, ("RBC"), confirmed and dated as of _____ (the "2006 Constant Maturity Swap"), Investment Management Advisory Group, Inc. ("IMAGE") has served as the Independent Financial Advisor, as that phrase is defined in the Pennsylvania Local Government Unit Debt Act (the "Debt Act"), to the County in connection with the 2006 Constant Maturity Swap. A telephone conference call was concluded at approximately _____ A.M. EDT on _____, 2006, which included representatives of the County, RBC and IMAGE, and the final financial terms of the 2006 Constant Maturity Swap were accepted by an authorized County official.

Our opinion is based on the following information:

- (1) RBC has furnished IMAGE with the existing ISDA Master Agreement, Schedule and a substantially final draft of Confirmation (the "Swap Documents") which contain the negotiated terms and conditions of the 2006 Constant Maturity Swap. IMAGE confirmed with RBC and the County Administrator each of the principal terms of the Swap Documents to assure that the assumptions utilized by IMAGE in rendering this opinion conform to the actual terms of the 2006 Constant Maturity Swap.

- (2) Using the terms contained in the Swap Documents, IMAGE has evaluated swap market rates for transactions comparable to the size and structure of the 2006 Constant Swap, assuming that (i) the payment floating leg of the 2006 Constant Maturity Swap is equal to 100% of USD-LIBOR-BBA with a reference maturity of one-month (1-Month LIBOR) at the reset date of the Calculation Period and (ii) the receipts floating leg of the 2006 Constant Maturity Swap (the "Receipt Rate") are equal to 100% of the USD-LIBOR-BBA Offered Rate with a maturity of ten years (10-Year LIBOR) minus __%, on the outstanding notional amount of the 2006 Constant Maturity Swap associated with the 2006 Bonds as detailed in the executed 2006 Constant Maturity Swap confirmation. The receipts on the both variable legs of the 2006 Constant Maturity Swap are computed based on the notional amortization schedule as detailed in the executed 2006 Constant Maturity Swap confirmation.
- (3) To establish the basis for market pricing, we contacted several national broker/dealers who have an established industry reputation as competitive providers of the type of Swap transactions contemplated herein. We also used specific market data derived from interest rate curves found on Bloomberg, as of the valuation date, and used Bloomberg's swap valuation model and IMAGE's own proprietary models based on market conventions for valuing swaps.

Based upon the above-described information, and such other documents, calculations and matters as we have deemed appropriate, (a) the terms and conditions of the 2006 Constant Maturity Swap for a counterparty to be willing to take on the interests and obligations as specified in the 2006 Constant Maturity Swap confirmation in an arms-length market transaction committed to at the time of the trade reflect a fair market value of such transactions and were fair and reasonable, given the methodology described above, and (b) the 2006 Constant Maturity Swap contains financial terms and conditions which in the opinion of IMAGE are fair and reasonable to the County as of the date of the award.

The County determined to enter into the 2006 Constant Maturity Swap and to negotiate the 2006 Constant Maturity Swap with RBC without our involvement except to confirm RBC as a qualified provider under the Debt Act. IMAGE acted solely as the Independent Financial Advisor as defined in the Debt Act to the County in relation to the 2006 Constant Maturity Swap. We were not rendering an opinion on suitability or the ultimate financial outcome of this transaction, which will rely on financial and legal circumstances that are impossible to predict. We have relied on the ratings published by Moody's Investors Service and Standard & Poor's Corporation in relation to the financial condition of the County and RBC and have done no other due diligence in this regards. We make no representation as to either counterparty's ongoing financial soundness.

IMAGE is an established bidding agent and arranger of swaps within the industry for municipal-indexed interest rate swaps, options, and derivatives and is professionally knowledgeable and experienced in the financial aspects and risks of such transactions. As an arranger of interest rate swaps, IMAGE continually conducts transactions among participants in these markets, including both dealers and end-users, during our normal course of business

operations. IMAGE is not an agent or affiliate of RBC. IMAGE's compensation for providing such swap advisory services will be paid by RBC in an amount consistent with that which is detailed in the 2006 Constant Maturity Swap confirmation.

Investment Management Advisory Group, Inc.

By: _____

EXHIBIT B

**SUBSTANTIAL FORM OF QUALIFIED INTEREST RATE
MANAGEMENT AGREEMENT**

(including ISDA Master Agreement, Schedule(s) and Confirmation)

(Multicurrency--Cross Border)

ISDA[®]

International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of February 22, 2006

Royal Bank of Canada and The County of York, Pennsylvania

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

- (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
- (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
- (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:--

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) **Deduction or Withholding for Tax.**

(i) **Gross-Up.** All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:--

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:--

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) **Liability.** If--

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:--

(a) **Basic Representations.**

- (i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;
- (ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;
- (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and
- (v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) **Payer Tax Representation.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) **Payee Tax Representations.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:--

(a) **Furnish Specified Information.** It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:--

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation, and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorizations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) **Tax Agreement.** It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) **Payment of Stamp Tax.** Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated,

organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction") and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:-

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disowns, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however

described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:-

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:-

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event

Upon Merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below:--

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):-

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Tax Event.** Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iii) **Tax Event Upon Merger.** The party (the "Burdened Party") on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);

(iv) **Credit Event Upon Merger.** If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(v) **Additional Termination Event.** If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Transfer to Avoid Termination Event.** If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) **Right to Terminate.** If:--

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2), a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then

continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) ***Calculations.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Payment Date.*** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default:-

(1) ***First Method and Market Quotation.*** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) ***First Method and Loss.*** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) ***Second Method and Market Quotation.*** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the

Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) *Termination Events.* If the Early Termination Date results from a Termination Event:-

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:-

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (II) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the bigger Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X, if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) *Adjustment for Bankruptcy.* In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) *Pre-Estimate.* The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:-

- (a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and
- (b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Contractual Currency

(a) **Payment in the Contractual Currency.** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) **Judgments.** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term "rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) **Separate Indemnities.** To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) **Evidence of Loss.** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

9. Miscellaneous

- (a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) **Amendments.** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) **Survival of Obligations.** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) **Counterparts and Confirmations.**
- (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
- (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

10. Offices; Multibranch Parties

- (a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organization of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.
- (b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.
- (c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document

to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:-

- (i) if in writing, and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following, day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:-

- (i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Service of Process.** Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any

reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:--

"Additional Termination Event" has the meaning specified in Section 5(b).

"Affected Party" has the meaning specified in Section 5(b).

"Affected Transactions" means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means:--

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"Burdened Party" has the meaning specified in Section 5(b).

"Change in Tax Law" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

"consent" includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1 % per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iv).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

"Indemnifiable Tax" means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organized, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

"law" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and **"lawful"** and **"unlawful"** will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial center, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"Loss" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have

been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the biggest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Non-default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Office" means a branch or office of a party, which may be such party's head or home office.

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the biggest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Relevant Jurisdiction" means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organized, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"Settlement Amount" means, with respect to a party and any Early Termination Date, the sum of:-

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined;
and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Stamp Tax" means any stamp, registration, documentation or similar tax.

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

"Tax Event" has the meaning specified in Section 5(b).

"Tax Event Upon Merger" has the meaning specified in Section 5(b).

"Terminated Transactions" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"Termination Currency" has the meaning specified in the Schedule.

"Termination Currency Equivalent" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

"Termination Event" means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

ROYAL BANK OF CANADA

THE COUNTY OF YORK, PENNSYLVANIA

By: Irene Klausmann
Name:
Title: **IRENE KLAUSMANN
AUTHORIZED SIGNATORY**
Date: Feb 24/06

By: Lori O. Mitrick
Name: **Lori O. Mitrick**
Title: **President of the Board
of County Commissioners**
Date: **March 2, 2006**

ISDA
International Swaps and Derivatives Association, Inc.

SCHEDULE
to the
1992 Master Agreement

dated as of February 22, 2006

between

Royal Bank of Canada
("Party A")

and

The County of York, Pennsylvania
("Party B")

Part 1. Termination Provisions.

(a) **"Specified Entity"** means in relation to Party A for the purpose of:-

Section 5(a)(v),	None
Section 5(a)(vi),	None
Section 5(a)(vii),	None
Section 5(b)(iv),	None

in relation to Party B for the purpose of:-

Section 5(a)(v),	None
Section 5(a)(vi),	None
Section 5(a)(vii),	None
Section 5(b)(iv),	None

(b) **"Specified Transaction"** will have the meaning specified in Section 14 of this Agreement.

(c) The **"Cross Default"** provisions of Section 5(a)(vi) will apply to Party A and will apply to Party B.

If such provisions apply:-

The "." at the end of the definition of **"Specified Indebtedness"** in Section 14 of this Agreement shall be deleted and replaced by the following: ", except that such term shall not include obligations in respect of deposits received in the ordinary course of either party's banking business, if any and (ii) with respect to Party B, such term shall only include debt obligations payable from the general taxing power of Party B."

"Threshold Amount" means in relation to each of Party A, 1% of its shareholders' equity (as disclosed in its most recent financial statements) or the equivalent in any other currency and in relation to Party B, USD 10 million.

- (d) The "Credit Event Upon Merger" provisions of Section 5(b)(iv) will not apply to Party A and will apply to Party B, provided that, for purposes of determining whether a Credit Event Upon Merger has occurred with respect to a party, the term "materially weaker" shall mean in the case of Party A, that the long-term unsecured senior debt rating (not taking into account any third party credit enhancement) of the resulting, surviving, transferee or successor entity of Party A is below Baa2 as determined by Moody's or below BBB as determined by S&P; and the term "materially weaker" shall mean in the case of Party B that the general obligation bond rating (not taking into account any third party credit enhancement but giving effect to the State Intercept Program) of the resulting, surviving, transferee or successor entity of Party is below Baa2 as determined by Moody's or BBB as determined by S&P.
- (e) The "Automatic Early Termination" provision of Section 6(a) will not apply to Party A and will not apply to Party B.
- (f) **Payments on Early Termination.** For the purpose of Section 6(e) of this Agreement:-
- (i) Market Quotation will apply.
 - (ii) The Second Method will apply.
- (g) "Termination Currency" means United States Dollars.
- (h) **Additional Termination Event** will apply. The following shall constitute Additional Termination Events:-
- (A) **Either:**
 - (a) the reduction of the long-term unsecured, unsubordinated debt rating of Party A or the reduction of the underlying general obligation rating of Party B below a rating of:
 - (i) BBB by Standard & Poor's Rating Service ("S&P"); or
 - (ii) Baa2 by Moody's Investors Service Inc. ("Moody's"); or
 - (b) the cessation by either S&P or Moody's (together referred to herein as the "Rating Agencies") to issue ratings in respect of the long-term unsecured, unsubordinated debt of Party A or the general obligation rating of Party B.

The party whose rating is so reduced or who ceases to be so rated shall be the Affected party for the purposes of this Additional Termination Event.

In the event that one or both of the Rating Agencies cease providing rating services generally, or cease providing rating services in regard to long-term unsecured, unsubordinated debt specifically, the parties hereto shall mutually agree upon one or more alternate rating agencies and shall designate the rating level issued by such rating agency or agencies for the purposes of this provision.

(B) **Election by Party B to Terminate Without Cause** – In accordance with the Debt Act, Party B may at will and without cause at its option by not more than 20 days notice to Party A specifying election to terminate without cause, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of an outstanding Transactions, or as an Early Termination Date in respect of part of a Transaction through reduction of the notional amount; provided, however, that any such partial reduction will be subject to a minimum notional reduction of USD 1,000,000 and limited to no more than one (1) reduction per calendar year, except in the event of the termination of the entire outstanding notional amount. In such event, Party A and Party B shall be the Affected Parties for purposes of this Additional Termination Event. Party B may not optionally terminate this Transaction unless Party B also provides evidence reasonably satisfactory to Party A that Party B has

or will have on the termination date available funds, with which to pay any amount due to Party A as a result of such termination. Early termination is not permitted by Party A except for the Events of Default and Termination Events as outlined in Part 1(h)(B) above.

(C) An Additional Termination Event shall occur on the date when all of Party B's Related Bonds (as such term is defined in a Confirmation) are no longer outstanding. In such event, Party A and Party B shall be the Affected Parties for purposes of this Additional Termination Event.

Part 2. Tax Representations.

(a) **Payer Representations.** For the purpose of Section 3(e) of this Agreement, Party A and Party B will each make the following Payer Representation

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(b) **Payee Representations.**

(i) **Party A.** For the purpose of Section 3(f) of this Agreement, Party A makes the representations specified below:

(A) It is a bank organized under the laws of Canada and (ii) it is a foreign corporation for U.S. federal tax purposes.

(B) In respect of a Transaction the income from which is attributable to its New York office, each payment received or to be received by it in connection with this Agreement will be effectively connected with its conduct of a trade or business in the United States.

(C) In every other case, (i) each payment received or to be received by it will be received by a foreign person or a non-U.S. branch of a foreign person and (ii) no part of any payments received or to be received by it in connection with this Agreement is attributable to a trade or business carried on by it in the United States.

(ii) **Party B.** For the purpose of Section 3(f) of this Agreement, Party B makes the representations specified below:

(A) It is a county existing under the laws of the Commonwealth of Pennsylvania and it is a political subdivision of the Commonwealth of Pennsylvania for U.S. federal tax purposes.

(B) Notwithstanding anything else in this Agreement, Party B is exempt from federal, state and local tax in Pennsylvania and makes no other representations regarding its status for U.S. federal, state and local tax purposes.

Part 3. Agreement to Deliver Documents.

For the purpose of Sections 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:-

(a) Tax forms, documents or certificates to be delivered are:-

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered
Party A	With respect to any payments described in Part 2(b)(i)(B) of this Schedule, U.S. Internal Revenue Service Form W-8ECI (or any successor of such Form), completed accurately and in a manner reasonably acceptable to Party B	(1) Before the first payment date under this Agreement (2) before December 31 of each third succeeding calendar year, (3) promptly upon the earlier of reasonable demand by Party B and learning that any such Form is required, (4) prior to the expiration or obsolescence of any previously delivered Form, and (5) promptly upon the information on any such previously delivered Form becoming inaccurate or incorrect
Party A	With respect to any payments described in Part 2(b)(i)(C) of this Schedule, U.S. Internal Revenue Service Form W-8BEN (or any successor of such Form), completed accurately and in a manner reasonably acceptable to Party B	(1) Before the first payment date under this Agreement (2) before December 31 of each third succeeding calendar year, (3) promptly upon the earlier of reasonable demand by Party B and learning that any such Form is required, (4) prior to the expiration or obsolescence of any previously delivered Form, and (5) promptly upon the information on any such previously delivered Form becoming inaccurate or incorrect
Party B	U.S. Internal Revenue Service Form W-9 (or any successor of such Form), completed accurately and in a manner reasonably acceptable to Party A	Upon the execution of this Agreement
Party A and Party B	Any other form or document, accurately completed and in a manner reasonably satisfactory to the other party, that may be required or reasonably requested in writing in order to allow the other party to make a payment under this Agreement without any deduction or withholding for or on account of any Tax or with such deduction at a reduced rate	Promptly upon request of the other party

(b) Other documents to be delivered are:-

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) representation
Party A	Power of Attorney and Certificate of Incumbency	Upon execution of this Agreement, and, if requested, each Confirmation	Yes
Party A	Copy of extract of resolutions with respect to execution of agreements	Upon execution of this Agreement	Yes
Party B	Certified copies of all resolutions or ordinances required to authorize the signing, delivery and performance of this Agreement by Party B and appointing and empowering individuals with specimens of their respective signatures for and on behalf of Party B to sign and deliver this Agreement and sign under seal or otherwise and deliver all agreements, documents and instruments, and give all instructions, in connection herewith	Upon execution of this Agreement, and, if requested, each Confirmation	Yes
Party B	Opinion of legal advisors to Party B satisfactory to Party A	Upon execution of this Agreement	No
Party A	Opinion of internal legal counsel of Party A and satisfactory to Party B	Upon execution of this Agreement	No
Party B	Certified copy of documents filed with the Pennsylvania Department of Community and Economic Development in accordance with the Debt Act	Upon the execution of this Agreement	Yes

Part 4. Miscellaneous.

(a) **Address for Notices.** For the purpose of Section 12(a) of this Agreement:-

Address for notices or communications to Party A with respect to this Agreement shall be given to it at the following address:

Address: Royal Bank of Canada
2nd Floor
Royal Bank Plaza
200 Bay Street
Toronto, Ontario
CANADA M5J 2W7

Attention: Managing Director, Global Middle Office

Facsimile No.: (416) 842-4839

Unless otherwise provided herein, address for notices or communications to Party A relating to a particular Swap Transaction concluded with its Toronto office, shall be given to it at the following address:

Swap Transaction
Royal Bank of Canada 5 th Floor, North Tower Royal Bank Plaza 200 Bay Street Toronto, Ontario CANADA M5J 2W7
Attention: Manager, Capital Market Products Operations
Facsimile No.: (416) 842-4303 or (416) 842-4304

Address for notices or communications to Party A relating to a particular Swap Transaction concluded with its New York Office, shall be given to it at the following address:-

Swap Transaction
Royal Bank of Canada New York Branch One Liberty Plaza, 2 nd Floor 165 Broadway New York, New York 10006-1404 U.S.A
Attention: RBC DS Global Markets Capital Markets Group
Telex: 420464 Answerback: RBOC
Facsimile No.: 212-428-3018

Address for notices or communications to Party B with respect to this Agreement and any Transactions shall be given to it at the following address:

Address: The County of York, Pennsylvania
York County Administrative Offices
One West Marketway, 4th Floor
York, PA 17401

Attention: Chief Clerk

Telephone: (717) 771-9964

Facsimile No.: (717) 771-9804

With a copy to the Paying Agent for Related Bonds:

Address: Manufacturers and Traders Trust Company
213 Market Street
M/C: Hbg-Main-2
Harrisburg, PA 17101

Attention: Corporate Trust
Telephone: (717) 255-2347
Facsimile No.: (717) 231-2615

- (b) **Process Agent.** For the purpose of Section 13(c) of this Agreement:-
Party A appoints as its Process Agent - None
Party B appoints as its Process Agent - None
- (c) **Offices.** The provisions of Section 10(a) will apply to Party A and Party B; provided, however, that without in any way limiting the effect of the foregoing, each party agrees to deal first with the Office of the other party specified in the Confirmation rather than such party's head or home office with respect to resolving any default that results solely from wire transfer difficulties or an error or omission of an administrative or operational nature. Notwithstanding the foregoing, a party (the "Owed Party") may seek payment from the head or home office of the other party (the "Owing Party") with respect to this Agreement in the event that an amount payable to the Owed Party by the Owing Party pursuant to this Agreement as a result of the designation of an Early Termination Date has not been paid in full when due.
- (d) **Multibranch Party.** For the purpose of Section 10(c) of this Agreement:-
Party A is a Multibranch Party and may act through its Toronto and New York offices.
Party B is not a Multibranch Party.
- (e) **Calculation Agent.** The Calculation Agent is Party A unless: (i) otherwise specified in a Confirmation in relation to the relevant Transaction, in which case the Calculation Agent shall be as specified in such Confirmation, or (ii) an Event of Default has occurred and is continuing with respect to which Party A is the Defaulting Party, in which case Party B may designate a Calculation Agent other than Party A, which designee shall qualify as a Reference Market-maker hereunder.
- (e) **Credit Support Document.** Details of any Credit Support Document with respect to either party:- None.
- (f) **Credit Support Provider.** Credit Support Provider means in relation to either party:- None.
- (g) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York, except that the capacity of Party B to enter into this Agreement or any transaction hereunder, and the powers and duties of Party B under this Agreement and the remedies under the Debt Act shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.
- (h) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will apply to all Transactions.
- (i) **"Affiliate"** will have the meaning specified in Section 14 of this Agreement .

Part 5. Other Provisions.

1. **Definitions.** This Agreement, each Confirmation, and each Transaction are subject to the 1992 ISDA U.S. Municipal Counterparty Definitions (the "1992 Muni Definitions") and the 2000 ISDA Definitions (the "2000 Definitions" and, together with the 1992 Muni Definitions, the "Definitions"), in each case as published by the International Swaps and Derivatives Association, Inc., and will be governed in all respects by the provisions set forth in the Definitions with references to "Swap Transaction" therein being a reference to "Transaction" for purposes of this Agreement. The provisions of the Definitions are incorporated by reference in, and made part of, this Agreement as if

set forth in full in this Agreement and each Confirmation. In the event of any inconsistency between (i) (A) the provisions of this Schedule and the Master Agreement of which it is a part; and (B) the Definitions, the provisions set forth in this Schedule will prevail; and (ii) in the event of any inconsistency between (A) the provisions of a Confirmation, and (B) any of this Schedule, the Master Agreement or the Definitions, the provisions set forth in the Confirmation will prevail.

2. **Illegality.** For purposes of Section 5(b)(i), the obligation of Party A to comply with any official directive issued or given by any government agency or authority with competent jurisdiction which has the result referred to in Section 5(b)(i) will be deemed to be an "Illegality".
3. **Payments on Early Termination - Events of Default - Second Method.**

Section 6 of this Agreement is amended by the inclusion of the following Section 6(f):

"(f) Conditions to Certain Payments. Notwithstanding the provisions of Section 6(e)(i)(3) if the amount referred to therein is a positive number, the Defaulting Party will pay such amount to the Non-defaulting Party, and if the amount referred to therein is a negative number, the Non-defaulting Party shall have no obligation to pay any amount thereunder to the Defaulting Party unless and until the conditions set forth in (i) and (ii) below have been satisfied at which time there shall arise an obligation of the Non-defaulting Party to pay to the Defaulting Party an amount equal to the absolute value of such negative number less any and all amounts which the Defaulting Party may be obligated to pay under Section 11:

- (i) the Non-defaulting Party shall have received confirmation satisfactory to it in its sole discretion (which may include an unqualified opinion of its counsel) that (x) no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of Terminated Transactions will be required to be made in accordance with Section 6(c)(ii) and (y) each Specified Transaction shall have terminated pursuant to its specified termination date or through the exercise by a party of a right to terminate and all obligations owing under each such Specified Transaction shall have been fully and finally performed; and
 - (ii) all obligations (contingent or absolute, matured or unmatured) of the Defaulting Party and any Affiliate of the Defaulting Party to make any payment or delivery to the Non-defaulting Party or any Affiliate of the Non-defaulting Party shall have been fully and finally performed."
4. **Execution.** Section 9(e)(ii) of this Agreement is deleted and replaced in its entirety with the following provision:

"(ii) Execution of Transactions. The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by exchange of electronic messages on an electronic messaging system, facsimile transmissions or other delivery, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. With respect to Confirmations created by an exchange of electronic messages, facsimile transmissions or other delivery, only those terms which match and are contained in the messages sent by both parties will form the Confirmation of the Transaction. Where a Transaction is confirmed by means of electronic messaging system (including, without limitation, circumstances where such electronic message is printed and faxed or otherwise delivered by one party to the other party) such confirmation will constitute a 'Confirmation' as referred to in this Agreement even where not so specified in the Confirmation. The location, branch or office of each party to which payment or delivery is required under the terms of a Transaction shall be deemed to be an "Office" for purposes of Section 10 of the Agreement even where the Confirmation does not expressly identify such location, branch or office as an "Office".

5. **Service of Process.** With respect to the provisions of Section 13(c) of the Agreement, the reference therein to Section 12 to the contrary notwithstanding, no consent is given by either party to service of process by telex, facsimile transmission or electronic messaging system.
6. **Equivalency Clause.** For the purpose of disclosure pursuant to the Interest Act (Canada), if a rate of interest payable under the Agreement (the "Agreement Interest Rate") is calculated on a basis other than a full calendar year, then an equivalent rate of interest calculated on a basis of a full calendar year (the "Equivalent Interest Rate") must also be disclosed. In such circumstances, the Equivalent Interest Rate may be determined by multiplying the Agreement Interest Rate by a fraction, the numerator of which is the actual number of days in the calendar year in which the Equivalent Interest Rate is to be ascertained and the denominator of which is the number of days comprising the basis on which the Agreement Interest Rate is calculated.
7. **Set-Off.** Section 6 of this Agreement is amended by adding the following Section as Section 6(g):
 - "(g) **Set-Off.** Any Amount (the "Early Termination Amount") payable to one party (the "Payee") by the other party (the "Payer") under Section 6(e), in circumstances where there is a Defaulting Party or one Affected Party in the case where a Termination Event under Section 5(b)(iv) has occurred, will, at the option of the party ("X") other than the Defaulting Party or the Affected Party (and without prior notice to the Defaulting Party or the Affected Party), be reduced by its set-off against any amount(s) (the "Other Agreement Amount") payable (whether at such time or in the future or upon the occurrence of a contingency) by the Payee to the Payer (irrespective of the currency, place of payment or booking office of the obligation) under any other agreement(s) or undertaking(s) issued or executed by one party to, or in favour of, the other party (and the Other Agreement Amount will be discharged promptly and in all respects to the extent it is so set-off). X will give notice to the other party of any set-off effected under this Section 6(f). For this purpose, either the Early Termination Amount or the Other Agreement Amount (or the relevant portion of such amounts) may be converted by X into the currency in which the other is denominated at the rate of exchange at which such party is able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If an obligation is unascertained, X may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which either party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."
8. **Relationship Between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for the Transaction):
 - (a) **Non Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction. It has not made any representation, nor is it relying on any communication (written or oral) of the other party, with respect to whether, how, when or in what manner a derivative transaction will be hedged; it being understood that this representation expressly supersedes any communication (written or oral) which may have occurred between the parties with respect to whether, how, when or in what manner a derivative transaction may be hedged.

- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming and assumes, the risks of that Transaction.
 - (c) **Status of Parties.** The other party is not acting as a fiduciary for or as an advisor to it in respect of that Transaction.
9. **Electronic Signatures.** Party A confirms, and Party B acknowledges, that Party A uses a computer-based system to execute certain Confirmations and that each such Confirmation executed by Party A by means of an electronically-produced signature shall have the same legal effect as if such signature had been manually written on such Confirmation and that each such Confirmation shall be deemed to have been signed for the purposes of any statute or rule of law that requires such Confirmation to be signed. The parties acknowledge that in any legal proceedings between them respecting or in any way relating to this Agreement, each party expressly waives any right to raise any defence or waiver of liability based upon the execution of a Confirmation by Party A by means of an electronically-produced signature. This provision shall apply to all Confirmations outstanding as of the date hereof and executed by Party A by means of an electronically-produced signature, and to all Confirmations in respect of Transactions entered into between Party A and Party B after the date hereof.
10. **Consent to Recording.** The parties agree that each may electronically record all telephonic conversations relating to the terms of any Transaction or potential transaction between their trading and marketing personnel and that any such tape recordings may be submitted in evidence in any Proceedings relating to the Agreement.
11. **Representations, Warranties and Acknowledgments Relating to Status as "Eligible Contract Participant".** Each party represents and warrants to the other party that:
- (i) it is an "eligible contract participant" within the meaning of Commodities Futures Modernization Act of 2000 (the "Act"); and
 - (ii) it has entered into this Agreement (including each Transaction evidenced hereby) in conjunction with its line of business (including financial intermediation services) or the financing of its business or the management of its interest costs.

In addition, each party acknowledges and agrees that (A) this Agreement and each Transaction constitutes a "swap agreement" within the meaning of the Act; (B) neither this Agreement or any Transaction is one of a fungible class of agreements that are standardized as to their material economic terms, within the meaning of the Act, and the material economic terms of each Transaction are subject to individual negotiation; and (C) the creditworthiness of the other party was or will be a material consideration in entering into or determining the terms of this Agreement and each Transaction, including pricing, cost or credit enhancement terms of the Agreement or Transaction, within the meaning of the Act.

12. **Waiver of Jury Trial.** Each party hereto irrevocably waives any and all right to trial by jury in any suit, action or proceeding arising out of or relating to this Agreement or any Transaction hereunder.
13. **Party B Representations and Covenants.** Party B covenants as follows:
- a. Party B obligations under this Agreement will be paid from Party B's general revenues.
 - b. Party B will make all payments required by this Agreement and covenants with Party A that: (1) Party B will include the periodic scheduled amounts payable under this Agreement for each fiscal year in its budget for that fiscal year; (2) Party B will appropriate from its general revenues amounts

due under this Agreement; and (3) Party B pledges its full faith, credit and taxing power for the budgeting, appropriation and payment of periodic scheduled payments due under this Agreement.

c. The following will be equally and ratably payable and secured under Party B's covenants to budget funds, appropriate funds, and pledge Party B's full faith, credit and taxing power: (i) periodic scheduled payments due under this Agreement; and (ii) the debt service due on the Related Bonds.

d. Periodic scheduled payments due under this Agreement and debt service due on the Related Bonds, will be senior in right and priority of payment to termination payments due under this Agreement. Termination payments due under this Agreement will be subordinate to periodic scheduled payments due under this Agreement and debt service due on the Related Bonds.

e. Party B shall include any termination payment due hereunder, for which revenues are not otherwise available in the fiscal year in which such termination payment is due, in its budget adopted in the fiscal year immediately following the fiscal year in which such termination payment is due, and shall appropriate and pay such budgeted termination payments from its general revenues.

f. The parties hereto agree that the maximum payments of Party B by fiscal year of Party B under a Transaction and on the Related Bonds shall not be at a rate which exceeds the maximum interest rate specified in the Confirmation for that Transaction for the periodic scheduled payments due under the Confirmation for the Transaction, plus the interest due on the Related Bonds.

g. Party B represents that this Agreement and any confirmation executed hereunder is a "qualified interest rate management agreement" within the meaning of the Debt Act and is within any limits set forth in the Swap Resolution,

h. Party B represents that the Department of Community and Economic Development has not declared Party B to be financially distressed.

14. **Jurisdiction.** Section 13(b) of this Agreement is deleted and replaced in its entirety with the following provisions:

With respect to any suit, action or proceedings relating to this Agreement (the "Proceedings"), each party irrevocably:

(i) submits to the exclusive jurisdiction of the Courts of the Commonwealth of Pennsylvania and the United States District Court located in the Middle District of Pennsylvania; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

(iii) Nothing in the Agreement precludes either party from bringing Proceedings in any other jurisdiction to enforce any judgment obtained in any Proceedings referred to in the preceding sentence, nor will the bringing of such enforcement Proceedings in any one or more jurisdictions preclude the bringing of enforcement Proceedings in any other Jurisdiction.

15. **Waiver of Immunities.** Section 13(d) is amended as follows:

(i) all references to "each party" in Section 13(d) shall be deleted and replaced with "Party A";

(ii) the "and" preceding (v) shall be deleted and replaced with ";;";

(iii) the "." following the end of subsection (v) shall be deleted and replaced with "; and"; and

(iv) a new section (vi) shall be added:

"(vi) Party B is subject to suit at law or in equity under the Debt Act and other Commonwealth law and, accordingly, is not entitled to claim immunity on the grounds of sovereignty from suit on this Agreement and any Transaction hereunder."

16. **Definitions.** Section 14 is amended by the addition of the following definitions:

Bond Ordinance: Shall mean, initially, the ordinance enacted on December 14, 2005, by the Board of County Commissioners of Party B authorizing and securing its General Obligation Bonds, Series of 2006, the initial series of Related Bonds, and shall also include any and all ordinance(s) or resolution(s) of Party B hereafter authorizing any debt obligations to refund a prior series of Related Bonds.

Debt Act: Shall mean the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82.

Interest: Shall be as defined in and approved by a Swap Resolution or Ordinance.

Related Bonds: Shall mean, initially, Party B's General Obligation Bonds, Series of 2006, and any debt obligations issues by Party B to subsequently refund a series of Related Bonds, in which case the refunded obligations which are no longer "outstanding" as defined in the Debt Act, shall no longer constitute Related Bonds.

Swap Resolution or Ordinance: Shall mean, initially, the ordinance enacted on February 22, 2006, by the Board of County Commissioners of Party B authorizing and approving, among other things, the ISDA Master Agreement, Schedule to the ISDA Master Agreement and Swap Confirmation, each dated February 22, 2006, and shall refer to any and all ordinances or resolutions amending or supplementing such documents as a result of issuing debt obligations refunding another series of Related Bonds.

Royal Bank of Canada

By: Irene Klausmann
Name: IRENE KLAUSMANN
Title: AUTHORIZED SIGNATORY

The County of York, Pennsylvania

By: Lori O. Mitrick
Name: Lori O. Mitrick
Title: President of the Board
of County Commissioners
By: Charles R. Noll
Name: Charles R. Noll
Title: County Administrator/Chief Clerk

[LOGO]

Fax # 1-717-771 9804

20 Sep 2006

COUNTY OF YORK (THE), PENNSYLVANIA
YORK COUNTY ADMINISTRATIVE OFFICES
ONE WEST MARKETWAY, 4TH FLOOR
YORK, PA
USA, 17401

Attention: CHIEF CLERK / ADMINISTRATOR

Re: SWAP Transaction MATURING 01 Jun 2033 FOR USD 74,890,000.00

(Our Ref. No. xxxxxxxx / xxxxxxxx)

Dear Sir or Madam:

The purpose of this letter is to set forth the terms and conditions of the transaction entered into between us on the Trade Date specified below (the Transaction). This letter constitutes a "Confirmation" as referred to in the International Swaps and Derivatives Association, Inc. Master Agreement specified below.

The definitions and provisions contained in the 1992 ISDA US Municipal Counterparty Definitions ("1992 Definitions") and the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of **22 Feb 2006**, as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.
2. The terms of the particular Swap Transaction to which this Confirmation relates are as follows:-

Notional Amount: USD 74,890,000.00

Trade Date: 20 Sep 2006

Effective Date: 01 Dec 2007

Termination Date: 01 Jun 2033

Floating Amounts:

Floating Notional Amount: USD 74,890,000.00 (see Cash flow attached)

Floating Rate Payer: ROYAL BANK OF CANADA

Spread: Minus [TBD percent]

Floating Rate Payer Payment Dates: SEMI-ANNUALLY on 01 Jun and 01 Dec commencing on 01 Jun 2008 subject to adjustment in accordance with the Modified Following Business Day Convention and there will be no adjustment to the Calculation Period.

Floating Rate for initial Calculation Period: To be determined

Floating Rate Option: USD-ISDA-Swap Rate

Designated Maturity: 10YEAR

Floating Rate Day Count Fraction: 30/360

Reset Dates: The Effective Date and on the first of each month commencing 01 Jan 2008.

Method of Averaging: Weighted Average

Business Day: New York

Compounding: Not applicable.

Fee: Not applicable.

Floating Amounts:

Floating Notional Amount: USD 74,890,000.00 (see Cash flow attached)

Floating Rate Payer: COUNTY OF YORK (THE), PENNSYLVANIA

Spread: Minus 0.00000 percent

Floating Rate Payer Payment Dates: SEMI-ANNUALLY on 01 Jun and 01 Dec commencing on 01 Jun 2008 subject to adjustment in accordance with the Modified Following Business Day Convention and there will be no adjustment to the Calculation Period.

Floating Rate for initial Calculation Period: To be determined

Floating Rate Option: **USD-LIBOR-BBA**

Designated Maturity: **1MONTH**

Floating Rate Day Count Fraction: **Actual/360**

Reset Dates: **The Effective Date and on the first of each month commencing 01 Jan 2008.**

Method of Averaging: **Weighted Average**

Business Day: **New York**

Compounding: **Not applicable.**

Fee: **Not applicable.**

Account Details

Payments to **ROYAL BANK OF CANADA** **CHASUS33**
JPMORGAN CHASE BANK N.A. NEW YORK
Account #: 001-1-153004
ROYCCAT3IMM

Payments to **COUNTY OF YORK (THE), PENNSYLVANIA** **M&T Bank**
ABA # 022000046
Account # 3088001950200
F/F/C: County of York Swap
ATTN: CORP. TRUST HBG / ADNAN AHMAD

4. Offices:

(a) The Office of **COUNTY OF YORK (THE), PENNSYLVANIA** for the Transaction is:

YORK COUNTY ADMINISTRATIVE OFFICES
ONE WEST MARKETWAY, 4TH FLOOR
YORK, PA
USA, 17401

(b) The Office of **ROYAL BANK OF CANADA** for the Transaction is:

5TH FL N TWR ROYAL BANK PLAZA
TORONTO, ON
CANADA, M5J 2W7

5. Other.

1. THIRD PARTY PAYMENTS

Promptly after execution of this Confirmation by both parties and upon receipt of the documents described in Part 3 of the Schedule and of an invoice from the respective third parties specified below, Royal Bank of Canada ("Party A") will pay on behalf of the County of York, Pennsylvania ("Party B") up-front costs relating to this Transaction in an aggregate amount not to exceed USD \$120,000.00, payable to Investment Management Advisory Group, Independent Financial Advisor to Party B (\$65,000.00) and Rhoads & Sinon LLP, Legal Counsel to Party B (\$55,000.00). These payments are reflected in, and have decreased the Variable Rate payable by Party A hereunder.

Party B hereby acknowledges and agrees that, immediately upon the making of the USD payments (referred to as "Payment") as described in the immediately preceding paragraph under this Transaction, in accordance with the above USD payment instructions, Party A shall have fully and

finally completed its obligations under this Transaction in respect of such Payment and shall have no further obligations or liabilities to Party B under this Transaction or to any other person or entity in regard thereto.

Party B further acknowledges and agrees that it will indemnify and save harmless Party A from and against any and all liability, loss, harm, damage, cost or expense, including reasonable legal fees, which Party A may suffer, incur or sustain as a result to any suit, claim or demand brought or commenced against Party A arising out of the making of the Payment under this Transaction in accordance with the above direction.

2. RELATED BONDS

For purposes of this Transaction "Related Bonds" shall mean, initially, Party B's **General Obligation Bonds, Series of 2006**, and any debt obligations issued by Party B to subsequently refund a series of Related Bonds, in which case the refunded obligations which are no longer "outstanding" as defined in the Debt Act, will no longer constitute Related Bonds.

3. MAXIMUM INTEREST RATE

The maximum interest rate (the "Maximum Interest Rate") payable by Party B with respect to the Transaction for periodic scheduled payments pursuant to this Transaction, not including termination payments, will not exceed **25.00%** per annum.

The maximum net scheduled payments by fiscal year by Party B pursuant to this Transaction will not be calculated at a rate of Interest that exceeds the Maximum Interest Rate for periodic scheduled payments pursuant to this Transaction, not including any termination payments.

4. DEFINITIONS

For purposes of this Transaction only, the definition of "Bond Ordinance" in Part 5(16) of the Schedule to the Agreement is amended as follows:

"Swap Resolution or Ordinance": Shall mean the ordinance enacted on 20 Sep 2006, by the Board of County Commissioners of Party B authorizing and approving this Transaction and shall also refer to any and all ordinance(s) or resolution(s) of Party B hereafter amending or supplementing such documents as a result of issuance of debt obligations to refund another series of Related Bonds."

This Confirmation may be executed and delivered in counterparts (including by facsimile transmission) or be executed by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case upon your confirmation in the manner prescribed hereunder, will be deemed for all purposes to be a legally binding transaction.

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing in the space provided below and returning same to us by facsimile transmission, or send to us within two (2) Business Days a letter by facsimile transmission or telex or electronic messaging system similar to this letter which sets forth the material terms of the foregoing Transaction to which this Confirmation relates and which indicates your agreement to those terms.

RBC confirms, and the Counterparty acknowledges, that this Confirmation has been executed by RBC by means of a computer-based system and that such execution shall have the same legal effect as if a signature had been manually written on such Confirmation and that each such Confirmation shall be deemed to have been signed by RBC for the purposes of any statute or rule of law that requires such Confirmation to be signed. The parties acknowledge that in any legal proceedings between them respecting or in any way relating to this Confirmation, each party expressly waives any right to raise any defence or waiver of liability based upon the execution of this Confirmation by RBC by means of an electronically-produced signature.

Telephone No.: 416 842-5106

Facsimile No.: 416 842-4902

Yours sincerely,

Confirmed as of the date first written:

For and on behalf of

For and on behalf of

ROYAL BANK OF CANADA

**COUNTY OF YORK (THE),
PENNSYLVANIA**

By: _____

By: _____

Authorized signature

Authorized signature

**ROYAL BANK OF CANADA pays USD Float to COUNTY OF YORK (THE),
PENNSYLVANIA
(Our Ref. No. xxxxxxxx / xxxxxxxx)**

[Preliminary, actual cash flows to be system generated]

<u>From (including)</u>	<u>To (excluding)</u>	<u>Balance</u>	<u>Amort</u>
12/1/2007	6/1/2008	74,890,000	345,000
6/1/2008	12/1/2008	74,545,000	
12/1/2008	6/1/2009	74,545,000	215,000
6/1/2009	12/1/2009	74,330,000	
12/1/2009	6/1/2010	74,330,000	2,235,000
6/1/2010	12/1/2010	72,095,000	
12/1/2010	6/1/2011	72,095,000	2,330,000
6/1/2011	12/1/2011	69,765,000	
12/1/2011	6/1/2012	69,765,000	2,440,000
6/1/2012	12/1/2012	67,325,000	
12/1/2012	6/1/2013	67,325,000	2,555,000
6/1/2013	12/1/2013	64,770,000	
12/1/2013	6/1/2014	64,770,000	2,690,000
6/1/2014	12/1/2014	62,080,000	
12/1/2014	6/1/2015	62,080,000	2,845,000
6/1/2015	12/1/2015	59,235,000	
12/1/2015	6/1/2016	59,235,000	3,005,000
6/1/2016	12/1/2016	56,230,000	
12/1/2016	6/1/2017	56,230,000	3,165,000
6/1/2017	12/1/2017	53,065,000	
12/1/2017	6/1/2018	53,065,000	3,345,000
6/1/2018	12/1/2018	49,720,000	
12/1/2018	6/1/2019	49,720,000	3,530,000
6/1/2019	12/1/2019	46,190,000	
12/1/2019	6/1/2020	46,190,000	3,735,000
6/1/2020	12/1/2020	42,455,000	
12/1/2020	6/1/2021	42,455,000	2,210,000
6/1/2021	12/1/2021	40,245,000	
12/1/2021	6/1/2022	40,245,000	2,340,000
6/1/2022	12/1/2022	37,905,000	
12/1/2022	6/1/2023	37,905,000	2,485,000
6/1/2023	12/1/2023	35,420,000	
12/1/2023	6/1/2024	35,420,000	2,640,000
6/1/2024	12/1/2024	32,780,000	
12/1/2024	6/1/2025	32,780,000	2,810,000
6/1/2025	12/1/2025	29,970,000	
12/1/2025	6/1/2026	29,970,000	3,000,000
6/1/2026	12/1/2026	26,970,000	
12/1/2026	6/1/2027	26,970,000	3,180,000
6/1/2027	12/1/2027	23,790,000	
12/1/2027	6/1/2028	23,790,000	3,375,000
6/1/2028	12/1/2028	20,415,000	
12/1/2028	6/1/2029	20,415,000	3,590,000
6/1/2029	12/1/2029	16,825,000	
12/1/2029	6/1/2030	16,825,000	3,820,000
6/1/2030	12/1/2030	13,005,000	
12/1/2030	6/1/2031	13,005,000	4,055,000
6/1/2031	12/1/2031	8,950,000	
12/1/2031	6/1/2032	8,950,000	4,320,000
6/1/2032	12/1/2032	4,630,000	
12/1/2032	6/1/2033	4,630,000	4,630,000

**COUNTY OF YORK (THE), PENNSYLVANIA pays USD Float to ROYAL BANK OF
CANADA**

(Our Ref. No. xxxxxxxx / xxxxxxxx)

EXHIBIT C

**AMENDED MAXIMUM SCHEDULED PAYMENT OBLIGATIONS UNDER THE 2006
BONDS ENABLING ORDINANCE (FIXED RATES), THE 2006 CMS SWAP (MAXIMUM
25%) AND THE 2006 BASIS SWAP**

COUNTY OF YORK, PENNSYLVANIA
 General Obligation Bonds, Series of 2006
 Semiannual Debt Service Payment Schedules

Date	Principal Maturity	Coupon	Interest	Debt Service	Annual Debt Service
6/1/2006			1,789,828.75	1,789,828.75	1,789,828.75
12/1/2006			1,789,828.75	1,789,828.75	1,789,828.75
6/1/2007		3.250%	1,789,828.75	1,789,828.75	3,578,657.50
12/1/2007	345,000	3.250%	1,784,222.50	1,784,222.50	3,918,051.25
6/1/2008		3.350%	1,784,222.50	1,998,222.50	3,778,843.75
12/1/2008	215,000	3.350%	1,780,621.25	1,780,621.25	5,757,130.00
6/1/2009		3.500%	1,780,621.25	1,741,508.75	5,786,417.50
12/1/2009	2,235,000	4.000%	1,694,908.75	1,694,908.75	5,781,017.50
6/1/2010		4.000%	1,694,908.75	1,646,108.75	5,782,823.75
12/1/2010	2,440,000	4.250%	1,591,815.00	1,591,815.00	5,806,380.00
6/1/2011		5.000%	1,524,565.00	1,453,440.00	5,823,005.00
12/1/2011	2,555,000	4.500%	1,453,440.00	1,453,440.00	5,844,267.50
6/1/2012		5.000%	1,385,927.50	1,385,927.50	5,857,530.00
12/1/2012	2,555,000	5.000%	1,306,702.50	1,306,702.50	5,874,760.00
6/1/2013		5.000%	1,306,702.50	1,223,077.50	5,887,805.00
12/1/2013	2,990,000	5.000%	1,223,077.50	1,223,077.50	5,911,280.00
6/1/2014		5.000%	1,134,827.50	1,134,827.50	4,237,655.00
12/1/2014	2,845,000	5.000%	1,134,827.50	1,041,452.50	4,253,805.00
6/1/2015		5.000%	1,041,452.50	1,041,452.50	4,278,280.00
12/1/2015	3,005,000	5.000%	986,202.50	986,202.50	4,308,455.00
6/1/2016		5.000%	986,202.50	927,702.50	4,348,017.50
12/1/2016	3,165,000	5.000%	927,702.50	927,702.50	4,397,280.00
6/1/2017		5.000%	865,577.50	865,577.50	4,428,140.00
12/1/2017	3,345,000	4.750%	802,877.50	802,877.50	4,473,375.00
6/1/2018		4.750%	802,877.50	736,140.00	4,521,000.00
12/1/2018	3,530,000	5.000%	736,140.00	736,140.00	4,565,750.00
6/1/2019		5.000%	661,140.00	661,140.00	4,603,875.00
12/1/2019	3,735,000	4.800%	588,000.00	588,000.00	4,659,500.00
6/1/2020		5.000%	588,000.00	510,375.00	4,745,750.00
12/1/2020	2,210,000	5.000%	510,375.00	420,625.00	
6/1/2021		5.000%	420,625.00	420,625.00	
12/1/2021	2,340,000	5.000%	325,125.00	325,125.00	
6/1/2022		5.000%	325,125.00	223,750.00	
12/1/2022	2,485,000	5.000%	223,750.00	115,750.00	
6/1/2023		5.000%	115,750.00	115,750.00	
12/1/2023	2,810,000	5.000%	115,750.00	115,750.00	
6/1/2024		5.000%	60,104,000.00	60,104,000.00	
12/1/2024	2,810,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2025		5.000%	60,104,000.00	60,104,000.00	
12/1/2025	3,000,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2026		5.000%	60,104,000.00	60,104,000.00	
12/1/2026	3,180,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2027		5.000%	60,104,000.00	60,104,000.00	
12/1/2027	3,375,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2028		5.000%	60,104,000.00	60,104,000.00	
12/1/2028	3,590,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2029		5.000%	60,104,000.00	60,104,000.00	
12/1/2029	3,820,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2030		5.000%	60,104,000.00	60,104,000.00	
12/1/2030	4,055,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2031		5.000%	60,104,000.00	60,104,000.00	
12/1/2031	4,320,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2032		5.000%	60,104,000.00	60,104,000.00	
12/1/2032	4,630,000	5.000%	60,104,000.00	60,104,000.00	
6/1/2033		5.000%	60,104,000.00	60,104,000.00	
12/1/2033	74,890,000	5.000%	60,104,000.00	134,994,000.00	134,994,000.00

Investment Management Advisory Group, Inc.

"MAXIMUM" RESULTS

COUNTY OF YORK, PENNSYLVANIA	Assumptions:	1-Month LIBOR (1)	25.000%	10 Year LIBOR (1)	0.000%
2006 CONSTANT MATURITY SWAP MAXIMUM		Payment % (1)	100.000%	10 Year Receipt % (1)	100.00%
Semiannual Debt Service Payment Schedules		Fixed Spread (1)	0.0000%	Est. Fixed Spread (2)	-0.57%

Date	Notional Principal *	Est. 1-Mo. LIBOR Payment Rate (1)	Est. Variable Int. - OUT	Est. 10 Year Receipt Rate (1)	Est. Variable Int. - IN	Less: Fixed Spread - (2)	Est. Fixed Spread Int. - IN (2)	NET SWAP Debt Service *	Annual Debt Service * (Benefit)/Cost
9/1/2006									
12/1/2006									
9/1/2007									
12/1/2007									
6/1/2008	345,000	25.00%	9,361,250.00	0.000%	-	0.00%	-	9,361,250.00	
12/1/2008	-	25.00%	9,318,125.00	0.000%	-	0.00%	-	9,318,125.00	18,679,375.00
6/1/2009	215,000	25.00%	9,318,125.00	0.000%	-	0.00%	-	9,318,125.00	
12/1/2009	-	25.00%	9,291,250.00	0.000%	-	0.00%	-	9,291,250.00	18,609,375.00
6/1/2010	2,235,000	25.00%	9,291,250.00	0.000%	-	0.00%	-	9,291,250.00	
12/1/2010	-	25.00%	9,011,875.00	0.000%	-	0.00%	-	9,011,875.00	18,303,125.00
6/1/2011	2,330,000	25.00%	9,011,875.00	0.000%	-	0.00%	-	9,011,875.00	
12/1/2011	-	25.00%	8,720,625.00	0.000%	-	0.00%	-	8,720,625.00	17,732,500.00
6/1/2012	2,440,000	25.00%	8,720,625.00	0.000%	-	0.00%	-	8,720,625.00	
12/1/2012	-	25.00%	8,415,625.00	0.000%	-	0.00%	-	8,415,625.00	17,136,250.00
6/1/2013	2,555,000	25.00%	8,415,625.00	0.000%	-	0.00%	-	8,415,625.00	
12/1/2013	-	25.00%	8,096,250.00	0.000%	-	0.00%	-	8,096,250.00	16,511,875.00
6/1/2014	2,690,000	25.00%	8,096,250.00	0.000%	-	0.00%	-	8,096,250.00	
12/1/2014	-	25.00%	7,760,000.00	0.000%	-	0.00%	-	7,760,000.00	15,856,250.00
6/1/2015	2,845,000	25.00%	7,760,000.00	0.000%	-	0.00%	-	7,760,000.00	
12/1/2015	-	25.00%	7,404,375.00	0.000%	-	0.00%	-	7,404,375.00	15,164,375.00
6/1/2016	3,005,000	25.00%	7,404,375.00	0.000%	-	0.00%	-	7,404,375.00	
12/1/2016	-	25.00%	7,028,750.00	0.000%	-	0.00%	-	7,028,750.00	14,433,125.00
6/1/2017	3,165,000	25.00%	7,028,750.00	0.000%	-	0.00%	-	7,028,750.00	
12/1/2017	-	25.00%	6,633,125.00	0.000%	-	0.00%	-	6,633,125.00	13,661,875.00
6/1/2018	3,345,000	25.00%	6,633,125.00	0.000%	-	0.00%	-	6,633,125.00	
12/1/2018	-	25.00%	6,215,000.00	0.000%	-	0.00%	-	6,215,000.00	12,848,125.00
6/1/2019	3,530,000	25.00%	6,215,000.00	0.000%	-	0.00%	-	6,215,000.00	
12/1/2019	-	25.00%	5,773,750.00	0.000%	-	0.00%	-	5,773,750.00	11,988,750.00
6/1/2020	3,735,000	25.00%	5,773,750.00	0.000%	-	0.00%	-	5,773,750.00	
12/1/2020	-	25.00%	5,306,875.00	0.000%	-	0.00%	-	5,306,875.00	11,080,625.00
6/1/2021	2,210,000	25.00%	5,306,875.00	0.000%	-	0.00%	-	5,306,875.00	
12/1/2021	-	25.00%	5,030,625.00	0.000%	-	0.00%	-	5,030,625.00	10,337,500.00
6/1/2022	2,340,000	25.00%	5,030,625.00	0.000%	-	0.00%	-	5,030,625.00	
12/1/2022	-	25.00%	4,738,125.00	0.000%	-	0.00%	-	4,738,125.00	9,768,750.00
6/1/2023	2,485,000	25.00%	4,738,125.00	0.000%	-	0.00%	-	4,738,125.00	
12/1/2023	-	25.00%	4,427,500.00	0.000%	-	0.00%	-	4,427,500.00	9,165,625.00
6/1/2024	2,640,000	25.00%	4,427,500.00	0.000%	-	0.00%	-	4,427,500.00	
12/1/2024	-	25.00%	4,097,500.00	0.000%	-	0.00%	-	4,097,500.00	8,525,000.00
6/1/2025	2,810,000	25.00%	4,097,500.00	0.000%	-	0.00%	-	4,097,500.00	
12/1/2025	-	25.00%	3,746,250.00	0.000%	-	0.00%	-	3,746,250.00	7,843,750.00
6/1/2026	3,000,000	25.00%	3,746,250.00	0.000%	-	0.00%	-	3,746,250.00	
12/1/2026	-	25.00%	3,371,250.00	0.000%	-	0.00%	-	3,371,250.00	7,117,500.00
6/1/2027	3,180,000	25.00%	3,371,250.00	0.000%	-	0.00%	-	3,371,250.00	
12/1/2027	-	25.00%	2,973,750.00	0.000%	-	0.00%	-	2,973,750.00	6,345,000.00
6/1/2028	3,375,000	25.00%	2,973,750.00	0.000%	-	0.00%	-	2,973,750.00	
12/1/2028	-	25.00%	2,551,875.00	0.000%	-	0.00%	-	2,551,875.00	5,525,625.00
6/1/2029	3,590,000	25.00%	2,551,875.00	0.000%	-	0.00%	-	2,551,875.00	
12/1/2029	-	25.00%	2,103,125.00	0.000%	-	0.00%	-	2,103,125.00	4,655,000.00
6/1/2030	3,820,000	25.00%	2,103,125.00	0.000%	-	0.00%	-	2,103,125.00	
12/1/2030	-	25.00%	1,625,625.00	0.000%	-	0.00%	-	1,625,625.00	3,728,750.00
6/1/2031	4,055,000	25.00%	1,625,625.00	0.000%	-	0.00%	-	1,625,625.00	
12/1/2031	-	25.00%	1,118,750.00	0.000%	-	0.00%	-	1,118,750.00	2,744,375.00
6/1/2032	4,320,000	25.00%	1,118,750.00	0.000%	-	0.00%	-	1,118,750.00	
12/1/2032	-	25.00%	578,750.00	0.000%	-	0.00%	-	578,750.00	1,697,500.00
6/1/2033	4,630,000	25.00%	578,750.00	0.000%	-	0.00%	-	578,750.00	
12/1/2033	-								578,750.00
	74,890,000		280,038,750.00		-	-	-	280,038,750.00	280,038,750.00

Assumes Effective Date of 12/1/2007.

* Notional amount of 2006 Bonds, for calculation purposes not used in sum of net payments.

(1) Assumes 1-Month LIBOR at Maximum Rate of 25% and 10 Year LIBOR at minimum of 0%.

(2) Estimate of % of 10 Year LIBOR less fixed spread receipt based on current market conditions, 9/10/06.

Investment Management Advisory Group, Inc.
 COUNTY OF YORK, PENNSYLVANIA
 2006 BASIS SWAP MAXIMUM
 Semiannual Debt Service Payment Schedules

Assumptions:
 BMA Rate = 25.000%
 LIBOR 67.000%
 Actual BMA/LIBOR Relationship

"MAXIMUM" RESULTS

Date	National Principal*	Est. BMA Rate (1)	Est. Variable Int. - OUT (1)	Est. LIBOR Receipt Rate (2)	Est. Variable Int. - IN (2)	Fixed Spread (3)	Fixed Spread IN	NET SWAP Debt Service	Annual Debt Service (Benefit/Cost)
6/1/2006	-	25.000%	8,361,250.00	18.750%	(6,272,037.50)	0.4239%	(158,728.36)	2,930,483.15	2,930,483.15
12/1/2006	-	25.000%	8,361,250.00	18.750%	(6,272,037.50)	0.4239%	(158,728.36)	2,930,483.15	5,860,966.29
6/1/2007	-	25.000%	8,361,250.00	18.750%	(6,272,037.50)	0.4239%	(158,728.36)	2,930,483.15	5,860,966.29
12/1/2007	345,000	25.000%	8,316,125.00	18.750%	(6,243,143.75)	0.4239%	(157,998.13)	2,916,983.12	5,647,468.27
6/1/2008	215,000	25.000%	8,316,125.00	18.750%	(6,243,143.75)	0.4239%	(157,998.13)	2,916,983.12	5,647,468.27
12/1/2008	215,000	25.000%	8,265,125.00	18.750%	(6,225,137.50)	0.4239%	(157,542.44)	2,898,570.07	5,625,553.19
6/1/2009	2,235,000	25.000%	8,011,875.00	18.750%	(6,037,856.25)	0.4239%	(152,805.35)	2,821,113.40	5,729,683.48
12/1/2009	2,330,000	25.000%	8,011,875.00	18.750%	(6,037,856.25)	0.4239%	(152,805.35)	2,821,113.40	5,551,052.73
6/1/2010	2,440,000	25.000%	8,120,625.00	18.750%	(6,042,818.75)	0.4239%	(147,868.92)	2,729,838.33	5,384,400.25
12/1/2010	2,550,000	25.000%	8,120,625.00	18.750%	(6,042,818.75)	0.4239%	(147,868.92)	2,729,838.33	5,188,943.40
6/1/2011	2,680,000	25.000%	8,096,250.00	18.750%	(5,938,468.75)	0.4239%	(142,895.34)	2,634,480.91	4,983,703.83
12/1/2011	2,845,000	25.000%	8,096,250.00	18.750%	(5,938,468.75)	0.4239%	(142,895.34)	2,634,480.91	4,747,116.61
6/1/2012	3,005,000	25.000%	7,760,000.00	18.750%	(5,424,487.50)	0.4239%	(137,280.02)	2,534,482.49	4,518,203.18
12/1/2012	3,185,000	25.000%	7,760,000.00	18.750%	(5,424,487.50)	0.4239%	(137,280.02)	2,534,482.49	4,276,788.00
6/1/2013	3,345,000	25.000%	7,404,375.00	18.750%	(4,960,831.25)	0.4239%	(125,548.50)	2,317,895.17	4,022,028.44
12/1/2013	3,530,000	25.000%	7,404,375.00	18.750%	(4,960,831.25)	0.4239%	(125,548.50)	2,317,895.17	3,753,008.28
6/1/2014	3,735,000	25.000%	7,028,750.00	18.750%	(4,709,262.50)	0.4239%	(118,178.49)	2,200,308.02	3,468,723.17
12/1/2014	3,930,000	25.000%	7,028,750.00	18.750%	(4,709,262.50)	0.4239%	(118,178.49)	2,200,308.02	3,238,082.35
6/1/2015	4,135,000	25.000%	6,633,125.00	18.750%	(4,444,183.75)	0.4239%	(112,471.27)	2,076,459.88	3,058,048.58
12/1/2015	4,340,000	25.000%	6,633,125.00	18.750%	(4,444,183.75)	0.4239%	(112,471.27)	2,076,459.88	2,869,243.81
6/1/2016	4,545,000	25.000%	6,215,000.00	18.750%	(4,184,050.00)	0.4239%	(105,381.54)	1,945,588.46	2,688,700.10
12/1/2016	4,750,000	25.000%	6,215,000.00	18.750%	(4,184,050.00)	0.4239%	(105,381.54)	1,945,588.46	2,455,438.88
6/1/2017	4,955,000	25.000%	5,773,750.00	18.750%	(3,868,412.50)	0.4239%	(97,899.71)	1,807,437.80	2,228,090.67
12/1/2017	5,160,000	25.000%	5,773,750.00	18.750%	(3,868,412.50)	0.4239%	(97,899.71)	1,807,437.80	1,986,284.19
6/1/2018	5,365,000	25.000%	5,306,875.00	18.750%	(3,555,608.25)	0.4239%	(89,883.37)	1,681,285.38	1,728,783.75
12/1/2018	5,570,000	25.000%	5,306,875.00	18.750%	(3,555,608.25)	0.4239%	(89,883.37)	1,681,285.38	1,457,218.82
6/1/2019	5,775,000	25.000%	5,039,625.00	18.750%	(3,370,518.75)	0.4239%	(85,298.28)	1,574,808.97	1,187,262.82
12/1/2019	5,980,000	25.000%	5,039,625.00	18.750%	(3,370,518.75)	0.4239%	(85,298.28)	1,574,808.97	858,110.13
6/1/2020	6,185,000	25.000%	4,738,125.00	18.750%	(3,174,543.75)	0.4239%	(80,338.65)	1,483,241.60	531,392.18
12/1/2020	6,390,000	25.000%	4,738,125.00	18.750%	(3,174,543.75)	0.4239%	(80,338.65)	1,483,241.60	181,174.22
6/1/2021	6,595,000	25.000%	4,427,500.00	18.750%	(2,968,425.00)	0.4239%	(75,072.68)	1,386,002.31	96,455,889.89
12/1/2021	6,800,000	25.000%	4,427,500.00	18.750%	(2,968,425.00)	0.4239%	(75,072.68)	1,386,002.31	96,455,889.89
6/1/2022	7,005,000	25.000%	4,097,500.00	18.750%	(2,745,325.00)	0.4239%	(69,477.21)	1,285,997.78	96,455,889.89
12/1/2022	7,210,000	25.000%	4,097,500.00	18.750%	(2,745,325.00)	0.4239%	(69,477.21)	1,285,997.78	96,455,889.89
6/1/2023	7,415,000	25.000%	3,746,250.00	18.750%	(2,508,887.50)	0.4239%	(63,321.42)	1,172,741.09	96,455,889.89
12/1/2023	7,620,000	25.000%	3,746,250.00	18.750%	(2,508,887.50)	0.4239%	(63,321.42)	1,172,741.09	96,455,889.89
6/1/2024	7,825,000	25.000%	3,371,250.00	18.750%	(2,256,737.50)	0.4239%	(57,182.92)	1,055,349.59	96,455,889.89
12/1/2024	8,030,000	25.000%	3,371,250.00	18.750%	(2,256,737.50)	0.4239%	(57,182.92)	1,055,349.59	96,455,889.89
6/1/2025	8,235,000	25.000%	2,973,750.00	18.750%	(1,982,412.50)	0.4239%	(50,422.81)	930,914.60	96,455,889.89
12/1/2025	8,440,000	25.000%	2,973,750.00	18.750%	(1,982,412.50)	0.4239%	(50,422.81)	930,914.60	96,455,889.89
6/1/2026	8,645,000	25.000%	2,551,675.00	18.750%	(1,706,798.25)	0.4239%	(43,269.59)	789,848.18	96,455,889.89
12/1/2026	8,850,000	25.000%	2,551,675.00	18.750%	(1,706,798.25)	0.4239%	(43,269.59)	789,848.18	96,455,889.89
6/1/2027	9,055,000	25.000%	2,103,125.00	18.750%	(1,409,083.75)	0.4239%	(35,660.59)	658,370.66	96,455,889.89
12/1/2027	9,260,000	25.000%	2,103,125.00	18.750%	(1,409,083.75)	0.4239%	(35,660.59)	658,370.66	96,455,889.89
6/1/2028	9,465,000	25.000%	1,825,625.00	18.750%	(1,088,168.75)	0.4239%	(27,584.10)	508,882.15	96,455,889.89
12/1/2028	9,670,000	25.000%	1,825,625.00	18.750%	(1,088,168.75)	0.4239%	(27,584.10)	508,882.15	96,455,889.89
6/1/2029	9,875,000	25.000%	1,118,750.00	18.750%	(749,562.50)	0.4239%	(18,869.53)	350,217.88	96,455,889.89
12/1/2029	10,080,000	25.000%	1,118,750.00	18.750%	(749,562.50)	0.4239%	(18,869.53)	350,217.88	96,455,889.89
6/1/2030	10,285,000	25.000%	578,750.00	18.750%	(387,762.50)	0.4239%	(9,813.28)	181,174.22	96,455,889.89
12/1/2030	10,490,000	25.000%	578,750.00	18.750%	(387,762.50)	0.4239%	(9,813.28)	181,174.22	96,455,889.89
TOTAL	74,880,000		308,122,500.00		(208,442,075.00)		(5,224,525.11)	86,455,889.89	86,455,889.89

* Notional amount of 2006 Bonds, for calculation purposes not used in sum of net payments.
 (1) Assumes BMA equals to MAXIMUM rate payable by County under the Swap Documents.
 (2) Assumes 67% of LIBOR is equal to BMA based on historical averages.
 (3) Fixed Spread is estimated based on market conditions as of February 15, 2006.

CERTIFICATE

I, the undersigned, Chief Clerk of the COUNTY OF YORK, Pennsylvania (the "County"), certify that: the foregoing is a true and correct copy of an Ordinance that duly was enacted by affirmative vote of a majority of all members of the Board of County Commissioners of the County at a meeting duly held on September 20, 2006; said Ordinance duly has been recorded in the ordinance book of the County; a notice with respect to the intent to enact said Ordinance has been published as required by law; said Ordinance was available for inspection by any interested citizen requesting the same in accordance with the requirements of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania and such notice; and said Ordinance has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that the Board of County Commissioners of the County met the advance notice and public comment requirements of the Sunshine Act, 65 Pa. C.S. §701 et seq., as amended, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the principal office of the County or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting prior to enacting said Ordinance, all as required by such Act.

I further certify that: the total number of members of the Board of County Commissioners of the County is three (3), the vote of members of the Board of County Commissioners of the County upon said Ordinance was called and duly was recorded upon the minutes of said meeting; and members of the Board of County Commissioners of the County voted upon said Ordinance in the following manner:

Lori O. Mitrick	-
Douglas E. Kilgore	-
Steve Chronister	-

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 20th day of September, 2006.



Chief Clerk of the County of York,
Pennsylvania

(SEAL)

Proof of Publication State of Pennsylvania County of York

AD # 1783319

PO # 71415

Copy of Advertisement Attached Here

NOTICE

NOTICE IS GIVEN that the Board of County Commissioners of the County of York, Pennsylvania (the "County"), proposes to enact, at a public meeting to be held within not less than three (3) days nor more than thirty (30) days, as calculated from the date of publication of this Notice, an ordinance (the "Ordinance"), the caption and summary of which reads as follows:

"AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF THIS COUNTY AUTHORIZING AND APPROVING A QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT (CONSTANT MATURITY SWAP) WITH RESPECT TO THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES OF 2000, OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF \$74,890,000; SETTING FORTH THE SUBSTANTIAL FORM OF THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT; SETTING FORTH AND ADOPTING AN INTEREST RATE MANAGEMENT PLAN; MAKING CERTAIN COVENANTS OF THIS COUNTY WHICH ARE INTENDED TO SECURE THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT; AND AUTHORIZING APPROPRIATE OFFICERS OF THIS COUNTY TO TAKE RELATED ACTIONS."

The full text of such proposed Ordinance may be examined or inspected by any citizen, in the office of the Chief Clerk of the Board of County Commissioners of the County, located at 28 East Market Street, York, Pennsylvania (the old courthouse), on Monday through Friday between the hours of 8:30 A.M. and 4:30 P.M.

Attention is directed to the fact that the Ordinance, in the form available for inspection, may contain blanks, or require additional attachments, as permitted by the Pennsylvania Local Government Unit Debt Act (the "Debt Act"). Such blanks or attachments, and additional amendments, if any, will be completed in the final form of the Ordinance enacted by the County. An advertisement describing the final enactment of the Ordinance, including any insertions or amendments, will be made in accordance with requirements of the Debt Act. This Notice is given in accordance with the Debt Act.

COUNTY OF YORK, PENNSYLVANIA

By: Charles R. Noll
Chief Clerk/Administrator of the Board of County Commissioners

THE YORK DISPATCH / YORK SUNDAY NEWS and YORK DAILY RECORD are the names of the daily newspapers of general circulation published continuously for more than the last six months by York Newspaper Company, at its principal place of business, which is 1891 Loucks Road, York, PA 17404.

The printed copy of the advertisement hereto attached is a true copy, exactly as printed and published, of an advertisement printed in the regular issues of the said **The York Dispatch/York Sunday News and York Daily Record** published on the following dates, viz:

09/15/2006

**COMMONWEALTH OF PENNSYLVANIA
COUNTY OF YORK**

SS

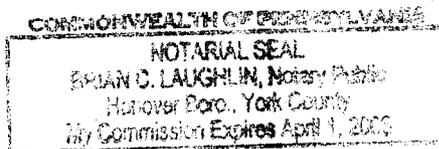
Before me, a Notary Public, personally came Elizabeth Barth who being duly sworn deposes and says that she is the Call Center Sales Manager of York Newspaper Co., and has personal knowledge of the publication of the advertisement mentioned in the foregoing statement as to the time, place and character of publications are true, and that the affiant is not interested in the subject matter of the above mentioned advertisement.

Sworn and subscribed to before me this

15 day of September 2006

Brian C. Laughlin
Notary Public

} Elizabeth Barth



Estate of _____

_____ Dollars
100

The charge for the publication of above mentioned advertisement and the expense of above affidavit.

Advertisement Cost	\$	<u>317.90</u>
Affidavit Fee	\$	<u>15.00</u>
Total Cost	\$	<u>332.90</u>

**Proof of Publication
State of Pennsylvania
County of York**

AD # 1786243

THE YORK DISPATCH / YORK SUNDAY NEWS and YORK DAILY RECORD are the names of the daily newspapers of general circulation published continuously for more than the last six months by York Newspaper Company, at its principal place of business, which is 1891 Loucks Road, York, PA 17404.

The printed copy of the advertisement hereto attached is a true copy, exactly as printed and published, of an advertisement printed in the regular issues of the said **The York Dispatch/York Sunday News and York Daily Record** published on the following dates, viz:

09/22/2006

NOTICE

NOTICE IS GIVEN that the Board of County Commissioners of the County of York, Pennsylvania (the "County"), at its meeting held on September 20, 2006, enacted an ordinance (the "Ordinance"), the caption and summary of which is as follows:

"ORDINANCE NO. 2006-04

OF THE BOARD OF COUNTY COMMISSIONERS OF THIS COUNTY AUTHORIZING AND APPROVING A QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT (CONSTANT MATURITY SWAP) WITH RESPECT TO THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES OF 2006, OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF \$74,990,000; SETTING FORTH THE SUBSTANTIAL FORM OF THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT; SETTING FORTH AND ADOPTING AN INTEREST RATE MANAGEMENT PLAN; MAKING CERTAIN COVENANTS OF THIS COUNTY WHICH ARE INTENDED TO SECURE THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT; AND AUTHORIZING APPROPRIATE OFFICERS OF THIS COUNTY TO TAKE RELATED ACTIONS."

The schedules and interest rate management plan that were attached to the draft Ordinance available for public inspection were updated and amended during final enactment to include the maximum scheduled payments by the County under the interest rate management agreement (the "Constant Maturity Swap"), and fees to third parties, in accordance with the Pennsylvania Local Government Unit Debt Act (the "Debt Act"). The scheduled periodic payments under the Constant Maturity Swap will be based on the outstanding principal amount of the County's General Obligation Bonds, Series of 2006, and the County will pay 100% of the 1-Year London Inter-Bank Offered Rate ("LIBOR"), not to exceed 25% per annum, and the County will receive 100% of the 10-Year LIBOR minus a fixed spread to be negotiated with the provider of the Constant Maturity Swap, which will be the Royal Bank of Canada.

The final form of the Ordinance may be examined or inspected by any citizen in the office of the Chief Clerk of the Board of County Commissioners of the County, located at 28 East Market Street, York, Pennsylvania (the old courthouse), on Monday through Friday, between the hours of 8:30 A.M. and 4:30 P.M., prevailing time. This Notice is given in accordance with requirements of and in compliance with the Pennsylvania Local Government Unit Debt Act.

COUNTY OF YORK, PENNSYLVANIA
By: Charles R. Noll, Chief Clerk of the Board of County Commissioners

**COMMONWEALTH OF PENNSYLVANIA
COUNTY OF YORK**

SS

Before me, a Notary Public, personally came Elizabeth Barth who being duly sworn deposes and says that she is the Call Center Sales Manager of York Newspaper Co., and has personal knowledge of the publication of the advertisement mentioned in the foregoing statement as to the time, place and character of publications are true, and that the affiant is not interested in the subject matter of the above mentioned advertisement.

Sworn and subscribed to before me this
22 day of September 2006

Brian Laughlin
Notary Public

} Elizabeth Barth

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL
BRIAN C. LAUGHLIN, Notary Public
Hanover Boro., York County
My Commission Expires April 1, 2008

Estate of _____

_____ Dollars
100

The charge for the publication of above mentioned advertisement and the expense of above affidavit.

Advertisement Cost	\$	<u>349.30</u>
Affidavit Fee	\$	<u>15.00</u>
Total Cost	\$	<u>364.30</u>