

**COUNTY OF YORK, PENNSYLVANIA**

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**ORDINANCE NO. 2010-06**

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**OF THE COUNTY OF YORK, PENNSYLVANIA  
APPROVING AMENDMENTS TO EXISTING QUALIFIED  
INTEREST RATE MANAGEMENT AGREEMENTS OF THE  
COUNTY; APPROVING AND RATIFYING A RELATED  
INTEREST RATE MANAGEMENT PLAN; AND  
AUTHORIZING OFFICERS OF THIS COUNTY TO SIGN  
DOCUMENTS AND TAKE RELATED ACTIONS.**

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**WHEREAS**, the County of York (the "County") is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), is governed by its Board of County Commissioners (the "Board") and is a "local government unit" as defined in the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"), of the Commonwealth; and

**WHEREAS**, on April 21, 2010, the County enacted Ordinance No. 2010-01 (the "2010 Debt Ordinance") which authorized and secured the issuance of \$80,840,000 maximum aggregate principal amount General Obligation Notes, Series of 2010 (the "2010 Notes"), and \$76,090,000 maximum aggregate principal amount General Obligation Bonds, Series of 2013 (the "2013 Bonds"), for refunding projects described in the 2010 Debt Ordinance; and

**WHEREAS**, the Department of Community and Economic Development (the "Department") of the Commonwealth approved the proceedings of the County related to such general obligation indebtedness, which approval of the Department was evidenced by Certificate of Approval No. GON-13096, dated May 18, 2010; and

**WHEREAS**, on June 1, 2010, the County issued the 2010 Notes under the terms of the 2010 Debt Ordinance and a Bond Agreement, dated June 1, 2010 (the “2010 Bond Agreement”), between the County and PNC Bank, National Association (the “Paying Agent”), having an office in Pittsburgh, Pennsylvania, as paying agent for the 2010 Notes and the 2013 Bonds; and

**WHEREAS**, concurrently with issuing the 2010 Notes (and incurring the debt represented by the 2013 Bonds), the County transferred three Qualified Interest Rate Management Agreements (the “QIRMAs”), as defined in the Debt Act, from the General Obligation Bonds, Series A, B and C of 2008 that were refunded by the 2010 Notes, and assigned such QIRMAs to corresponding net principal due annually on the 2010 Notes and the 2013 Bonds; and

**WHEREAS**, the counterparty on the QIRMAs is the Royal Bank of Canada (“RBC”), and the County is required to pay RBC a different fixed interest rate on each QIRMA and RBC is currently required to pay the County a variable rate on each QIRMA equal to 100% of the SIFMA index, on outstanding notional amounts that do not to exceed the outstanding principal amounts of the corresponding 2010 Notes and the 2013 Bonds (collectively, the “Obligations”); and

**WHEREAS**, the County has determined to amend all three QUIRMAs by substituting a formula based on a LIBOR (taxable) index in lieu of the SIFMA (tax-exempt) index (the “LIBOR Amendments”); and

**WHEREAS**, the Board of the County desires to approve an amended Interest Rate Management Plan (“IRMP”), prepared by Investment Management Advisory Group, Inc. (the

“IFA”), serving as the independent financial advisor contemplated by the Debt Act, similar in form to those previously approved by the County, but now including information and schedules reflecting the LIBOR Amendments; and

**WHEREAS**, as required by the Debt Act, the maximum net payments by fiscal year for periodic scheduled payments by the County, not including any termination payments, on the QIRMAs shall not exceed those based on the fixed interest rates payable by the County as specified in each of the QIRMAs, plus interest at the Maximum Rate(s), as defined herein, on the related Obligations; and

**WHEREAS**, the Board desires to take and to authorize and approve such further acts, including the execution and delivery of such agreements, certificates and documents, as may be necessary or desirable in connection with the LIBOR Amendments.

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

**SECTION 1.** The Board hereby adopts and affirms the IRMP, including the related schedules, attached hereto as Exhibit A. The Board also ratifies all previous IRMPs prepared for the County that refer to the QIRMAs. The IFA is retained as the independent financial advisor pursuant to the Debt Act, and Rhoads & Sinon LLP is retained as bond counsel, in connection with the LIBOR Amendments.

**SECTION 2.** The Board hereby ratifies and approves each QIRMA, to update and reflect the LIBOR Amendments, substantially as set forth in new ISDA Confirmations,

amending the County's variable rate payment obligations, substantially in the forms attached hereto as **Exhibit B**. The President or Vice President of the Board is authorized to execute the final Confirmations and all other documents required to implement the LIBOR Amendments, as and when recommended by the IFA. As required by the Debt Act, RBC remains in one of the three highest rating categories of a nationally recognized credit rating agency.

The Board hereby finds and declares the following:

(1) the notional amounts of the QIRMA (which term hereafter shall be deemed to include the LIBOR Amendments) at all times shall not exceed the then outstanding principal amounts of the related Obligations issued or incurred;

(2) the term of each QIRMA does exceed the latest maturity date of the applicable Obligations;

(3) each QIRMA contains a provision requiring the termination thereof if its "Related Bonds" are no longer outstanding;

(4) the fixed annual interest rate which shall be required to be paid by this County under each QIRMA, per annum, is specified therein;

(5) the maximum net payments by fiscal year due and payable by the County shall not exceed: (i) for periodic scheduled payments, not including any termination payments, due under each

QIRMA, the fixed interest rate set forth therein, and (ii) the Maximum Rate specified herein due on the respective Obligations;

(6) the source of payment of the County's obligations with respect to each QIRMA shall be its taxes and other general revenues;

(7) each QIRMA contains provisions addressing the actions to be taken if the credit rating of RBC changes; and

(8) the periodic scheduled payments due under each QIRMA and payments due in respect of principal of and interest on the Obligations shall be senior in right and priority of payment to any termination payments due under a QIRMA.

**SECTION 3.** The County hereby covenants and ratifies the following:

(a) To include the periodic scheduled amounts payable under each QIRMA 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 each QIRMA.

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 QIRMAs.

The County does hereby covenant: (i) that the periodic scheduled payments due under each QIRMA, and the payments in respect of principal of and interest on the Obligations shall be equally and ratably payable and secured, (ii) to include any termination payment or similar payment required under each QIRMA, which may become due and payable by the County under the terms of each QIRMA, in the County's then current budget at any time during a fiscal year or in a budget adopted in a future fiscal year, and (iii) to include in its annual financial statements information with respect to each QIRMA, including any information required pursuant to any Statement issued by the Governmental Accounting Standards Board. The County shall continue to perform ongoing monitoring of the financial consequences of each QIRMA, as well as other outstanding qualified interest rate management agreements payable by the County, subject to the terms of appropriate written agreements.

**SECTION 4.** Officers and agents of the County shall file appropriate proceedings with the Department regarding the LIBOR Amendments, as may be required by the Debt Act.

**SECTION 5.** Any reference in this Ordinance to an officer or member of the Board or employee of the County shall be deemed to refer to his or her duly qualified successor or assistant in office, if applicable.

**SECTION 6.** This Ordinance shall be effective in accordance with the Debt Act.

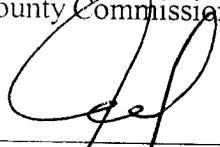
**SECTION 7.** In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the County that such remainder shall be and shall remain in full force and effect.

**SECTION 8.** 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 County Commissioners of the County, in lawful session duly assembled, this 18<sup>th</sup> day of August, 2010.

COUNTY OF YORK, PENNSYLVANIA

By:   
County Commissioner

By:   
County Commissioner

By:   
County Commissioner

ATTEST:

  
Chief Clerk

(SEAL)

EXHIBIT A

INTEREST RATE MANAGEMENT PLAN WITH SCHEDULES

**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," as that phrase is defined in the Debt Act (the "Plan" or "IRMP"), of the County of York, Pennsylvania (the "County"). This Plan, amending and substituting for earlier IRMPs of or pertaining to the County, 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 2010 LIBOR Conversion (hereinafter defined), and all other interest rate swaps, caps, floors, swaptions and similar derivative instruments, and amendments and transfers thereof, currently payable or guaranteed by the County (including such agreements entered into by 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 the 2010 LIBOR Conversion which may be entered into by the County in the near future amending the Fixed Pay Swaps (hereinafter defined) of the County. The County has also guaranteed certain sums payable under a Guaranty Agreement with the York County Industrial Development Authority ("YCIDA"), under other QIRMAs which will be further described below.

**Proposed 2010 LIBOR Conversion**

The County is considering amending three currently outstanding QIRMAs payable by the County, referred to in previous IRMP's as the: 2001 GASP Fixed Pay Swap, 2000A GASP Fixed Pay Swap and 2003 GASP Fixed Pay Swap (together and hereafter referred to as the "Fixed Pay Swaps"). As a result of the refunding and restructuring of the County's General Obligation Bonds Series A, B and C of 2008 (the "2008 Bonds"), on June 1, 2010, the Fixed Pay Swaps were reassigned to the County's three refunding General Obligation Notes, Series of 2010 (the "2010 Notes"), numbered 1, 2 and 3, secured by Ordinance No. 2010-01 enacted on April 21, 2010 (the "2010 Notes Ordinance") and a Bond Agreement, dated June 1, 2010 (the "2010 Bond Agreement" between the County and PNC Bank, National Association ("PNC") as holder of the 2010 Notes. The 2010 Notes Ordinance and the 2010 Bond Agreement also secure General Obligation Bonds, Series of 2013 (the "2013 Bonds"), in original aggregate principal amount of \$80,840,000 to refund the 2010 Notes upon maturity on June 1, 2013 (together, the "Swapped Obligations").

The contemplated amendments to the existing Fixed Pay Swaps consist of converting the swap floating rate index payable to the County from SIFMA to a percentage of 1-Month LIBOR (referred to hereinafter as the "2010 LIBOR Conversion"). The fixed interest rates payable by the County on each of the Fixed Pay Swaps will not change.

The Fixed Pay Swaps relate to the Swapped Obligations, which are "multi-modal," currently in the "Floating Rate Mode," as described in the 2010 Bond Agreement between the County and PNC, acting as paying agent for the Swapped Obligations (the "Paying Agent"). This Floating Rate Mode currently determines the floating interest rate payable on the 2010 Notes based on a formula equal to a percentage of the 1-Month LIBOR index plus a "spread" (the current formula is 65% of one-month LIBOR plus 1.0%). The 2013 Bonds, replacing the 2010 Notes, could be issued in a different interest rate mode. The Swapped Obligations bear interest at a maximum rate of 25% (the "Swapped Obligations Maximum Rate").

Following the 2010 LIBOR Conversion, the aggregate notional amount of the three Fixed Pay Swaps \$79,965,000 will not exceed the aggregate principal amount (\$80,840,000) of the 2010 Notes or the aggregate principal amount of the 2013 Bonds then outstanding. The annual notional amounts of the Fixed Pay Swaps relate to portions of the annual principal due on the Swapped Obligations through their final maturities (See **Appendix A** illustrating the schedule of the annual principal amounts due on the Swapped Obligations). The effective date of the 2010 LIBOR Conversion is assumed for this analysis to be August 18, 2010.

Following the 2010 LIBOR Conversion, the County will continue to pay to the Royal Bank of Canada ("RBC" or the "Counterparty"), interest on the outstanding notional amounts at a fixed rate, which will be netted against interest receipts from the Counterparty on the same notional amounts equal to approximately 84% of the USD-LIBOR-BBA index having a one-month maturity ("1-Month LIBOR or LIBOR"). The final percentage of LIBOR will be determined at the time the 2010 LIBOR Conversion is entered into. LIBOR is an index that reflects prevailing taxable bond interest rates. The net interest payments under the 2010 LIBOR Conversion is calculated and payable semiannually, on June 1 and December 1 of each year during its term, which correspond to the current interest payment dates on the Swapped Obligations.

Historical data between 1985 and 2010, inclusive, indicates that the average annual return for a party paying 100% of SIFMA versus receiving 68.5% of 1-Month LIBOR have been approximately equivalent. If this relationship between the two indexes continues over the proposed term of the Fixed Pay Swaps, the County would expect the transaction to yield a net benefit of approximately 74 basis points (.74%) based on the receiving approximately 84% of 1-Month LIBOR for the remaining life of the Fixed Pay Swaps.

Historical Basis Swap Cashflow Receipt (1)					
Year	PAY: SIFMA (2)	Average LIBOR (2)	RECEIVE: % of 1M LIBOR	NET RECEIPT	Annual Benefit/ (Loss) (3)
1985	5.30%	8.23%	6.92%	1.62%	\$ 1,291,504
1986	4.49%	6.89%	5.79%	1.30%	\$ 1,037,953
1987	4.82%	7.00%	5.88%	1.06%	\$ 850,911
1988	5.45%	7.80%	6.55%	1.10%	\$ 880,307
1989	6.44%	9.27%	7.79%	1.35%	\$ 1,083,526
1990	5.91%	8.24%	6.92%	1.01%	\$ 808,031
1991	4.37%	5.89%	4.95%	0.58%	\$ 464,606
1992	2.81%	3.75%	3.15%	0.34%	\$ 272,183
1993	2.37%	3.19%	2.68%	0.31%	\$ 249,545
1994	2.84%	4.49%	3.77%	0.93%	\$ 741,137
1995	3.85%	5.96%	5.01%	1.16%	\$ 929,793
1996	3.43%	5.45%	4.58%	1.15%	\$ 916,630
1997	3.66%	5.65%	4.75%	1.09%	\$ 870,020
1998	3.43%	5.56%	4.67%	1.24%	\$ 993,668
1999	3.29%	5.25%	4.41%	1.12%	\$ 895,179
2000	4.12%	6.42%	5.39%	1.27%	\$ 1,015,219
2001	2.61%	3.86%	3.24%	0.63%	\$ 503,148
2002	1.38%	1.77%	1.48%	0.11%	\$ 86,354
2003	1.03%	1.21%	1.02%	-0.02%	\$ (14,555)
2004	1.23%	1.51%	1.27%	0.04%	\$ 30,125
2005	2.46%	3.40%	2.86%	0.39%	\$ 313,867
2006	3.45%	5.10%	4.29%	0.84%	\$ 669,933
2007	3.62%	5.25%	4.41%	0.78%	\$ 627,628
2008	2.21%	2.65%	2.23%	0.01%	\$ 11,146
2009	0.40%	0.33%	0.28%	-0.12%	\$ (97,368)
2010	0.25%	0.28%	0.24%	-0.01%	\$ (10,791)
Avg.	3.28%	4.79%	4.02%	0.74%	\$ 593,065
Average of SIFMA/LIBOR:		68.50%			

**Assumptions:**

- 1) County executes a \$79.965 million (non-amortizing) Swap conversion, agreeing to convert the short-term index on Swaps from SIFMA to 84% of 1M LIBOR.
- 2) Average SIFMA and LIBOR rates based upon calendar year for each period detailed.
- 3) Annual benefit/(loss) based upon having the full swap outstanding during the annual period.
- 4) Pricing subject to change with market conditions.

The associated 2010 Notes currently bear interest based on 65% of 1-Month LIBOR plus 100 basis points (1.00%). The current financing structure includes Fixed Pay Swaps hedging the 2010 Notes based on an underlying taxable index of 1-Month LIBOR. Since the County is effectively paying a percentage of LIBOR plus a spread on the 2010 Notes and receiving SIFMA on the floating leg of the Fixed Pay Swaps, the current structure could be considered a "reverse basis swap". If this structure were to remain outstanding and the relationship between SIFMA and 1-Month LIBOR revert back to their historical averages, this would negatively impact County by increasing the County's overall cost of borrowing. The proposed 2010 LIBOR Conversion would eliminate basis risk and tax risk (described further herein under Section V. Risk Analysis) at least for the next 3 years while the 2010 Notes are outstanding. The conversion could provide the County with a better correlated structure based on the same underlying taxable index of 1-Month LIBOR. Historical analysis and other supporting information provided by IMAGE and RBC are included in **Appendix B**.

Under the proposed 2010 LIBOR Conversion, the County would amend and update the existing Fixed Pay Swaps confirmations with RBC to reflect the 2010 LIBOR Conversion. RBC

qualifies to serve as a party to a QIRMP under criteria established in the Debt Act (see discussion of Counterparty Risk, below). The County has entered into engagement agreements with IMAGE to serve as independent financial advisor, and Rhoads & Sinon LLP to serve as special counsel, in connection with the 2010 LIBOR Conversion. These firms will provide services and render opinions relative to the 2010 LIBOR Conversion, will be compensated under the terms of the engagement agreements by the County from a payment to the County by RBC under the terms of the 2010 LIBOR Conversion, and after it is entered into (as listed in **Appendix C**). This payment to the County equal to the professional fees will have the affect of decreasing the percentage of 1-Month LIBOR that would be payable if the up-front payment was not made and, therefore, will increase the net payments that would otherwise be payable by the County to RBC over time under the Fixed Pay Swaps.

## **I. County Debt Outstanding**

The County had total debt outstanding backed by its full faith, credit and taxing power of \$225,685,000 as of this date. This amount consists of \$174,395,000 of non-electoral debt (as defined in the Debt Act) evidenced by general obligation bonds of the County itself, and lease rental debt (as defined in the Debt Act) evidence by a guaranty of outstanding bonds of \$9,905,000 of taxable bonds of the YCIDA, and a guaranty of \$41,385,000 of tax-exempt bonds of the York County Solid Waste Authority ("YCSWA"). 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 2010 LIBOR Conversion.

## **II. County/Authority Swaps Background**

In addition to the 2010 LIBOR Conversion, the County has other QIRMPs allocable to its own general obligation bonds and notes as of this date. The County has also effectively guaranteed two swaps that are currently outstanding 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. On October 19, 2001, GASP had 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. All sums that were due on the 2000A GASP Bonds and on the 2001 GASP Bonds were payable by the County under Loan Agreements and Guaranty Agreements. The interest rates on the 2000A GASP Bonds and on the 2001 GASP Bonds were initially in a variable mode with weekly resets by a remarketing agent subject to optional tender, and a maximum rate of 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 existing Loan Agreement and

Guaranty Agreement) will make fixed rate payments of 4.06% and receive floating rate payments based on 100% of the Bond Market Association (now SIFMA) Index commencing on January 2, 2004 (the "2001 GASP Fixed Pay Swap").

On October 30, 2003, GASP issued its Variable Rate Demand County Guaranteed Revenue Bonds, Series of 2003 (the "2003 GASP Bonds") in the aggregate principal amounts of \$32,620,000. All sums that were due on the 2003 GASP Bonds were payable by the County under a Loan Agreement and Guaranty Agreement. The interest rates on the 2003 GASP Bonds were initially in a variable mode with weekly resets by a remarketing agent, subject to optional tender, and a maximum rate of 15.0%.

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 Swaps") 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 Swaps is on an initial notional amount of \$5,000,000 declining to \$3,000,000 on December 1, 2009. RBC is the provider of the 2003B YCIDA Bonds Fixed Pay Swaps. 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 with RBC (together, the "2000A/2003 GASP Fixed Pay Swap"), relating to (1) the 2000A GASP Bonds (the "2000A GASP Fixed Pay Swap"), and (2) the 2003 GASP Bonds (the "2003 GASP Fixed Pay Swap"), payable and guaranteed by the County. The 2000A/2003 GASP 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. The 2000A/2003 GASP Fixed Pay Swaps were structured so that after their effective date, June 1, 2006, GASP would begin receiving semiannual payments equal to the notional amount of each of the 2000A/2003 GASP Fixed Pay Swaps multiplied by a floating rate based on 100% of the Bond Market Association (now SIFMA) index over that period. On the same payment dates, GASP was required to make payments, based on the same notional amounts, multiplied by a fixed rate of 4.335% on the 2000A GASP Fixed Pay Swap and 4.43% on the 2003 GASP Fixed Pay Swap. The GASP (via the County) also made regularly scheduled payments on the associated Bonds.

On February 22, 2006, the County entered into a basis swap with RBC (the "2006 Basis

Swap") relating to the County's \$74,890,000 outstanding fixed rate General Obligation Bonds, Series of 2006 (the "2006 Bonds"), issued on January 24, 2006. Under the 2006 Basis Swap, the County pays RBC on the outstanding notional amounts at a rate equal to 100% of the SIFMA index 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" (1/100<sup>th</sup> of 1.0%) or .4239%. Payments to or by the County under the 2006 Basis Swap run through the sinking fund for the 2006 Bonds and are netted with the debt service otherwise payable to the paying agent. The structure of the 2006 Basis Swap is similar to that which is proposed for the 2009 Basis Swap except under prevailing market conditions; the spread will be greater on the 2009 Basis Swap.

On September 20, 2006, the County entered into a \$74,890,000 constant maturity swap with RBC (the "2006 Constant Maturity Swap") relating to the County's fixed rate 2006 Bonds. Under the 2006 Constant Maturity Swap, the County pays RBC interest on the outstanding notional amounts of the 2006 Bonds at a rate equal to 100% of 1-Month LIBOR netted against receipts from RBC on the same notional amounts equal to 100% of the USD-ISDA-Swap Rate having a ten-year maturity ("10 Year LIBOR") plus a fixed spread of 42.39 "basis points" (1/100<sup>th</sup> of 1.0%) or .4239%. Payments to or by the County under the 2006 CMS Swap (like the 2006 Basis Swap) run through the sinking fund for the 2006 Bonds and are netted with the debt service otherwise payable to the paying agent.

On June 2, 2008, GASP issued its Variable Rate Demand County Guaranteed Revenue Bonds, Series of 2008 (the "2008 GASP Bonds") in the aggregate principal amounts of \$33,375,000, to refund and retire all of the 2003 GASP Bonds. All sums that were due on the 2008 GASP Bonds were payable by the County under a Loan Agreement and Guaranty Agreement. The interest rates on the 2008 GASP Bonds were initially in a variable mode with weekly resets by a remarketing agent, subject to optional tender, and a maximum rate of 25.0%. A notice filing under the Debt Act was undertaken to allocate the 2003 GASP Fixed Pay Swap to the 2008 GASP Bonds (the "2008 GASP Fixed Pay Swap").

On December 1, 2008, the County issued (i) its General Obligation Bond, Series A of 2008 ("2008A Bond") which retired the 2000A GASP Bonds, (ii) its General Obligation Bond, Series B of 2008 ("2008B Bond") which retired the 2001 GASP Bonds and (iii) its General Obligation Bond, Series C of 2008 ("2008C Bond") which retired the 2008 GASP Bonds. The 2008 Bonds are described above. At the same time, the County and GASP, with the consent of RBC, entered into a Novation Agreement that assigned all duties and obligations under the 2000A GASP Fixed Pay Swap, the 2001 GASP Fixed Pay Swap and the 2003 GASP Fixed Pay Swap from GASP to the County directly, under the County's existing ISDA Master document and Schedule. The Loan Agreements and Guaranty Agreements associated with the GASP obligations were terminated, and there are no longer any outstanding obligations of GASP payable by the County. A notice filing under the Debt Act was undertaken to allocate the 2000A GASP Fixed Pay Swap to the 2008A Bond, the 2001 GASP Fixed Pay Swap to the 2008B Bond, the 2003 GASP Fixed Pay Swap to the 2008C Bond (collectively now the Fixed Pay Swaps of

the County).

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On March 20, 2009 the County entered into a basis swap with RBC (the "2009 Basis Swap") relating to a portion of the County's \$83,110,000 outstanding fixed rate General Obligation Bonds, Series A, B and C of 2008 (the "2008 Bonds"), dated December 1, 2008. Under the 2009 Basis Swap, the County pays RBC on the outstanding notional amount of \$50,995,000 a rate equal to 100% of the SIFMA index which will be netted against receipts from the Counterparty on the same notional amount equal to 70% of the USD-LIBOR-BBA index having a three-month maturity ("3-Month LIBOR") plus a fixed spread of 88 "basis points" (1/100<sup>th</sup> of 1.0%) or .88%. Payments to or by the County under the 2009 Basis Swap run through the sinking fund for the 2008 Bonds and are netted with the debt service otherwise payable to the paying agent.

On July 30, 2009 the County optionally terminated the 2009 Basis Swap including all associated terms and obligations of the agreement. As a result of the termination, the County received a termination payment from RBC in the amount of \$1,780,000.

On December 10, 2009 the County optionally terminated the 2006 Constant Maturity Swap including all associated terms and obligations of the agreement. As a result of the termination, the County received a termination payment from RBC in the amount of \$1,870,000.

Effective June 1, 2010, the County currently refunded the 2008 Bonds, and paid costs of issuance, from the proceeds of the 2010 Notes in aggregate principal of \$80,840,000. The 2010 Notes are scheduled to mature on June 1, 2013, when they will be retired from the proceeds of the 2013 Bonds underwritten or remarketed under the terms of a Bond Purchase Agreement with PNC that was approved in the 2010 Notes Ordinance. As a result, the outstanding Fixed Pay Swaps are currently assigned to the principal due on 2011, 2012 and 2013 on the 2010 Notes and the annual debt "incurred" thereafter under the Debt Act assuming the 2010 Notes are retired by the 2013 Bonds.

The proposed Fixed Pay Swaps as amended by the 2010 LIBOR Conversion, the 2006 Basis Swap, and the 2003B YCIDA Bonds Fixed Pay Swaps are sometimes collectively referred to as the "County Swaps".

### **III. Fees Paid or Payable in Connection with the 2010 LIBOR Conversion**

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 listing all consulting, advisory, brokerage or similar fees to be paid by the County, RBC and any other party in connection with the 2010 LIBOR Conversion, is shown in **Appendix C**.

#### IV. Scheduled Periodic Payments under the 2010 LIBOR Conversion

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 following the 2010 LIBOR Conversion in each year during the term of the Fixed Pay Swaps, is shown in **Appendix D**. The maximum periodic annual payment schedules are based on the County receiving 0% under the Fixed Pay Swaps plus the maximum variable payments on the 2010 Notes equal to 15%, which would result in maximum net payments by the County.

#### V. Risk Analysis on the Proposed 2010 LIBOR Conversion

The following is an analysis of potential (1) risks to the County by entering into the 2010 LIBOR Conversion, (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 (including the 2003A YCIDA Bonds, the 2003B YCIDA Bonds and their related swaps):

##### *Classifications of Risks Inherent in Swap Contracts*

**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 2010 Notes (based on the one-month LIBOR index) in addition to the fixed rate payments due on the Fixed Pay Swaps. The interest payments on the \$8,375,000 outstanding 2003B YCIDA Bonds are floating, in addition to the fixed rate payments on the 2003B YCIDA Bonds Fixed Pay Swaps, and the \$2,000,000 2003A YCIDA Bonds remain floating, which are payable from sources other than County general revenues, but would be paid in whole or in part by County in the event of a default by YCIDA.

Although the 2006 Fixed Rate Bonds do not have interest rate risk, the associated 2006 Basis Swap includes interest rate risk to the County. Historically, the receipt of 68.5% of 1-Month LIBOR and the payment of SIFMA has effectively cancelled each other resulting in the overall benefit to a basis swap being the applicable fixed spread. As is further discussed in the explanation of Basis Risk, if the 68.5% of 1-Month LIBOR is not sufficient to offset the SIFMA payment due to any of the factors described below (primarily Tax Risk), at higher levels of short term interest rates (i.e. applicable LIBOR and SIFMA) the risk and the and any resulting mismatch will be greater, and could result in net payments by the County under 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 by the rating agencies and 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. If the mode of the 2010 Notes is changed to a weekly reset by a remarketing agent, the use of municipal bond insurance (and the insured AAA rating), and attracting a high quality liquidity provider, for the remarketed 2010 Notes should also allow them to be remarketed at variable rates approximating the SIFMA index. As the 2006 Basis 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.

The proposed 2010 LIBOR Conversion does not add any additional interest rate risk to the County.

**Counterparty Risk** is the risk that the swap counterparty will not perform pursuant to the swap contract's terms. The counterparty on all of the County Swaps is currently RBC. Under the proposed Fixed Pay Swaps, for example, if RBC defaults and the County elects to terminate the Fixed Pay Swaps(s), the County would return to (an unhedged) floating rate position, reassuming the full interest rate risk of 2010 Notes and 2013 Bonds. Under the liquidated damages clause in the outstanding SIFMA Fixed Pay Swaps documents, an early termination of the agreement would require a termination payment (regardless of the cause of the termination or party at fault) based on prevailing market interest rates at the time of the termination. This would not change under the proposed 2010 LIBOR Conversion.

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 SIFMA ratio has increased or remained approximately the same, or (b) a payment by RBC to the County, if the long term % of LIBOR to SIFMA 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 SIFMA to LIBOR in determining the exposure of one party to the other under the 2006 Basis Swap.

RBC is the counterparty on all of the County Swaps. RBC's credit rating is currently Aaa by Moody's Investor's Service, AA- 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 the market. 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.

**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 Pay Swaps and the SIFMA/LIBOR ratio in to the case of the 2006 Basis 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).

RBC's credit ratings of AA-/Aaa/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 restrictions on the ability of a public body to segregating funds for that purpose. IMAGE believes that given the current credit ratings of RBC and the County, the County need not require RBC to post collateral to support its obligations under Fixed Pay Swaps following the 2010 LIBOR Conversion.

**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 2010 LIBOR Conversion.

**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 84% of 1-Month LIBOR 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. Since the 2010 LIBOR Conversion results in changing the underlying index from SIFMA to 1-Month LIBOR, the basis risk is essentially eliminated for at least the three year term of 2010 Notes or as long as the 2010 Notes and 2013 Bonds are based on 1-Month LIBOR. Depending on the future terms of the 2013 Bonds, basis risk could be reintroduced at that time if the rate on the Bonds is based on the SIFMA index or tax-exempt interest rates generally. If this occurs, the 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 SIFMA index, causing a negative mismatch of payments and receipts.

In relation to the 2006 Basis Swap, the County assumed the risk that the relationship between taxable rate index (LIBOR) and tax-exempt rate index (SIFMA) changes considerably for a sustained period of time. Averaged over the past 24 years, while variances occur periodically, 100% of SIFMA has equaled approximately 67% of LIBOR. It is impossible to predict the future relationship between these indexes. The County is exposed to Basis Risk under the 2006 Basis Swap to the extent that SIFMA trades at greater than expected percentages of LIBOR for extended periods of time and/or in a high interest rate environment. The most significant factor affecting any sustained long term basis differential would be a change in marginal tax rates. A more complete discussion of Tax Risk is contained elsewhere.

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.

**Tax Risk** is the risk issuers of most tax-exempt floating rate debt face, because the floating rate demanded by bondholders on variable rate demand bonds will increase if marginal income tax rates decline (and the benefit of tax exemption is reduced). Currently the County does not face tax risk on the 2010 Notes, the interest on which are calculated based on the taxable one-month LIBOR index. The County would face tax risk if the 2010 Notes were restructured/remarked based on the tax-exempt SIFMA index as variable rate demand bonds. The possibility of (primarily federal) tax law changes is known as tax risk, which also creates basis risk if the underlying index for a swap that is based on taxable rates (such as LIBOR) and the bond payments are at tax-exempt floating 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).

In the 2006 Basis Swap, the County receives a payment equal to 67% of LIBOR plus a Fixed Spread and makes a payment equal to 100% of SIFMA. As the relationship of SIFMA to LIBOR (historically it has approximated 68%) 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 are 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 2010 Notes and 2013 Bonds amortize (and resulting amortization of the Fixed Pay Swaps occurs) and is also mitigated as time elapses the present value cost of any negative tax changes is less in the future.

As described previously, the proposed 2010 LIBOR Conversion eliminates tax risk by converting the Fixed Pay Swaps to LIBOR Fixed Pay Swaps since the underlying index of would be based on 1-Month LIBOR on the 2010 Notes until at least until 2013 when they are refunded. After 2013, tax risk could be reintroduced based on the structure of the 2013 Bonds.

**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. In the event that liquidity is not available and the underlying bonds would have 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. IMAGE does not believe Liquidity/Remarketing Risk is material for the County.

**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 Fixed Pay Swaps will not exceed the principal amortization of the 2010 Notes or 2013 Bonds. The Fixed Pay Swaps do not exceed the full principal of the outstanding 2010 Notes and 2013 Bonds. Any reduction in the principal amount of any of the 2010 Notes and 2013 Bonds below the annual notional amount of the Fixed Pay Swaps will require a partial termination of the Fixed Pay Swaps, in an amount calculated by the Counterparty under the documents. This could result in a termination payment by the County in an unfavorable market conditions, and adversely impact the County's

ability to optionally redeem the 2010 Notes or 2013 Bonds in connection with a cash defeasance, refunding or restructuring.

Like the 2006 Basis Swap, the Fixed Pay Swap documents contain a provision which allows the Fixed Pay Swaps to also apply to new bonds which are issued by the County to refund the 2010 Notes or 2013 Bonds, including fixed rate 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 Fixed Pay Swaps. Any principal maturities on the refunding bond that exceed the notional amounts of the Fixed Pay Swaps would not be covered by that transaction.

Yield Curve Risk does not apply to the Fixed Pay Swaps and is not applicable to the other County Swaps.

## VI. ONGOING MONITORING

**Appendix A and D** contain schedules of the fixed, estimated and maximum net scheduled periodic payments (a) due under the Swapped Obligations and 2010 LIBOR Conversion, (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 Swaps 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 all 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 2010 LIBOR Conversion 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 percentage of 1-Month LIBOR to be received by the County) will be confirmed and accepted by a County representative. Prior to the call (based on the proposed, final terms of the transaction), and again during the call, 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 financial terms of the 2010 LIBOR Conversion will be fair and reasonable.

**Appendix A**

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

OUTSTANDING DEBT - EXISTING

Date	Principal Amount	Original	Interest	Debt Service	Annual Debt Service
12/1/2010	7,285,000	5.250%	1,129,887.50	8,414,887.50	8,414,887.50
6/1/2011	7,750,000	5.500%	937,887.50	8,687,887.50	8,687,887.50
12/1/2011	8,245,000	5.500%	794,762.50	9,039,762.50	9,039,762.50
6/1/2012	8,750,000	5.500%	648,425.00	9,398,425.00	9,398,425.00
12/1/2012	9,260,000	5.500%	502,087.50	9,762,087.50	9,762,087.50
6/1/2013	9,780,000	5.500%	355,750.00	10,135,750.00	10,135,750.00
12/1/2013	10,310,000	5.500%	209,412.50	10,514,412.50	10,514,412.50
6/1/2014	10,850,000	5.500%	63,075.00	10,917,075.00	10,917,075.00
12/1/2014	11,400,000	5.500%	-	11,400,000.00	11,400,000.00
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	-	-	-	-	-
<b>TOTAL</b>	<b>61,385,000</b>		<b>5,965,137.50</b>	<b>67,350,137.50</b>	<b>67,350,137.50</b>



OUTSTANDING DEBT - EXISTING

HANOVER COUNTY, VIRGINIA  
 COUNTY OF YORK, PENNSYLVANIA  
 Series of 2000A (YCDA) - County General  
 Scheduled Debt Service Payment Schedule Variable Rate Plus Expenses

Date	Principal Maturity	Variable Rate Paid (%)	Interest on Bonds	Liquidity @ 5.20%	Remaining @ 5.215%	Debt Service	Annual Debt Service
12/1/2010	490,000	5.180%	39,474.00	1,592.33	596.25	531,966.59	531,966.59
6/1/2011	-	-	39,474.00	1,592.33	680.00	28,541.39	-
12/1/2011	510,000	5.180%	26,832.00	1,592.33	680.00	539,514.39	539,514.39
6/1/2012	-	-	26,832.00	1,592.33	500.00	344,545.41	597,063.87
12/1/2012	530,000	5.180%	13,874.00	540.18	331.25	544,545.41	559,090.03
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	-	-	-	-	-	-	-
	1,530,000		120,468	4,750	2,519	1,654,184	1,654,184

(1) Estimated variable interest rates based on the National Average of Variable 1-Month LIBOR rates since 1985.

OUTSTANDING DEBT - EXISTING

Date	Principal Maturity	Coupon (%)	Interest	Liquidity @ 120%	Remaining @ 120%	Swap Notional (\$)	Variable Rate Rec'd on Swap (1)	Interest on Rec'd on Swap (1)	Fixed Rate Paid on Swap (2)	Interest on Paid on Swap	Debt Service	Annual Debt Service
12/1/2010	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	234,719.80
6/1/2011	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	469,439.79
12/1/2011	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	694,159.78
6/1/2012	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	918,879.77
12/1/2012	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	1,143,599.76
6/1/2013	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	1,368,319.75
12/1/2013	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	1,593,039.74
6/1/2014	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	1,817,759.73
12/1/2014	-	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	2,042,479.72
6/1/2015	375,000	5.180%	218,075.00	4,361.52	5,234.38	3,000,000	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	2,267,199.71
12/1/2015	390,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	2,491,919.70
6/1/2016	410,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	2,716,639.69
12/1/2016	430,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	2,941,359.68
6/1/2017	450,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	3,166,079.67
12/1/2017	470,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	3,390,799.66
6/1/2018	490,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	3,615,519.65
12/1/2018	510,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	3,840,239.64
6/1/2019	530,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	4,064,959.63
12/1/2019	550,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	4,289,679.62
6/1/2020	570,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	4,514,399.61
12/1/2020	590,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	4,739,119.60
6/1/2021	610,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	4,963,839.59
12/1/2021	630,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	5,188,559.58
6/1/2022	650,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	5,413,279.57
12/1/2022	670,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	5,637,999.56
6/1/2023	690,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	5,862,719.55
12/1/2023	710,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	6,087,439.54
6/1/2024	730,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	6,312,159.53
12/1/2024	750,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	6,536,879.52
6/1/2025	770,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	6,761,599.51
12/1/2025	790,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	6,986,319.50
6/1/2026	810,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	7,211,039.49
12/1/2026	830,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	7,435,759.48
6/1/2027	850,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	7,660,479.47
12/1/2027	870,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	7,885,199.46
6/1/2028	890,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	8,109,919.45
12/1/2028	910,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	8,334,639.44
6/1/2029	930,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	8,559,359.43
12/1/2029	950,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	8,784,079.42
6/1/2030	970,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	9,008,799.41
12/1/2030	990,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	9,233,519.40
6/1/2031	1,010,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	9,458,239.39
12/1/2031	1,030,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	9,682,959.38
6/1/2032	1,050,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	9,907,679.37
12/1/2032	1,070,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	10,132,399.36
6/1/2033	1,090,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	10,357,119.35
12/1/2033	1,110,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	10,581,839.34
6/1/2034	1,130,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	10,806,559.33
12/1/2034	1,150,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	11,031,279.32
6/1/2035	1,170,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	11,256,000.00
12/1/2035	1,190,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	11,480,720.00
6/1/2036	1,210,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	11,705,440.00
12/1/2036	1,230,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	11,930,160.00
6/1/2037	1,250,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	12,154,880.00
12/1/2037	1,270,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	12,379,600.00
6/1/2038	1,290,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	12,604,320.00
12/1/2038	1,310,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	12,829,040.00
6/1/2039	1,330,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	13,053,760.00
12/1/2039	1,350,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	13,278,480.00
6/1/2040	1,370,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	13,503,200.00
12/1/2040	1,390,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	13,727,920.00
6/1/2041	1,410,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	13,952,640.00
12/1/2041	1,430,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	14,177,360.00
6/1/2042	1,450,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	14,402,080.00
12/1/2042	1,470,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	14,626,800.00
6/1/2043	1,490,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	14,851,520.00
12/1/2043	1,510,000	5.180%	218,075.00	4,361.52	5,234.38	-	5.180%	(77,400.00)	5.485%	82,275.00	234,719.80	

OUTSTANDING DEBT - EXISTING

Date	Principal Maturity	Coupon	Interest	2017 Basis Swap Payment 3.52%	2017 Basis Swap Receipt 3.62%	Debt Service	Annual Debt Service
12/1/2010			1,741,528.75	1,288,872.00	(1,308,824.25)	1,701,858.50	1,701,858.50
6/1/2011	2,330,000	4.00%	1,741,528.75	1,227,864.00	(1,268,524.25)	4,000,000.00	5,688,394.50
12/1/2011	2,440,000	4.00%	1,894,508.75	1,184,520.00	(1,268,524.25)	4,000,000.00	5,705,818.00
6/1/2012	2,550,000	4.25%	1,946,708.75	1,138,852.00	(1,221,348.75)	4,164,000.00	5,720,271.50
12/1/2012	2,660,000	5.00%	1,991,815.00	1,092,808.00	(1,126,792.00)	4,335,421.00	5,736,012.50
6/1/2013	2,770,000	5.00%	1,524,995.00	1,042,338.00	(1,073,113.25)	4,520,800.75	5,756,281.75
12/1/2013	2,885,000	5.00%	1,433,448.00	988,548.00	(1,025,574.50)	4,813,801.00	5,782,176.75
6/1/2014	3,005,000	5.00%	1,365,827.50	933,544.00	(983,128.75)	5,277,518.75	5,797,417.75
12/1/2014	3,165,000	5.00%	1,305,702.50	878,572.00	(938,128.75)	5,822,518.75	5,813,248.25
6/1/2015	3,345,000	5.00%	1,253,077.50	823,582.00	(892,418.00)	6,367,518.75	5,828,854.75
12/1/2015	3,530,000	5.00%	1,194,827.50	768,572.00	(846,348.50)	6,912,518.75	5,835,164.50
6/1/2016	3,725,000	5.00%	1,134,827.50	713,582.00	(800,348.50)	7,457,518.75	5,841,525.25
12/1/2016	3,930,000	5.00%	1,071,462.50	658,582.00	(754,348.50)	8,002,518.75	5,847,975.00
6/1/2017	4,145,000	5.00%	998,202.50	603,582.00	(709,348.75)	8,547,518.75	5,854,454.75
12/1/2017	4,370,000	5.00%	927,702.50	548,582.00	(664,348.75)	9,092,518.75	5,860,954.75
6/1/2018	4,605,000	4.75%	865,577.50	493,582.00	(625,348.75)	9,637,518.75	5,867,484.50
12/1/2018	4,850,000	4.75%	802,877.50	438,582.00	(586,348.75)	10,182,518.75	5,874,034.50
6/1/2019	5,105,000	5.00%	736,140.00	383,582.00	(547,348.75)	10,727,518.75	5,880,604.50
12/1/2019	5,370,000	5.00%	661,140.00	328,582.00	(508,348.75)	11,272,518.75	5,887,204.50
6/1/2020	5,645,000	4.80%	590,000.00	273,582.00	(469,348.75)	11,817,518.75	5,893,824.50
12/1/2020	5,930,000	5.00%	510,375.00	218,582.00	(430,348.75)	12,362,518.75	5,900,464.50
6/1/2021	6,225,000	5.00%	426,625.00	163,582.00	(391,348.75)	12,907,518.75	5,907,124.50
12/1/2021	6,530,000	5.00%	325,125.00	108,582.00	(352,348.75)	13,452,518.75	5,913,804.50
6/1/2022	6,845,000	5.00%	223,750.00	53,582.00	(313,348.75)	14,000,000.00	5,920,504.50
12/1/2022	7,170,000	5.00%	112,750.00	(2,000.00)	(274,348.75)	14,547,518.75	5,927,224.50
6/1/2023	7,515,000	5.00%	0	(7,000.00)	(235,348.75)	15,095,000.00	5,933,964.50
12/1/2023	7,880,000	5.00%	0	(14,000.00)	(196,348.75)	15,642,518.75	5,940,724.50
6/1/2024	8,265,000	5.00%	0	(21,000.00)	(157,348.75)	16,190,000.00	5,947,494.50
12/1/2024	8,670,000	5.00%	0	(28,000.00)	(118,348.75)	16,737,518.75	5,954,274.50
6/1/2025	9,095,000	5.00%	0	(35,000.00)	(79,348.75)	17,285,000.00	5,961,064.50
12/1/2025	9,540,000	5.00%	0	(42,000.00)	(40,348.75)	17,832,518.75	5,967,864.50
6/1/2026	10,005,000	5.00%	0	(49,000.00)	(1,000.00)	18,380,000.00	5,974,674.50
12/1/2026	10,490,000	5.00%	0	(56,000.00)	(3,000.00)	18,927,518.75	5,981,494.50
6/1/2027	11,005,000	5.00%	0	(63,000.00)	(5,000.00)	19,475,000.00	5,988,324.50
12/1/2027	11,540,000	5.00%	0	(70,000.00)	(7,000.00)	20,022,518.75	5,995,164.50
6/1/2028	12,105,000	5.00%	0	(77,000.00)	(9,000.00)	20,570,000.00	6,002,014.50
12/1/2028	12,690,000	5.00%	0	(84,000.00)	(11,000.00)	21,117,518.75	6,008,874.50
6/1/2029	13,305,000	5.00%	0	(91,000.00)	(13,000.00)	21,665,000.00	6,015,744.50
12/1/2029	13,940,000	5.00%	0	(98,000.00)	(15,000.00)	22,212,518.75	6,022,624.50
6/1/2030	14,605,000	5.00%	0	(105,000.00)	(17,000.00)	22,760,000.00	6,029,514.50
12/1/2030	15,290,000	5.00%	0	(112,000.00)	(19,000.00)	23,307,518.75	6,036,414.50
6/1/2031	16,005,000	5.00%	0	(119,000.00)	(21,000.00)	23,855,000.00	6,043,324.50
12/1/2031	16,740,000	5.00%	0	(126,000.00)	(23,000.00)	24,402,518.75	6,050,244.50
6/1/2032	17,505,000	5.00%	0	(133,000.00)	(25,000.00)	24,950,000.00	6,057,174.50
12/1/2032	18,290,000	5.00%	0	(140,000.00)	(27,000.00)	25,497,518.75	6,064,114.50
6/1/2033	19,105,000	5.00%	0	(147,000.00)	(29,000.00)	26,045,000.00	6,071,064.50
12/1/2033	19,940,000	5.00%	0	(154,000.00)	(31,000.00)	26,592,518.75	6,078,024.50
6/1/2034	20,805,000	5.00%	0	(161,000.00)	(33,000.00)	27,140,000.00	6,085,094.50
12/1/2034	21,690,000	5.00%	0	(168,000.00)	(35,000.00)	27,687,518.75	6,092,174.50
6/1/2035	22,605,000	5.00%	0	(175,000.00)	(37,000.00)	28,235,000.00	6,099,264.50
12/1/2035	23,540,000	5.00%	0	(182,000.00)	(39,000.00)	28,782,518.75	6,106,364.50
6/1/2036	24,505,000	5.00%	0	(189,000.00)	(41,000.00)	29,330,000.00	6,113,474.50
12/1/2036	25,490,000	5.00%	0	(196,000.00)	(43,000.00)	29,877,518.75	6,120,594.50
6/1/2037	26,505,000	5.00%	0	(203,000.00)	(45,000.00)	30,425,000.00	6,127,724.50
12/1/2037	27,540,000	5.00%	0	(210,000.00)	(47,000.00)	30,972,518.75	6,134,864.50
6/1/2038	28,605,000	5.00%	0	(217,000.00)	(49,000.00)	31,520,000.00	6,142,014.50
12/1/2038	29,690,000	5.00%	0	(224,000.00)	(51,000.00)	32,067,518.75	6,149,174.50
6/1/2039	30,805,000	5.00%	0	(231,000.00)	(53,000.00)	32,615,000.00	6,156,344.50
12/1/2039	31,940,000	5.00%	0	(238,000.00)	(55,000.00)	33,162,518.75	6,163,524.50
6/1/2040	33,105,000	5.00%	0	(245,000.00)	(57,000.00)	33,710,000.00	6,170,714.50
12/1/2040	34,290,000	5.00%	0	(252,000.00)	(59,000.00)	34,257,518.75	6,177,914.50
6/1/2041	35,505,000	5.00%	0	(259,000.00)	(61,000.00)	34,805,000.00	6,185,124.50
12/1/2041	36,740,000	5.00%	0	(266,000.00)	(63,000.00)	35,352,518.75	6,192,344.50
6/1/2042	38,005,000	5.00%	0	(273,000.00)	(65,000.00)	35,900,000.00	6,199,574.50
12/1/2042	39,290,000	5.00%	0	(280,000.00)	(67,000.00)	36,447,518.75	6,206,814.50
6/1/2043	40,605,000	5.00%	0	(287,000.00)	(69,000.00)	37,000,000.00	6,214,064.50
12/1/2043	41,940,000	5.00%	0	(294,000.00)	(71,000.00)	37,552,518.75	6,221,324.50
6/1/2044	43,305,000	5.00%	0	(301,000.00)	(73,000.00)	38,105,000.00	6,228,594.50
12/1/2044	44,690,000	5.00%	0	(308,000.00)	(75,000.00)	38,657,518.75	6,235,874.50
6/1/2045	46,105,000	5.00%	0	(315,000.00)	(77,000.00)	39,210,000.00	6,243,164.50
12/1/2045	47,540,000	5.00%	0	(322,000.00)	(79,000.00)	39,762,518.75	6,250,464.50
6/1/2046	49,005,000	5.00%	0	(329,000.00)	(81,000.00)	40,315,000.00	6,257,774.50
12/1/2046	50,490,000	5.00%	0	(336,000.00)	(83,000.00)	40,867,518.75	6,265,094.50
6/1/2047	52,005,000	5.00%	0	(343,000.00)	(85,000.00)	41,420,000.00	6,272,424.50
12/1/2047	53,540,000	5.00%	0	(350,000.00)	(87,000.00)	41,972,518.75	6,279,764.50
6/1/2048	55,105,000	5.00%	0	(357,000.00)	(89,000.00)	42,525,000.00	6,287,114.50
12/1/2048	56,690,000	5.00%	0	(364,000.00)	(91,000.00)	43,077,518.75	6,294,474.50
6/1/2049	58,305,000	5.00%	0	(371,000.00)	(93,000.00)	43,630,000.00	6,301,844.50
12/1/2049	59,940,000	5.00%	0	(378,000.00)	(95,000.00)	44,182,518.75	6,309,224.50
6/1/2050	61,605,000	5.00%	0	(385,000.00)	(97,000.00)	44,735,000.00	6,316,614.50
12/1/2050	63,290,000	5.00%	0	(392,000.00)	(99,000.00)	45,287,518.75	6,324,014.50
6/1/2051	65,005,000	5.00%	0	(399,000.00)	(101,000.00)	45,840,000.00	6,331,424.50
12/1/2051	66,740,000	5.00%	0	(406,000.00)	(103,000.00)	46,392,518.75	6,338,844.50
6/1/2052	68,505,000	5.00%	0	(413,000.00)	(105,000.00)	46,945,000.00	6,346,274.50
12/1/2052	70,290,000	5.00%	0	(420,000.00)	(107,000.00)	47,497,518.75	6,353,714.50
6/1/2053	72,105,000	5.00%	0	(427,000.00)	(109,000.00)	48,050,000.00	6,361,164.50
12/1/2053	73,940,000	5.00%	0	(434,000.00)	(111,000.00)	48,602,518.75	6,368,624.50
6/1/2054	75,805,000	5.00%	0	(441,000.00)	(113,000.00)	49,155,000.00	6,376,094.50
12/1/2054	77,690,000	5.00%	0	(448,000.00)	(115,000.00)	49,707,518.75	6,383,574.50
6/1/2055	79,605,000	5.00%	0	(455,000.00)	(117,000.00)	50,260,000.00	6,391,064.50
12/1/2055	81,540,000	5.00%	0	(462,000.00)	(119,000.00)	50,812,518.75	6,398,564.50
6/1/2056	83,505,000	5.00%	0	(469,000.00)	(121,000.00)	51,365,000.00	6,406,074.50
12/1/2056	85,490,000	5.00%	0	(476,000.00)	(123,000.00)	51,917,518.75	6,413,594.50
6/1/2057	87,505,000	5.00%	0	(483,000.00)	(125,000.00)	52,470,000.00	6,421,124.50
12/1/2057	89,540,000	5.00%	0	(490,000.00)	(127,000.00)	53,022,518.75	6,428,664.50
6/1/2058	91,605,000	5.00%	0	(497,000.00)	(129,000.00)	53,575,000.00	6,436,214.50
12/1/2058	93,690,000	5.00%	0	(504,000.00)	(131,000.00)	54,127,518.75	6,443,774.50
6/1/2059	95,805,000	5.00%	0	(511,000.00)	(133,00		



OUTSTANDING DEBT - EXISTING

Date	YCSWA		County		TCDA		County		County		County		Annual Debt Service
	1997 Bonds	2003 GO Bonds	2003 GO Bonds	2003A Bonds (1)	2003 GO Bonds (4)								
2010	8,408,888	485,249	511,990	734,720	-	-	-	-	1,701,857	2,448,573	-	5,610,387	
2011	9,625,775	2,048,296	567,384	488,440	-	-	-	-	5,688,396	6,507,730	-	18,260,946	
2012	9,894,520	2,030,386	559,091	488,440	-	-	-	-	5,708,618	6,474,240	-	18,289,055	
2013	9,746,350	2,022,435	-	488,440	-	-	-	-	5,729,272	6,304,793	-	18,214,826	
2014	9,974,800	2,028,633	-	488,440	-	-	-	-	5,736,613	6,417,722	-	18,262,410	
2015	-	1,988,580	-	674,388	-	-	-	-	5,756,282	6,376,539	-	14,947,788	
2016	-	1,967,810	-	814,403	-	-	-	-	5,760,782	6,338,506	-	14,865,475	
2017	-	1,948,325	-	816,448	-	-	-	-	5,767,418	6,287,283	-	14,867,064	
2018	-	1,934,605	-	808,532	-	-	-	-	5,818,348	6,248,708	-	14,811,173	
2019	-	1,916,835	-	804,856	-	-	-	-	5,835,526	6,205,538	-	14,762,334	
2020	-	1,893,810	-	798,882	-	-	-	-	5,882,525	6,188,414	-	14,713,431	
2021	-	1,879,060	-	793,810	-	-	-	-	4,182,170	6,106,872	-	12,870,912	
2022	-	1,859,714	-	786,440	-	-	-	-	4,210,623	6,085,203	-	12,808,578	
2023	-	1,821,375	-	778,172	-	-	-	-	4,237,851	6,011,029	-	12,848,538	
2024	-	567,288	-	768,807	-	-	-	-	4,270,945	5,957,665	-	12,782,432	
2025	-	568,948	-	763,277	-	-	-	-	4,314,585	5,905,096	-	12,715,334	
2026	-	571,859	-	758,234	-	-	-	-	4,345,953	5,848,851	-	12,648,851	
2027	-	574,288	-	747,860	-	-	-	-	4,401,222	5,843,105	-	12,580,504	
2028	-	572,178	-	738,173	-	-	-	-	4,448,062	5,773,354	-	12,482,768	
2029	-	575,794	-	731,847	-	-	-	-	4,500,518	5,838,378	-	12,406,838	
2030	-	573,231	-	719,271	-	-	-	-	4,548,344	6,854,036	-	12,448,122	
2031	-	574,800	-	-	-	-	-	-	4,591,800	6,878,468	-	11,744,688	
2032	-	579,893	-	-	-	-	-	-	4,652,031	6,277,528	-	11,509,231	
2033	-	678,418	-	-	-	-	-	-	4,743,204	7,167,943	-	12,489,386	
	47,350,138	31,245,970	1,858,154	14,589,288	-	-	-	-	116,882,779	153,642,589	-	318,257,401	

Assumes all debt service was traditional fixed rate unless noted below.  
 (1) Includes payments on 2003 and 2005 Bonds. See Schedule.  
 (2) Includes payments on 2003 and 2005 Bonds. See Schedule.  
 (3) Includes payments on 2003 and 2005 Bonds. See Schedule.  
 (4) Includes payments on 2006 Bank Stmt. See Schedule.

**Appendix B**

**Presentation Materials – Provided By IMAGE and RBC**

# York County, Pennsylvania

Alternative Structure – SIFMA to LIBOR Partial Conversion on Existing Swaps  
Series 2008 Bonds

July 15, 2010

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RBC Capital Markets®

## Current Market Update

- The global credit crisis that erupted in the summer of 2007, peaked in the fall of 2008, recovered remarkably well in calendar year 2009 and through the first quarter of 2010.
- However, primarily due to fiscal difficulties in some of the Mediterranean Countries, most notably Greece, significant stress is again building throughout the world but most acutely in the Euro Zone.
- Recent weeks have seen a return of the flight to quality safe haven of the US Treasury market and interest rates have fallen significantly with the 10 year Treasury briefly falling below 3.00% in early July after breaking through 4.00% in March.
- As fears of a “double dip” recession mount with increasingly weak economic indicators and continued high unemployment levels, the current Federal Reserve Policy is unlikely to change in the foreseeable future. While many economists had previously predicted that the Fed would likely reverse course and begin to increase short term rates late this year, the growing concerns on the global economy likely favor a prolonged period of historically low short term interest rates.
- The market for highly-rated fixed rate tax-exempt bonds has been robust since January 2009 with credit spreads reversing the majority of the widening experienced in 2008. Events in the Euro Zone over the last three months have impacted the US Tax-Exempt market as deals are increasingly difficult to place and credit spreads are widening out again. The recent flight to quality that has caused US Treasury rates to fall dramatically has not carried through in the municipal market as rates for the highest rated municipal issuers have held steady and lower rated issuers have actually seen rates increase over this same time period.
- In summary, markets are again showing signs of stress and issuers need to closely monitor market conditions as events develop on a daily basis.

## Current Market Opportunity- Amend Fixed Pay Sifma Swap

- Recent market turmoil caused by events in the Euro Zone has caused a huge rally in US Treasuries as they regain status as the security of choice in a global flight to quality. Most other debt securities, including municipal bonds, have not followed US Treasuries to higher prices and lower yields. Consequently, the "ratio" of US Treasuries and Libor to tax-exempt rates has risen significantly. At the height of the 2008 credit crisis this "ratio" surpassed levels that had ever been experienced previously with the ratio in the 20-30 year range exceeding 100%. While ratios have not returned to the levels that existed in late 2008 through March 2009, they are again at virtually unprecedented levels, above 90% for 30-year ratios.
- Current ratio levels, while not at the extreme levels of 2008/2009, are trending higher and while it is impossible to predict where they will go from here, current entry levels present very attractive opportunities for issuers with existing fixed pay Sifma swaps.
- The County can take advantage of this market opportunity by amending existing fixed pay Sifma swaps and converting to a % of Libor trade at a ratio of 90% or higher. **These are not new swaps and actually is a termination of one of the two components of the County's current swap(s) (the ratio component).** There are two primary benefits of this trade:
  - The receipt of a relatively high percentage of Libor rather than Sifma index received from RBC under the existing swap contracts should result in higher receipt both in current rate environment and even greater improvement if short term rates return to historic averages.
  - Much better chance to exit the fixed pay swap(s) when long term rates increase as 90% of Libor with 4.335%, 4.43% and 4.06% fixed pay rates (compared to 4.335%, 4.43% and 4.06% fixed pay with Sifma index) should allow lower or no cost termination at lower overall interest rates than current trade. This assumes County's ultimate goal is to terminate Swap(s) and issue fixed rate bonds.
- The primary potential negative factors associated with amending the swap(s) are if ratios were to continue to move to higher levels after the amendment was executed which would cause MTM on swap to move higher against the County and the costs of the termination (approximately 5 basis points of counterparty cost-some of which would be offset by lower cost at time of final termination).

## 2008 SIFMA Fixed Pay Swaps with RBC

- In March 2005 York Co. entered into SIFMA fixed pay swaps with RBC that are now associated with Series A of 2008 and Series C of 2008 bonds. Previously in June 2003 York Co. entered into a SIFMA fixed pay swap with RBC that is now associated with Series B of 2008 bonds.
  - Remaining Notional (Amortizing): \$17.95MM (Series A), \$32.27MM (Series C) and \$29.745MM (Series B)
  - Termination Date: June 1, 2030 (Series A), June 1, 2033 (Series C) and June 2, 2031 (Series B)
  - Swap Rate: 4.335% (Series A), 4.43% (Series C) and 4.06% (Series B) (York Co. pays fixed rate and RBC pays SIFMA to York Co.)
  - Average Life from Today: 11.695 yrs. (Series A), 17.576 yrs. (Series C) and 13.312 yrs. (Series B)
- These swaps can be terminated by the County at anytime at market value. The market value fluctuates with the movement in general interest rates.
- The flight to quality the US Treasury market experienced over the last 60 days has moved the MTM on these swaps significantly against the County.

# Proposed Principal for Amending Fixed Pay Sifma Swaps

	AVERAGE LIFE (Yrs from today)			Total F/P National	Proposed Amended Swap National
	11.685	17.574	18.719		
		13.312	14.67		
	Series A	Series C	Series E		
06/01/11	665,000	345,000	750,000	1,670,000	
12/01/11			760,000	1,700,000	
06/01/12	659,000	340,000	855,000	1,850,000	
12/01/12			865,000	1,910,000	
06/01/13	655,000	335,000	855,000	1,910,000	
12/01/13			865,000	1,970,000	
06/01/14	650,000	330,000	855,000	1,970,000	
12/01/14			865,000	2,030,000	
06/01/15	705,000	290,000	940,000	2,100,000	
12/01/15			950,000	2,160,000	
06/01/16	715,000	405,000	1,010,000	2,230,000	
12/01/16			1,020,000	2,290,000	
06/01/17	715,000	405,000	1,010,000	2,350,000	
12/01/17			1,020,000	2,410,000	
06/01/18	715,000	405,000	1,010,000	2,470,000	
12/01/18			1,020,000	2,530,000	
06/01/19	715,000	405,000	1,010,000	2,590,000	
12/01/19			1,020,000	2,650,000	
06/01/20	715,000	405,000	1,010,000	2,710,000	
12/01/20			1,020,000	2,770,000	
06/01/21	715,000	405,000	1,010,000	2,830,000	
12/01/21			1,020,000	2,890,000	
06/01/22	715,000	405,000	1,010,000	2,950,000	
12/01/22			1,020,000	3,010,000	
06/01/23	715,000	405,000	1,010,000	3,070,000	
12/01/23			1,020,000	3,130,000	
06/01/24	715,000	405,000	1,010,000	3,190,000	
12/01/24			1,020,000	3,250,000	
06/01/25	715,000	405,000	1,010,000	3,310,000	
12/01/25			1,020,000	3,370,000	
06/01/26	715,000	405,000	1,010,000	3,430,000	
12/01/26			1,020,000	3,490,000	
06/01/27	715,000	405,000	1,010,000	3,550,000	
12/01/27			1,020,000	3,610,000	
06/01/28	715,000	405,000	1,010,000	3,670,000	
12/01/28			1,020,000	3,730,000	
06/01/29	715,000	405,000	1,010,000	3,790,000	
12/01/29			1,020,000	3,850,000	
06/01/30	715,000	405,000	1,010,000	3,910,000	
12/01/30			1,020,000	3,970,000	
06/01/31	715,000	405,000	1,010,000	4,030,000	
12/01/31			1,020,000	4,090,000	
06/01/32	715,000	405,000	1,010,000	4,150,000	
12/01/32			1,020,000	4,210,000	
06/01/33	715,000	405,000	1,010,000	4,270,000	
12/01/33			1,020,000	4,330,000	
06/01/33	715,000	405,000	1,010,000	4,390,000	
12/01/33			1,020,000	4,450,000	
06/01/33	715,000	405,000	1,010,000	4,510,000	
12/01/33			1,020,000	4,570,000	
06/01/33	715,000	405,000	1,010,000	4,630,000	
12/01/33			1,020,000	4,690,000	
06/01/33	715,000	405,000	1,010,000	4,750,000	
12/01/33			1,020,000	4,810,000	
06/01/33	715,000	405,000	1,010,000	4,870,000	
12/01/33			1,020,000	4,930,000	
06/01/33	715,000	405,000	1,010,000	4,990,000	
12/01/33			1,020,000	5,050,000	
06/01/33	715,000	405,000	1,010,000	5,110,000	
12/01/33			1,020,000	5,170,000	
06/01/33	715,000	405,000	1,010,000	5,230,000	
12/01/33			1,020,000	5,290,000	
06/01/33	715,000	405,000	1,010,000	5,350,000	
12/01/33			1,020,000	5,410,000	
06/01/33	715,000	405,000	1,010,000	5,470,000	
12/01/33			1,020,000	5,530,000	
06/01/33	715,000	405,000	1,010,000	5,590,000	
12/01/33			1,020,000	5,650,000	
06/01/33	715,000	405,000	1,010,000	5,710,000	
12/01/33			1,020,000	5,770,000	
06/01/33	715,000	405,000	1,010,000	5,830,000	
12/01/33			1,020,000	5,890,000	
06/01/33	715,000	405,000	1,010,000	5,950,000	
12/01/33			1,020,000	6,010,000	
06/01/33	715,000	405,000	1,010,000	6,070,000	
12/01/33			1,020,000	6,130,000	
06/01/33	715,000	405,000	1,010,000	6,190,000	
12/01/33			1,020,000	6,250,000	
06/01/33	715,000	405,000	1,010,000	6,310,000	
12/01/33			1,020,000	6,370,000	
06/01/33	715,000	405,000	1,010,000	6,430,000	
12/01/33			1,020,000	6,490,000	
06/01/33	715,000	405,000	1,010,000	6,550,000	
12/01/33			1,020,000	6,610,000	
06/01/33	715,000	405,000	1,010,000	6,670,000	
12/01/33			1,020,000	6,730,000	
06/01/33	715,000	405,000	1,010,000	6,790,000	
12/01/33			1,020,000	6,850,000	
06/01/33	715,000	405,000	1,010,000	6,910,000	
12/01/33			1,020,000	6,970,000	
06/01/33	715,000	405,000	1,010,000	7,030,000	
12/01/33			1,020,000	7,090,000	
06/01/33	715,000	405,000	1,010,000	7,150,000	
12/01/33			1,020,000	7,210,000	
06/01/33	715,000	405,000	1,010,000	7,270,000	
12/01/33			1,020,000	7,330,000	
06/01/33	715,000	405,000	1,010,000	7,390,000	
12/01/33			1,020,000	7,450,000	
06/01/33	715,000	405,000	1,010,000	7,510,000	
12/01/33			1,020,000	7,570,000	
06/01/33	715,000	405,000	1,010,000	7,630,000	
12/01/33			1,020,000	7,690,000	
06/01/33	715,000	405,000	1,010,000	7,750,000	
12/01/33			1,020,000	7,810,000	
06/01/33	715,000	405,000	1,010,000	7,870,000	
12/01/33			1,020,000	7,930,000	
06/01/33	715,000	405,000	1,010,000	7,990,000	
12/01/33			1,020,000	8,050,000	
06/01/33	715,000	405,000	1,010,000	8,110,000	
12/01/33			1,020,000	8,170,000	
06/01/33	715,000	405,000	1,010,000	8,230,000	
12/01/33			1,020,000	8,290,000	
06/01/33	715,000	405,000	1,010,000	8,350,000	
12/01/33			1,020,000	8,410,000	
06/01/33	715,000	405,000	1,010,000	8,470,000	
12/01/33			1,020,000	8,530,000	
06/01/33	715,000	405,000	1,010,000	8,590,000	
12/01/33			1,020,000	8,650,000	
06/01/33	715,000	405,000	1,010,000	8,710,000	
12/01/33			1,020,000	8,770,000	
06/01/33	715,000	405,000	1,010,000	8,830,000	
12/01/33			1,020,000	8,890,000	
06/01/33	715,000	405,000	1,010,000	8,950,000	
12/01/33			1,020,000	9,010,000	
06/01/33	715,000	405,000	1,010,000	9,070,000	
12/01/33			1,020,000	9,130,000	
06/01/33	715,000	405,000	1,010,000	9,190,000	
12/01/33			1,020,000	9,250,000	
06/01/33	715,000	405,000	1,010,000	9,310,000	
12/01/33			1,020,000	9,370,000	
06/01/33	715,000	405,000	1,010,000	9,430,000	
12/01/33			1,020,000	9,490,000	
06/01/33	715,000	405,000	1,010,000	9,550,000	
12/01/33			1,020,000	9,610,000	
06/01/33	715,000	405,000	1,010,000	9,670,000	
12/01/33			1,020,000	9,730,000	
06/01/33	715,000	405,000	1,010,000	9,790,000	
12/01/33			1,020,000	9,850,000	
06/01/33	715,000	405,000	1,010,000	9,910,000	
12/01/33			1,020,000	9,970,000	
06/01/33	715,000	405,000	1,010,000	10,030,000	
12/01/33			1,020,000	10,090,000	
06/01/33	715,000	405,000	1,010,000	10,150,000	
12/01/33			1,020,000	10,210,000	
06/01/33	715,000	405,000	1,010,000	10,270,000	
12/01/33			1,020,000	10,330,000	
06/01/33	715,000	405,000	1,010,000	10,390,000	
12/01/33			1,020,000	10,450,000	
06/01/33	715,000	405,000	1,010,000	10,510,000	
12/01/33			1,020,000	10,570,000	
06/01/33	715,000	405,000	1,010,000	10,630,000	
12/01/33			1,020,000	10,690,000	
06/01/33	715,000	405,000	1,010,000	10,750,000	
12/01/33			1,020,000	10,810,000	
06/01/33	715,000	405,000	1,010,000	10,870,000	
12/01/33			1,020,000	10,930,000	
06/01/33	715,000	405,000	1,010,000	10,990,000	
12/01/33			1,020,000	11,050,000	
06/01/33	715,000	405,000	1,010,000	11,110,000	
12/01/33			1,020,000	11,170,000	
06/01/33	715,000	405,000	1,010,000	11,230,000	
12/01/33			1,020,000	11,290,000	
06/01/33	715,000	405,000	1,010,000	11,350,000	

# Potential Cash Flow Benefits of Amending 2008 SIFMA Fixed Pay Swaps

- **Alternative 1:** Amend Swap to receive 88% of 3M Libor instead of Sifma and leave swap rates the same.

**Alternative 1: 88% 3M LIBOR, no reduction in swap rate:**

	Annual Cash Flow Impact Spread (bps)	Annual Cash Flow Impact Swap Rate (\$)	Annual Cash Flow Impact Spread (\$)	Annual Cash Flow Impact Swap Rate (\$)	Annual Total Impact (bps)	Annual Total Impact (\$)
Current Rate Environment:	20	-	101,910	-	20	101,910
Historic Averages:						
Since 1990	88	-	448,404	-	88	448,404
Since 2000	59	-	300,635	-	59	300,635

- **Alternative 2:** Amend swap to receive 70% of 3M Libor instead of Sifma and reduce swap rates approximately 65 bps.

**Alternative 2: 70% 3M LIBOR, reduction in swap rate of approx 65 bps:**

	Annual Cash Flow Impact Spread (bps)	Annual Cash Flow Impact Swap Rate (\$)	Annual Cash Flow Impact Spread (\$)	Annual Cash Flow Impact Swap Rate (\$)	Annual Total Impact (bps)	Annual Total Impact (\$)
Current Rate Environment:	11	65	56,051	331,208	76	387,258
Historic Averages:						
Since 1990	11	65	56,051	331,208	76	387,258
Since 2000	2	65	10,191	331,208	67	341,399

- In event County chooses to terminate Swaps in future in higher rate environment, the ratio component has already been terminated leaving just the Libor fixed pay leg which should present opportunity to exit Swap at lower overall level of interest rates than current structure.



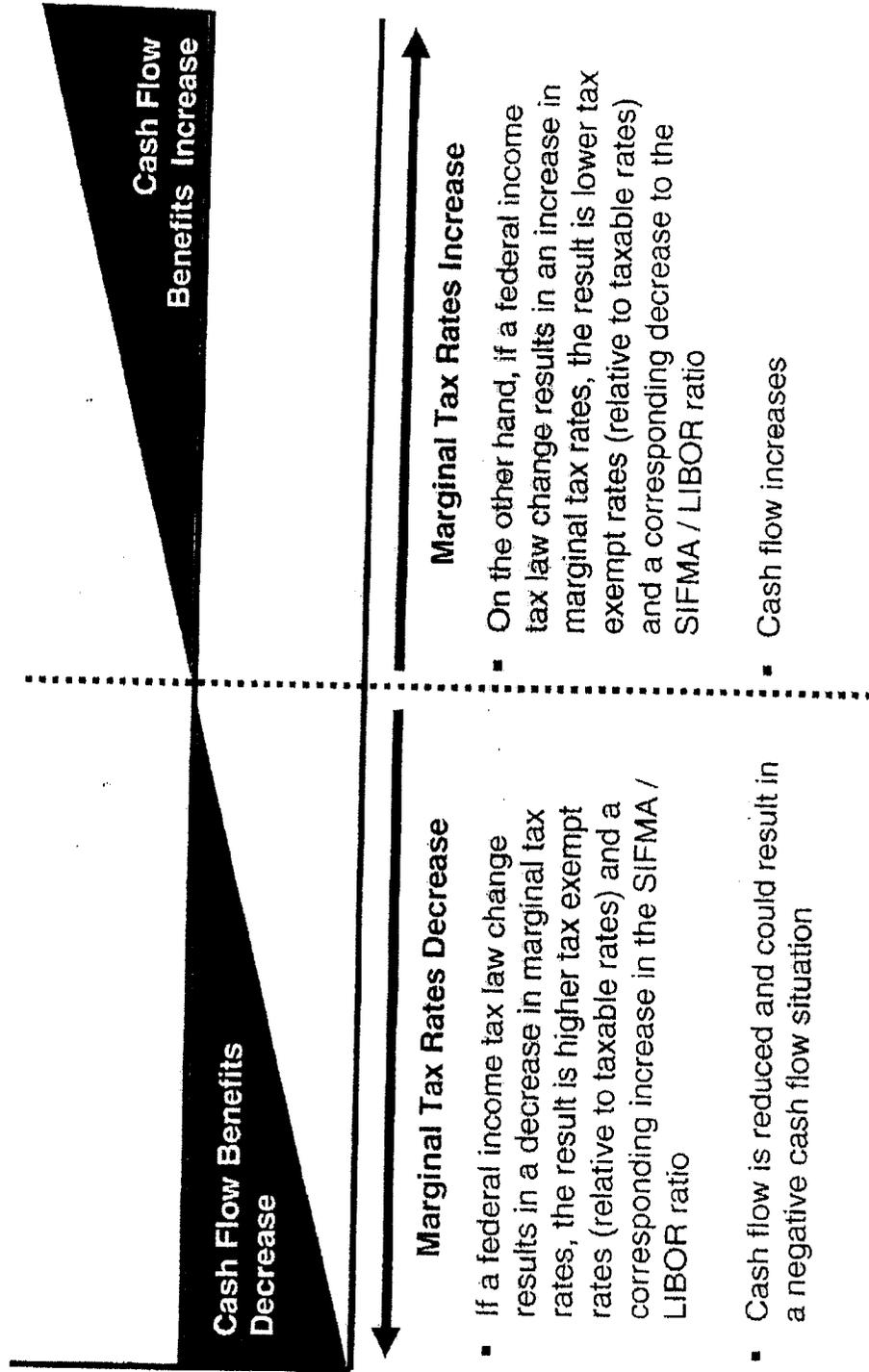
## Tax Risk

### ➤ Tax risk is a function of the SIFMA/LIBOR ratio, which in turn is driven by the relationship of short term taxable and tax-exempt rates

- If federal income tax marginal tax rates are changed to lower the tax rate on interest income, the probable impact will be higher short-term, tax-exempt interest rates which would:
  - \* narrow the relationship between tax-exempt and taxable interest rates, and
  - \* reduce the anticipated cash flow benefits of a basis swap
- The Jobs and Growth Tax Relief Reconciliation Act of 2003 reduced the highest tax rate from 38.6% to 35.0%, retroactively, effective January 1, 2003. Theoretically, the current SIFMA/LIBOR ratio should trade near a level of approximately 65% (1.00 - 0.35)
- An efficient market will adjust the pricing of tax-exempt investments relative to taxable investment alternatives. In the extreme scenario, if a change in federal tax law eliminated the exclusion of interest income, there may be no material difference between the tax-exempt and taxable markets
- Ultimately, exposure to tax risk is influenced by:
  - \* The magnitude of change in marginal tax rates
  - \* Market conditions and the general level of prevailing interest rates - low short-term rates generally result in "yield compression" where the historic spread between taxable and tax-exempt rates collapses as rates approach zero
  - \* The specifics of the trade actually executed by the issuer; i.e. what % of LIBOR is being received under the trade - the higher the % of Libor, the lower the exposure

# Impact of Marginal Tax Rate Change

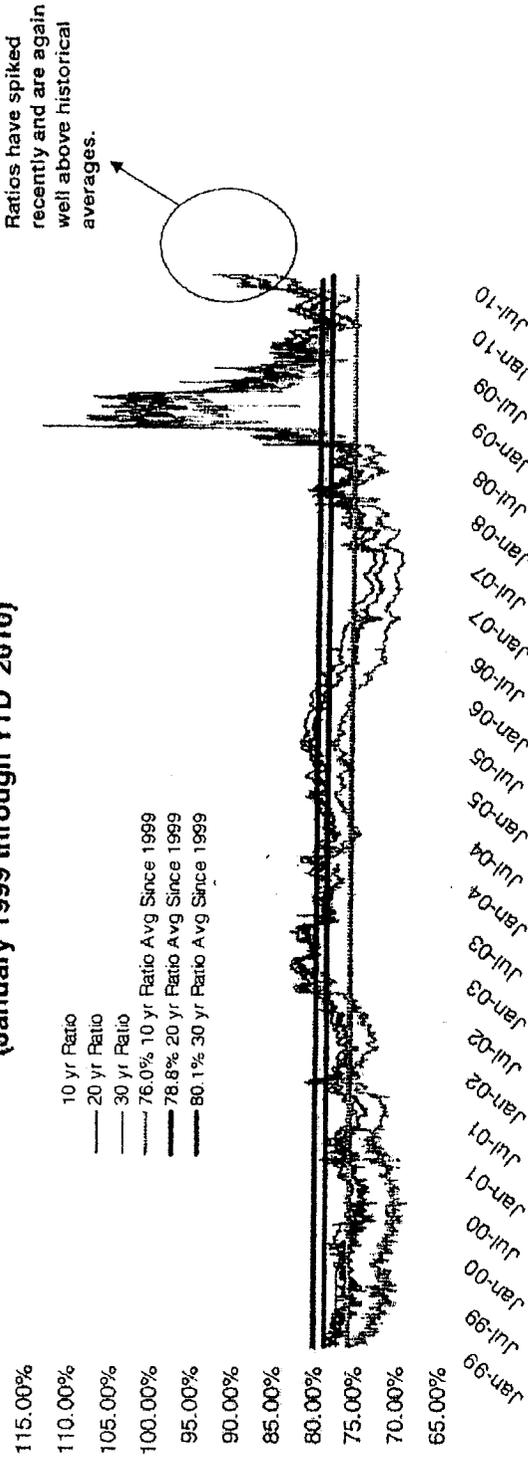
Changes in marginal tax rates will have an inverse relationship with the projected cash flow benefits of a Basis Swap



# Historical Ratios

	10 yr Ratio	20 yr Ratio	30 yr Ratio
as of July 14, 2010			
Current	86.4%	89.9%	92.4%
(no production)			
Average	75.96%	78.79%	80.07%
Maximum	101.53%	108.95%	114.16%
Minimum	68.78%	72.04%	73.15%
Average since 1999			

## Historical SIFMA/LIBOR Swap Ratios (January 1999 through YTD 2010)



## Basis Swaps – Historical Performance (Current Ratio)

The table and chart below details the spread between the applicable % of LIBOR and SIFMA. A positive figure/spread represents the receipt of LIBOR exceeding the payment of SIFMA.

- The average spread to Sifma at 88% of 3 month Libor has been 103 basis points since 1985.
- The average spread to Sifma at 70% of 3 month Libor has been 13 basis points since 1985.

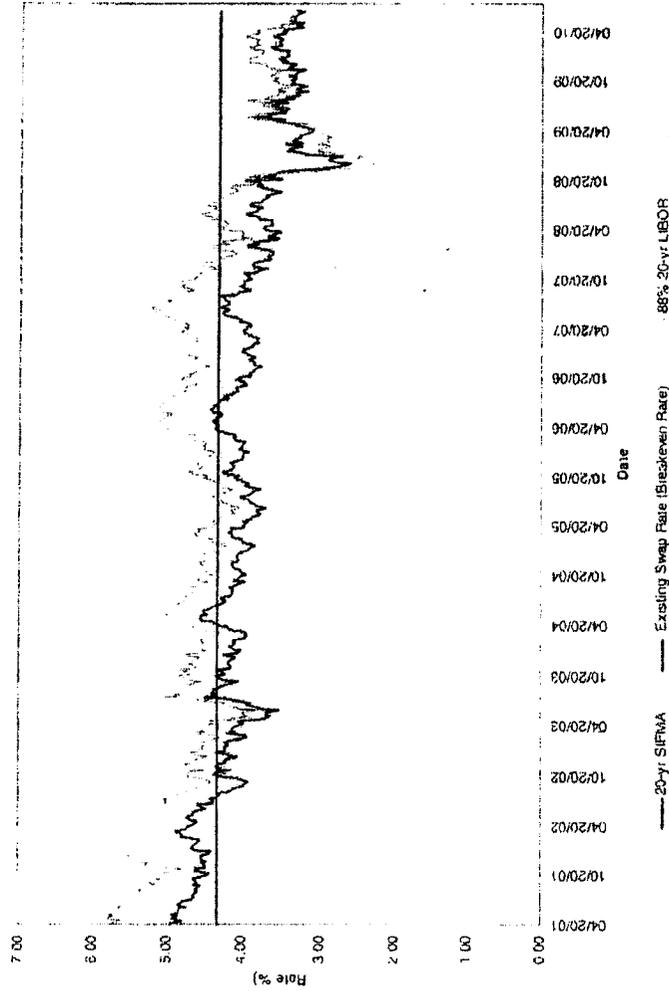
	88.000% 3-Month LIBOR Plus 0.0000%		Spread To SIFMA	Maximum Marginal US Income Tax Rate
	SIFMA			
<b>Current</b>	0.260	0.403	0.203	35.00%
<b>Avg. In 2010</b>	0.249	0.319	0.070	n/a
1985	5.202	7.300	2.159	50.00%
1986	4.667	6.812	1.345	50.00%
1987	4.859	6.321	1.463	38.50%
1988	5.462	7.014	1.552	28.00%
1989	6.495	8.166	1.671	28.00%
1990	5.909	7.288	1.378	28.00%
1991	4.370	5.256	0.886	31.00%
1992	2.806	3.359	0.553	31.00%
1993	2.368	2.910	0.541	39.60%
1994	2.843	4.181	1.338	30.60%
1995	3.845	5.316	1.471	39.60%
1996	3.433	4.853	1.420	39.60%
1997	3.658	5.050	1.392	39.60%
1998	3.431	4.891	1.460	39.60%
1999	3.294	4.773	1.479	39.60%
2000	4.120	5.749	1.629	39.60%
2001	2.610	3.335	0.725	39.10%
2002	1.377	1.583	0.206	38.60%
2003	1.034	1.070	0.035	35.00%
2004	1.234	1.431	0.197	35.00%
2005	2.465	3.137	0.672	35.00%
2006	3.448	4.571	1.123	35.00%
2007	3.621	4.660	1.038	35.00%
2008	2.214	2.560	0.345	35.00%
2009	0.400	0.500	0.200	35.00%
<b>Average Since '85</b>	3.338	4.368	1.029	36.96%
<b>Average Since '90</b>	2.852	3.734	0.882	36.48%
<b>Ann Max Since '85</b>	6.495	8.166	2.159	50.00%
<b>Ann Min Since '85</b>	0.249	0.319	0.035	28.00%

	70.000% 3-Month LIBOR Plus 0.0000%		Spread To SIFMA	Maximum Marginal US Income Tax Rate
	SIFMA			
<b>Current</b>	0.260	0.308	0.108	35.00%
<b>Avg. In 2010</b>	0.289	0.254	0.004	n/a
1985	5.202	5.855	0.653	50.00%
1986	4.667	4.782	0.116	50.00%
1987	4.859	5.028	0.170	39.50%
1988	5.462	5.579	0.117	28.00%
1989	6.495	6.496	0.001	28.00%
1990	5.909	5.797	(0.113)	28.00%
1991	4.370	4.181	(0.189)	31.00%
1992	2.806	2.672	(0.134)	31.00%
1993	2.368	2.315	(0.054)	39.60%
1994	2.843	3.326	0.483	39.60%
1995	3.845	4.229	0.383	39.60%
1996	3.433	3.860	0.427	39.60%
1997	3.658	4.917	1.259	39.60%
1998	3.431	3.890	0.459	39.60%
1999	3.294	3.797	0.503	39.60%
2000	4.120	4.573	0.453	39.60%
2001	2.610	2.653	0.043	39.18%
2002	1.377	1.259	(0.118)	38.60%
2003	1.034	0.851	(0.184)	35.00%
2004	1.234	1.138	(0.096)	35.00%
2005	2.465	2.495	0.030	35.00%
2006	3.448	3.636	0.188	35.00%
2007	3.621	3.707	0.085	35.00%
2008	2.214	2.036	(0.178)	35.00%
2009	0.400	0.477	0.077	35.00%
<b>Average Since '85</b>	3.338	3.474	0.136	36.96%
<b>Average Since '90</b>	2.852	2.970	0.118	36.48%
<b>Ann Max Since '85</b>	6.495	6.496	0.001	50.00%
<b>Ann Min Since '85</b>	0.249	0.254	(0.005)	28.00%



# Historical Performance Comparison – Series A at 4.335%

The table below shows the percentage of time the applicable proxy swap rates (20-yr SIFMA swap rates and 88% 20-year LIBOR swap rates) have been above the breakeven rate; i.e. the percentage of time the swaps would be in the money to the issuer. Please note, we are using a proxy rate and not necessarily a rate that corresponds exactly with the original or current term of the swap.

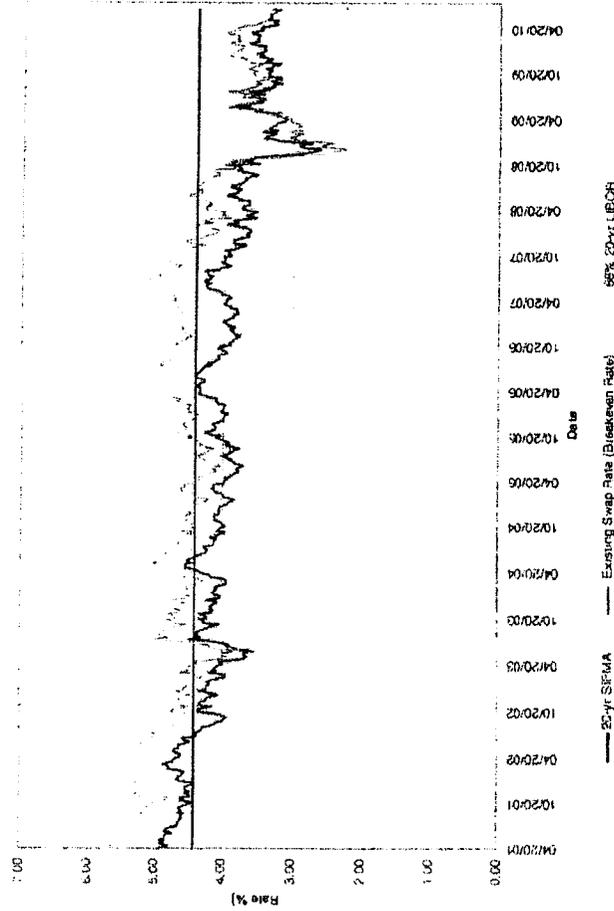


	88% 20-yr LIBOR	SIFMA
	4.34%	4.34%
Since 4/01	67.43%	20.95%
Since 3/05 (trade date)	50.36%	10.36%
Since 1/09	0.00%	0.00%
Since 1/10	0.00%	0.00%



# Historical Performance Comparison – Series C at 4.43%

- The table below shows the percentage of time the applicable proxy swap rates (20-yr SIFMA swap rates and 88% 20-year LIBOR swap rates) have been above the breakeven rate; i.e. the percentage of time the swaps would be in the money to the issuer. Please note, we are using a proxy rate and not necessarily a rate that corresponds exactly with the original or current term of the swap.

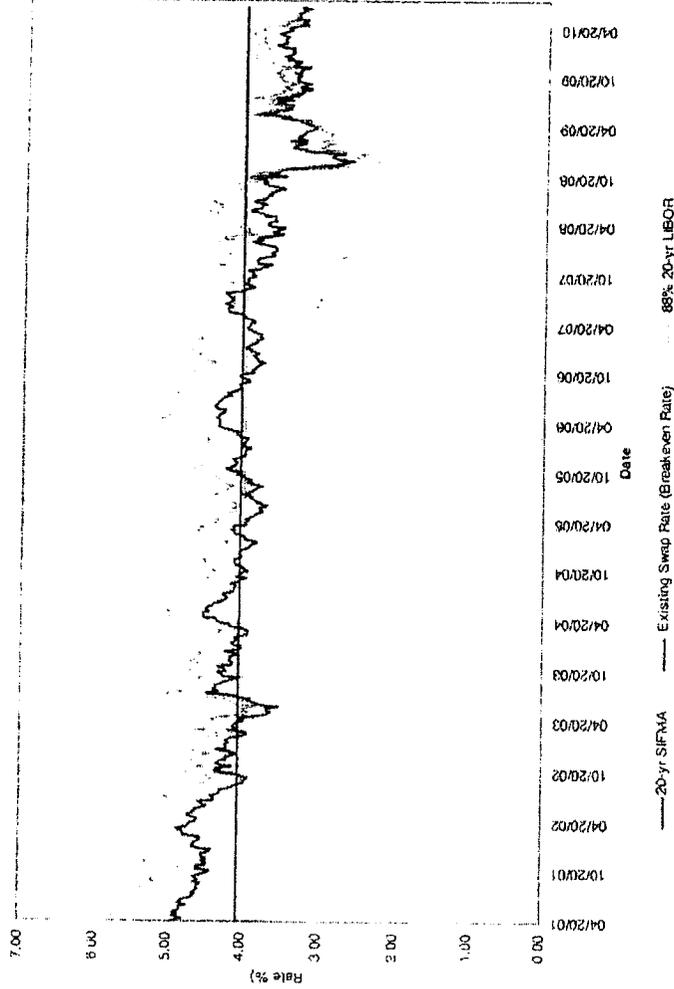


	88% 20-yr LIBOR	SIFMA
	4.43%	4.43%
Since 4/01	61.20%	14.94%
Since 3/05 (trade date)	43.21%	3.21%
Since 1/09	0.00%	0.00%
Since 1/10	0.00%	0.00%



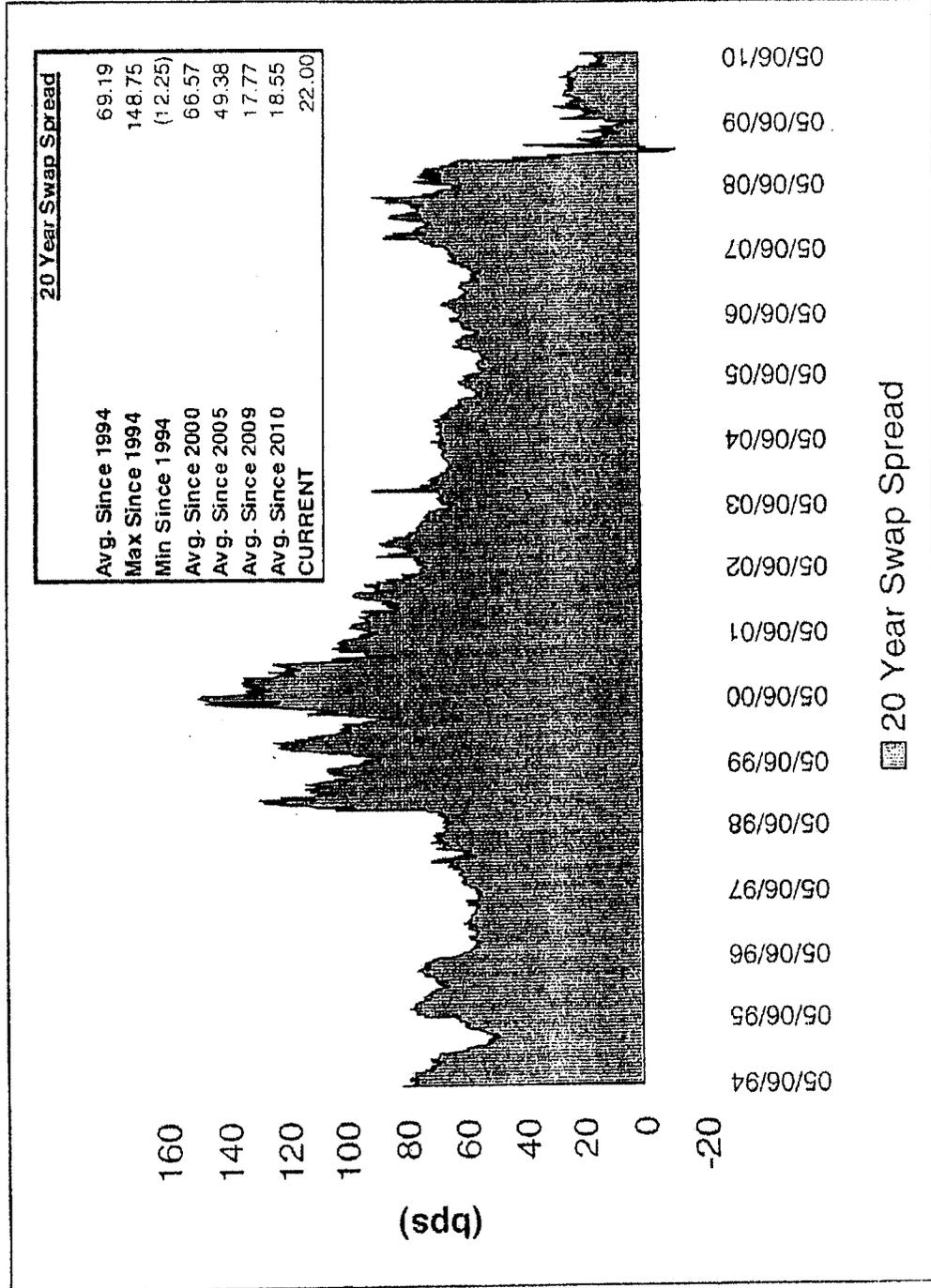
# Historical Performance Comparison – Series B at 4.06%

▪ The table below shows the percentage of time the applicable proxy swap rates (20-yr SIFMA swap rates and 88% 20-year LIBOR swap rates) have been above the breakeven rate; i.e. the percentage of time the swaps would be in the money to the issuer. Please note, we are using a proxy rate and not necessarily a rate that corresponds exactly with the original or current term of the swap.



	88% 20-yr LIBOR	SIFMA
Since 6/03	4.06%	4.06%
Since 4/01	78.42%	45.44%
Since 6/03 (trade date)	72.78%	32.61%
Since 1/09	0.00%	0.00%
Since 1/10	0.00%	0.00%

# Swap Spreads



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**Investment Management  
Advisory Group, Inc.**

## Memo

**To:** Chuck Noll, Chief Clerk  
County of York

**From:** David Eckhart/Robert Kintner

**Date:** August 3, 2010

**Re:** Proposed Swap Conversion Transaction

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The County of York (the "County") has requested, Investment Management Advisory Group ("IMAGE") to advise on RBC's proposal to convert the County's three SIFMA based floating-to-fixed interest rate swaps ("SIFMA Swaps") to a LIBOR index ("LIBOR Swaps") (transaction referred to herein as "Swap Conversion"). The current debt associated with the SIFMA Swaps is in the form of General Obligation Notes owned by PNC dated June 1, 2010. The purpose of the outstanding SIFMA Swaps is to hedge the associated debt. The following outlines several points and considerations for the County to review as they contemplate the proposed conversion of the SIFMA Swaps to LIBOR Swaps:

### Structure of Associated Debt

The associated debt to the SIFMA Swaps is currently in the form of three 2010 Notes where the interest rate is currently based on a floating option formula equal to 65% of One-Month LIBOR plus 100 basis points (1.00%). The term of the loan is three years. The remaining term of the associated debt is based on a bond purchase agreement with PNC.

Since the current SIFMA Swaps are based on the tax-exempt SIFMA Municipal Swap Index and the loan is based on the taxable 1-Month LIBOR Index, a Swap Conversion would provide the County with a better correlated transaction where the floating receipts on the LIBOR Swaps would offset the floating payments on the 2010 Notes since both could be based on 1-month LIBOR. The current structure of the SIFMA Swaps hedging the 2010 Notes in essence is a reverse basis swap (County is paying a rate on 2010 Notes based on LIBOR and receiving SIFMA on floating leg of Swaps). Therefore when SIFMA/LIBOR ratios return back to historical averages, the County could be negatively impacted from a cashflow and fair value (mark-to-market) perspective through the County's current swap/hedge structure. The Swap Conversion would eliminate any basis and tax risk at least for the next 3 years of the 2010 Notes.

### Economics and Structure of Conversion

By converting the SIFMA Swaps to LIBOR, the County is essentially receiving the economics in the pricing of a basis swap similar to the transaction entered into in 2009 as well as the currently outstanding basis swap associated with the 2006 fixed rate bonds. However, instead of layering on a new basis swap, the County would simply amend the SIFMA Swaps to reflect the change in structure that as a result embeds the economic value associated with a basis swap.

RBC's proposal included two alternatives (page 5 of RBC's proposal/presentation) where the County could receive a percentage of 3-Month LIBOR plus a fixed spread or receive a much higher percentage of 3-Month LIBOR without a spread. After reviewing each alternative, the straight percentage of LIBOR provides better performance from a fair value (mark-to-market value) perspective as interest rates rise. The sensitivity analysis herein supports this point.

One additional consideration of the structure is whether to convert to 3-Month LIBOR (as per RBC's proposal) or 1-Month LIBOR. The historical difference between 1-Month and 3-Month LIBOR is approximately 10 basis points based on the last 25 years of historical data. The current spread is approximately 18 basis points. However, given the difference between 1-Month and 3-Month LIBOR, we suggest basing the Swap Conversion on 1-Month LIBOR consistent with the 2010 Notes. This will result in a better correlated transaction at least for the next three years and we would expect more favorable results for GASB 53 hedge accounting when testing the effectiveness of the LIBOR Swaps as of the County's December 31, 2010 fiscal year end.

By converting to approximately 86% (based on current market) of 1-Month LIBOR, based on the last 25 years of historical market data, we estimate the average annual benefit to the County of approximately 84 basis points or \$669,000 based on a notional amount of \$79,965,000. The following is a schedule illustrating the historic, average annual rates for SIFMA and 1-Month LIBOR since 1985:

Historical Basis Swap Cashflow Receipt (1)					
Year	PAY: SIFMA (2)	Average LIBOR (2)	RECEIVE: % of 1M LIBOR	NET RECEIPT	Annual Benefit/ (Loss) (3)
1985	5.30%	8.23%	7.08%	1.78%	\$ 1,423,173
1986	4.49%	6.89%	5.93%	1.44%	\$ 1,148,186
1987	4.82%	7.00%	6.02%	1.20%	\$ 962,918
1988	5.45%	7.80%	6.71%	1.26%	\$ 1,005,060
1989	6.44%	9.27%	7.98%	1.54%	\$ 1,231,845
1990	5.91%	8.24%	7.08%	1.18%	\$ 939,781
1991	4.37%	5.89%	5.07%	0.70%	\$ 558,877
1992	2.81%	3.75%	3.22%	0.42%	\$ 332,081
1993	2.37%	3.19%	2.74%	0.38%	\$ 300,580
1994	2.84%	4.49%	3.86%	1.02%	\$ 812,913
1995	3.85%	5.96%	5.13%	1.28%	\$ 1,025,144
1996	3.43%	5.45%	4.69%	1.26%	\$ 1,003,814
1997	3.66%	5.65%	4.86%	1.20%	\$ 960,379
1998	3.43%	5.56%	4.78%	1.35%	\$ 1,082,650
1999	3.29%	5.25%	4.52%	1.22%	\$ 979,205
2000	4.12%	6.42%	5.52%	1.40%	\$ 1,117,840
2001	2.61%	3.86%	3.32%	0.71%	\$ 564,817
2002	1.38%	1.77%	1.52%	0.14%	\$ 114,622
2003	1.03%	1.21%	1.04%	0.01%	\$ 4,791
2004	1.23%	1.51%	1.30%	0.07%	\$ 54,344
2005	2.46%	3.40%	2.93%	0.46%	\$ 368,268
2006	3.45%	5.10%	4.39%	0.94%	\$ 751,529
2007	3.62%	5.25%	4.51%	0.89%	\$ 711,520
2008	2.21%	2.65%	2.28%	0.07%	\$ 53,571
2009	0.40%	0.33%	0.28%	-0.12%	\$ (92,071)
2010	0.25%	0.28%	0.24%	-0.01%	\$ (6,310)
Avg.	3.28%	4.79%	4.12%	0.84%	\$ 669,597
Average of SIFMA/LIBOR:		68.50%			

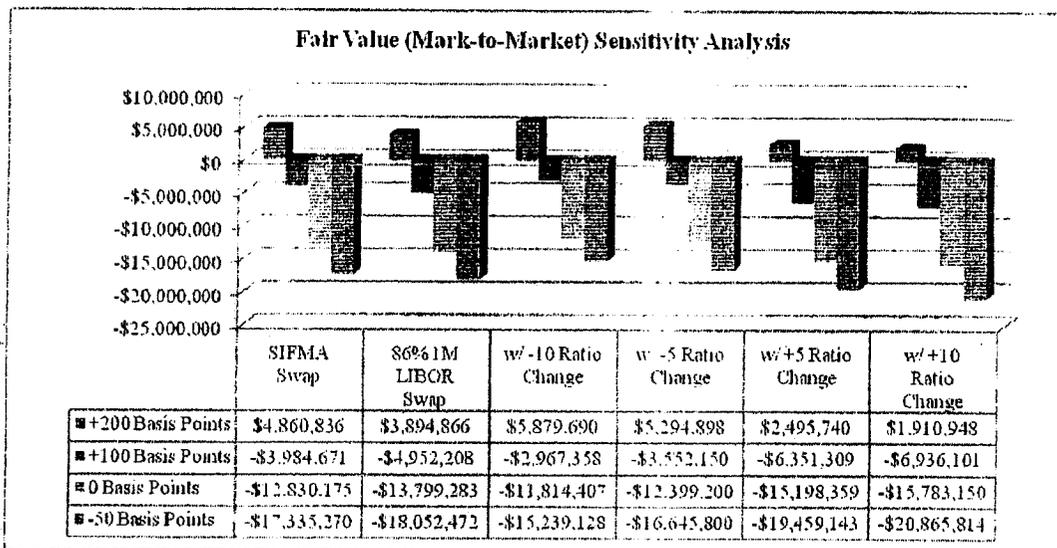
**Assumptions:**

- 1) County executes a \$79.965 million (non amortizing) Swap conversion, agreeing to convert the short-term index on Swaps from SIFMA 86% of 1M LIBOR.
- 2) Average SIFMA and LIBOR rates based upon calendar year for each period detailed.
- 3) Annual benefit/(loss) based upon having the full swap outstanding during the annual period.
- 4) Pricing subject to change with market conditions.

### Fair Value Sensitivity Analysis - SIFMA Swaps versus % of 1-Month LIBOR Swaps

The chart below provides a sensitivity analysis of the fair values of the current SIFMA Swaps versus the Swap Conversion into LIBOR Swaps assuming a receipt of 86% of 1-Month LIBOR. The fair values change based on a general increase or decrease in interest rates. In addition, the LIBOR Swaps are further adjusted based on changes in tax-exempt to taxable ratios or SIFMA to LIBOR ratios. Relative changes in the SIFMA and LIBOR swap rates are applied as uniform shifts across the swap curve and do not account for any potential future changes in the shape of the yield curve.

The Swap Conversion may improve the mark-to-market value of the Swaps as interest rates increase and SIFMA/LIBOR ratios return back to the historical averages.



### GASB 53 Hedge Accounting Considerations

Beginning December 31, 2010, the County's 2010 fiscal year end, you will be required to report the fair value of each of the swaps in their financial reports. This is as a result of the new GASB Statement 53 which is effective for State and Local Government's fiscal year ends after June 15th of this year. The County will be required to test the effectiveness of each swap transaction to the associated debt on an annual basis. If a swap passes one of the effectiveness test methods described under GASB 53, the fair value of the swap would be reported on your Balance Sheet (Statement of Net Assets) and the change in fair value from December 31, 2009 to December 31, 2010 would be reported as a deferred inflow or outflow of resources. This more favorable accounting treatment would mean that the movements in the swap fair value would not affect the County's Income Statements annually. However, if the swap does not pass any of the effectiveness test methods, the change in fair value will impact the County's Income Statement (Statement of Activities) and would be reported as an investment gain or loss. The swap would be considered an investment derivative and its value would be reported as investment gain or loss on statement of activities (flows or change statement).

In consideration of the new accounting and reporting requirements, the County should understand the implications if the swap is not structured properly so that it closely correlates to the associated debt. Based on the straight percentage of 1-Month LIBOR conversion structure, it would be reasonable to expect that

the conversion swaps will be effective and provide the County with more favorable hedge accounting treatment.

### **Risk Considerations**

**Basis Risk:** The risk that the relationship between the taxable rate index (LIBOR) and the tax-exempt rate index (SIFMA) changes considerably for a sustained period of time. As explained earlier, the current financing structure includes SIFMA Swaps hedging the 2010 Notes based on 1-Month LIBOR. This structure includes basis risk and also could be viewed as a reverse basis swap. The Swap Conversion to 1-Month LIBOR removes the basis risk the County is currently exposed to at least over the new three years since the base indices on the debt and swaps could be based on 1-Month LIBOR.

**Tax Risk:** The possibility of (primarily federal) tax law changes is known as tax risk, which also creates basis risk if the underlying index for a swap that is based on taxable rates (such as LIBOR) and the bond payments are at tax-exempt floating rates. Typically, tax risk is the risk issuers of most tax-exempt floating rate debt face, because the floating rate demanded by bondholders on variable rate demand bonds will increase if marginal income tax rates decline (and the benefit of tax exemption is reduced). However, since the County restructured the associated debt in the form of the 2010 Notes based on 1-Month LIBOR, the County faces tax risk since the hedge is based on the SIFMA Municipal Swap Index. The current structure is susceptible to tax risk if the marginal tax rates increase. As discussed earlier in this memo, the County currently has an embedded reverse basis swap. The Swap Conversion would eliminate tax risk since the 2010 Notes are based on a percentage of 1-Month LIBOR and the conversion would result in the County receiving a percentage of 1-Month LIBOR instead of SIFMA.

**Counterparty Risk:** The risk that RBC will not perform pursuant to the swap contract's terms. The counterparty on all of the County Swaps is currently RBC. Under the Swap Conversion to LIBOR Swaps, if RBC were to default and the County elects to terminate the LIBOR Swaps, the County would return to (an unhedged) floating rate position, reassuming the full interest rate risk of the 2010 Notes. Under the liquidated damages clause in the associated swap documents, an early termination of the agreement would require a termination payment (regardless of the cause of the termination or party at fault) based on prevailing market interest rates at the time of the termination.

RBC is the counterparty on all of the County Swaps. RBC's credit rating is currently Aaa by Moody's Investor's Service, AA- 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 the market. Nevertheless, the County should continuously monitor exposure levels, ratings thresholds and collateralization requirements, if necessary, on all County Swaps.

**Termination Risk:** 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. 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 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).

RBC's credit ratings of AA-/Aaa/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 restrictions on the ability of a public body to 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 Swap Conversion.

### **Conclusion**

In conclusion, the County should carefully consider the information provided in this memo including the risks to assist in the decision making process of whether to proceed with the proposed Swap Conversion transaction. The County has entered into similar transactions in the past including the 2009 Basis Swap terminated last year at a positive market value and the currently outstanding 2006 Basis Swap. These transactions have provided the County with significant economic benefits while taking measurable risks (i.e., basis risk and tax risk). IMAGE believes the proposed transaction provides the County with the following benefits: significant economic benefit potential, removal of basis and tax risk, hedge correlation benefits, and potential for more favorable accounting and mark-to-market performance. If you have any questions or require further information, please feel free to contact us.

## Appendix C

### Summary of All Fees and Expenses to Paid in Connection With 2010 LIBOR Conversion

After making appropriate inquiries IMAGE has determined that the following sums represent all fees and expenses that will be paid in connection with the 2010 LIBOR Conversion. These sums will be paid by the County, from payment to the County by the Counterparty under the terms of 2010 LIBOR Conversion (following the swap confirmation conference call). These payments by the County have the effect of reducing the percentage of 1-Month LIBOR that would otherwise be received on the 2010 LIBOR Conversion. It is not expected that the County will pay any fees or expenses associated with the 2010 LIBOR Conversion from other funds.

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, rendering a fair market pricing letter that the percentage of 1-Month LIBOR and other terms of the 2010 LIBOR Conversion are fair and reasonable and any other services described in its engagement letter.

The law firm of Rhoads and Sinon LLP will receive a total fee of \$13,500 for its services as Special Counsel to the County described in its engagement letter.

**Appendix D**

**Expected and Maximum Payments**

**2010 LIBOR Conversion  
and Total Outstanding Debt Service**

OUTSTANDING DEBT - EXPECTED PAYMENTS WITH 2010 LIBOR CONVERSION

Investment Management Services, Inc. (the "Investment Manager") is the investment manager of the Series 1387 (York County Solid Waste Authority) - County Guaranty Municipal Debt Service Payment Schedules - Fixed Rate

Date	Principal Maturity	Coupon	Interest	Debt Service	Annual Debt Service
12/1/2010	7,390,000	5.250%	1,128,987.50	8,408,987.50	8,408,987.50
12/1/2011	7,750,000	5.500%	937,887.50	8,687,887.50	8,687,887.50
6/1/2012	8,245,000	5.500%	724,762.50	8,969,762.50	9,025,775.00
12/1/2012	8,750,000	5.500%	488,025.00	9,238,025.00	9,084,525.00
6/1/2013	9,300,000	5.500%	257,400.00	9,557,400.00	9,746,050.00
12/1/2013	9,850,000	5.500%	237,400.00	10,087,400.00	9,874,800.00
6/1/2014					
12/1/2014					
6/1/2015					
12/1/2015					
6/1/2016					
12/1/2016					
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6/1/2033					
12/1/2033					
	47,365,000		5,085,137.50	47,365,137.50	47,365,137.50

OUTSTANDING DEBT - EXPECTED PAYMENTS WITH 2010 LIBOR CONVERSION

Date	Principal Maturity	Coupon	Interest	Debt Service	Annual Debt Service
12/1/2010	1,075,000	3.20%	485,248.75	485,248.75	485,248.75
6/1/2011	1,075,000	3.20%	485,248.75	485,248.75	485,248.75
12/1/2011	1,075,000	3.20%	485,248.75	485,248.75	485,248.75
6/1/2012	1,096,000	3.75%	478,048.75	1,573,048.75	2,048,297.50
12/1/2012	1,120,000	4.00%	457,517.50	1,573,048.75	2,030,566.25
6/1/2013	1,140,000	4.00%	457,517.50	1,587,517.50	2,030,566.25
12/1/2013	1,160,000	4.00%	454,817.50	1,587,517.50	2,022,433.00
6/1/2014	1,185,000	5.00%	411,717.50	1,606,717.50	2,008,685.00
12/1/2014	1,208,000	5.00%	381,842.50	1,606,717.50	1,989,580.00
6/1/2015	1,230,000	5.00%	351,967.50	1,648,967.50	1,967,810.00
12/1/2015	1,250,000	5.00%	322,092.50	1,648,967.50	1,949,835.00
6/1/2016	1,280,000	5.00%	292,217.50	1,685,717.50	1,934,685.00
12/1/2016	1,300,000	5.00%	262,342.50	1,685,717.50	1,916,845.00
6/1/2017	1,425,000	5.00%	251,217.50	1,878,217.50	1,891,810.00
12/1/2017	1,445,000	5.00%	218,592.50	1,878,217.50	1,870,980.00
6/1/2018	1,465,000	5.00%	185,967.50	1,878,217.50	1,857,013.75
12/1/2018	1,535,000	4.50%	178,467.50	1,713,467.50	1,821,375.00
6/1/2019	1,570,000	4.50%	143,548.25	1,713,467.50	1,807,287.50
12/1/2019	1,570,000	4.50%	143,548.25	1,713,467.50	1,807,287.50
6/1/2020	360,000	4.70%	107,838.75	467,456.75	569,387.50
12/1/2020	360,000	4.70%	88,458.75	479,456.75	569,387.50
6/1/2021	420,000	4.70%	81,128.75	481,128.75	571,687.50
12/1/2021	420,000	4.70%	71,258.75	501,128.75	572,387.50
6/1/2022	440,000	4.70%	61,388.75	511,128.75	572,177.50
12/1/2022	465,000	4.75%	60,818.75	528,818.75	575,793.75
6/1/2023	485,000	4.75%	48,872.50	48,872.50	573,251.25
12/1/2023	510,000	4.75%	48,872.50	48,872.50	574,000.00
6/1/2024	540,000	4.75%	38,356.25	48,872.50	579,862.50
12/1/2024	565,000	4.75%	28,243.75	588,243.75	578,418.75
			13,418.75	13,418.75	
			13,418.75	13,418.75	
			10,085,570	31,543,570	31,543,570

Investment Management Advisors Group, Inc.  
 COUNTY OF YORK, PENNSYLVANIA  
 General Obligation Bonds, Series of 2003  
 Standard Debt Service Payment Schedules (Fixed Rate)

OUTSTANDING DEBT - EXPECTED PAYMENTS WITH 2010 LIBOR CONVERSION

Investment Management of Liberty Group, Inc.  
 COUNTY OF YORK, PENNSYLVANIA  
 Series of 2002A (VICDA) - County Guaranty  
 (Semiannual Debt Service Payment Schedule) (Variable Rate Plus Expenses)

Date	Principal Maturity	Variable Rate Paid (1)	Interest on Bonds	Liquidity @ 0.25%	Remainder @ 0.125%	Debt Service	Annual Debt Service
12/1/2010	490,000	5.180%	26,175.00	1,530.25	958.25	531,803.50	531,803.50
6/1/2011	510,000	5.180%	26,872.50	1,608.33	960.00	538,541.33	538,541.33
12/1/2011	530,000	5.180%	27,675.00	1,697.16	961.25	546,313.41	546,313.41
6/1/2012	550,000	5.180%	28,582.50	1,796.83	962.00	554,120.33	554,120.33
12/1/2012	570,000	5.180%	29,595.00	1,907.33	962.25	562,054.58	562,054.58
6/1/2013	590,000	5.180%	30,722.50	2,028.66	962.50	570,120.66	570,120.66
12/1/2013	610,000	5.180%	31,965.00	2,160.83	962.75	578,318.58	578,318.58
6/1/2014	630,000	5.180%	33,322.50	2,303.93	963.00	586,648.43	586,648.43
12/1/2014	650,000	5.180%	34,795.00	2,458.06	963.25	595,199.31	595,199.31
6/1/2015	670,000	5.180%	36,382.50	2,623.33	963.50	603,972.33	603,972.33
12/1/2015	690,000	5.180%	38,085.00	2,799.76	963.75	612,967.51	612,967.51
6/1/2016	710,000	5.180%	39,902.50	2,987.43	964.00	622,194.93	622,194.93
12/1/2016	730,000	5.180%	41,835.00	3,186.33	964.25	631,654.58	631,654.58
6/1/2017	750,000	5.180%	43,882.50	3,396.46	964.50	641,356.51	641,356.51
12/1/2017	770,000	5.180%	46,045.00	3,617.83	964.75	651,300.76	651,300.76
6/1/2018	790,000	5.180%	48,322.50	3,850.43	965.00	661,487.21	661,487.21
12/1/2018	810,000	5.180%	50,715.00	4,094.26	965.25	671,914.76	671,914.76
6/1/2019	830,000	5.180%	53,222.50	4,349.33	965.50	682,583.31	682,583.31
12/1/2019	850,000	5.180%	55,845.00	4,615.66	965.75	693,492.96	693,492.96
6/1/2020	870,000	5.180%	58,582.50	4,893.23	966.00	704,642.71	704,642.71
12/1/2020	890,000	5.180%	61,435.00	5,182.06	966.25	716,041.56	716,041.56
6/1/2021	910,000	5.180%	64,402.50	5,482.13	966.50	727,689.51	727,689.51
12/1/2021	930,000	5.180%	67,485.00	5,793.46	966.75	739,586.56	739,586.56
6/1/2022	950,000	5.180%	70,682.50	6,116.03	967.00	751,732.71	751,732.71
12/1/2022	970,000	5.180%	74,095.00	6,450.86	967.25	764,127.96	764,127.96
6/1/2023	990,000	5.180%	77,722.50	6,797.93	967.50	776,771.31	776,771.31
12/1/2023	1,010,000	5.180%	81,465.00	7,157.26	967.75	789,662.76	789,662.76
6/1/2024	1,030,000	5.180%	85,322.50	7,528.83	968.00	802,802.31	802,802.31
12/1/2024	1,050,000	5.180%	89,295.00	7,912.66	968.25	816,199.86	816,199.86
6/1/2025	1,070,000	5.180%	93,382.50	8,308.83	968.50	829,855.41	829,855.41
12/1/2025	1,090,000	5.180%	97,585.00	8,717.36	968.75	843,669.96	843,669.96
6/1/2026	1,110,000	5.180%	101,902.50	9,138.23	969.00	857,642.51	857,642.51
12/1/2026	1,130,000	5.180%	106,335.00	9,571.46	969.25	871,773.06	871,773.06
6/1/2027	1,150,000	5.180%	110,882.50	10,017.03	969.50	886,061.61	886,061.61
12/1/2027	1,170,000	5.180%	115,545.00	10,475.06	969.75	899,508.16	899,508.16
6/1/2028	1,190,000	5.180%	120,322.50	10,945.43	970.00	913,112.71	913,112.71
12/1/2028	1,210,000	5.180%	125,215.00	11,428.16	970.25	926,875.26	926,875.26
6/1/2029	1,230,000	5.180%	130,222.50	11,923.23	970.50	940,795.81	940,795.81
12/1/2029	1,250,000	5.180%	135,345.00	12,430.66	970.75	954,873.36	954,873.36
6/1/2030	1,270,000	5.180%	140,582.50	12,950.43	971.00	969,107.91	969,107.91
12/1/2030	1,290,000	5.180%	145,935.00	13,482.56	971.25	983,500.46	983,500.46
6/1/2031	1,310,000	5.180%	151,402.50	14,027.03	971.50	998,051.01	998,051.01
12/1/2031	1,330,000	5.180%	156,985.00	14,583.86	971.75	1,012,759.56	1,012,759.56
6/1/2032	1,350,000	5.180%	162,682.50	15,153.03	972.00	1,027,626.11	1,027,626.11
12/1/2032	1,370,000	5.180%	168,495.00	15,734.46	972.25	1,042,650.66	1,042,650.66
6/1/2033	1,390,000	5.180%	174,422.50	16,328.13	972.50	1,057,833.21	1,057,833.21
12/1/2033	1,410,000	5.180%	180,465.00	16,934.06	972.75	1,073,173.76	1,073,173.76
6/1/2034	1,430,000	5.180%	186,622.50	17,552.23	973.00	1,088,672.31	1,088,672.31
12/1/2034	1,450,000	5.180%	192,895.00	18,182.66	973.25	1,104,328.86	1,104,328.86
6/1/2035	1,470,000	5.180%	199,282.50	18,825.33	973.50	1,120,143.41	1,120,143.41
12/1/2035	1,490,000	5.180%	205,785.00	19,480.26	973.75	1,136,115.96	1,136,115.96
6/1/2036	1,510,000	5.180%	212,402.50	20,147.43	974.00	1,152,246.51	1,152,246.51
12/1/2036	1,530,000	5.180%	219,135.00	20,827.86	974.25	1,168,535.06	1,168,535.06

(1) Expected variable interest rates based on the historical average of variable 1-Month LIBOR rates since 1985.

OUTSTANDING DEBT - EXPECTED PAYMENTS WITH 2010 LIBOR CONVERSION

Date	Principal Maturity	Coupon (%)	Interest	Liquidity @ 0.50%	Remaining @ 0.51%	Sweep Notional (1)	Variable Rate Reg'd on Swap (1)	Interest on Reg'd on Swap (1)	Fixed Rate Paid on Swap (1)	Fixed Rate Paid on Reg'd (1)	Interest on Paid on Reg'd (1)	Debt Service	Annual Debt Service
12/1/2010	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	234,718.90	234,718.90
6/1/2011	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	469,437.79	469,437.79
12/1/2011	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	704,156.68	704,156.68
6/1/2012	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	938,875.57	938,875.57
12/1/2012	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	1,173,594.46	1,173,594.46
6/1/2013	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	1,408,313.35	1,408,313.35
12/1/2013	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	1,643,032.24	1,643,032.24
6/1/2014	375,000	5.180%	216,075.00	4,538.52	5,224.38	3,000,000	5.180%	(77,400.00)	-	82,275.00	234,718.90	1,877,751.13	1,877,751.13
12/1/2014	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	2,112,470.02	2,112,470.02
6/1/2015	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	2,347,188.91	2,347,188.91
12/1/2015	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	2,581,907.80	2,581,907.80
6/1/2016	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	2,816,626.69	2,816,626.69
12/1/2016	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	3,051,345.58	3,051,345.58
6/1/2017	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	3,286,064.47	3,286,064.47
12/1/2017	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	3,520,783.36	3,520,783.36
6/1/2018	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	3,755,502.25	3,755,502.25
12/1/2018	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	3,990,221.14	3,990,221.14
6/1/2019	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	4,224,940.03	4,224,940.03
12/1/2019	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	4,459,658.92	4,459,658.92
6/1/2020	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	4,694,377.81	4,694,377.81
12/1/2020	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	4,929,096.70	4,929,096.70
6/1/2021	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	5,163,815.59	5,163,815.59
12/1/2021	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	5,398,534.48	5,398,534.48
6/1/2022	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	5,633,253.37	5,633,253.37
12/1/2022	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	5,867,972.26	5,867,972.26
6/1/2023	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	6,102,691.15	6,102,691.15
12/1/2023	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	6,337,410.04	6,337,410.04
6/1/2024	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	6,572,128.93	6,572,128.93
12/1/2024	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	6,806,847.82	6,806,847.82
6/1/2025	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	7,041,566.71	7,041,566.71
12/1/2025	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	7,276,285.60	7,276,285.60
6/1/2026	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	7,511,004.49	7,511,004.49
12/1/2026	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	7,745,723.38	7,745,723.38
6/1/2027	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	7,980,442.27	7,980,442.27
12/1/2027	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	8,215,161.16	8,215,161.16
6/1/2028	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	8,449,880.05	8,449,880.05
12/1/2028	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	8,684,598.94	8,684,598.94
6/1/2029	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	8,919,317.83	8,919,317.83
12/1/2029	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	9,154,036.72	9,154,036.72
6/1/2030	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	9,388,755.61	9,388,755.61
12/1/2030	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	9,623,474.50	9,623,474.50
6/1/2031	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	9,858,193.39	9,858,193.39
12/1/2031	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	10,092,912.28	10,092,912.28
6/1/2032	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	10,327,631.17	10,327,631.17
12/1/2032	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	10,562,350.06	10,562,350.06
6/1/2033	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	10,797,068.95	10,797,068.95
12/1/2033	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	11,031,787.84	11,031,787.84
6/1/2034	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	11,266,506.73	11,266,506.73
12/1/2034	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	11,501,225.62	11,501,225.62
6/1/2035	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	11,735,944.51	11,735,944.51
12/1/2035	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	11,970,663.40	11,970,663.40
6/1/2036	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	12,205,382.29	12,205,382.29
12/1/2036	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	12,440,101.18	12,440,101.18
6/1/2037	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	12,674,820.07	12,674,820.07
12/1/2037	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	12,909,538.96	12,909,538.96
6/1/2038	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	13,144,257.85	13,144,257.85
12/1/2038	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	13,378,976.74	13,378,976.74
6/1/2039	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	13,613,695.63	13,613,695.63
12/1/2039	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	13,848,414.52	13,848,414.52
6/1/2040	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	14,083,133.41	14,083,133.41
12/1/2040	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	14,317,852.30	14,317,852.30
6/1/2041	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	14,552,571.19	14,552,571.19
12/1/2041	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	14,787,290.08	14,787,290.08
6/1/2042	-	5.180%	216,075.00	4,538.52	5,224.38	-	5.180%	(77,400.00)	-	82,275.00	234,718.90	15,022,008.97	15,022,008.97
12/1/2042	-	5.180%	216,075.00	4,538.52	5,224.3								

OUTSTANDING DEBT - EXPECTED PAYMENTS WITH 2010 LIBOR CONVERSION

Date	Principal	Margin	Interest	2004 Ball's Swap Payment	2004 Ball's Swap Receipt	Debt Service	Annual Debt Service
12/1/2010	1,741,598.75	4.00%	1,741,598.75	1,268,873.50	(1,308,524.25)	1,701,896.50	1,701,896.50
12/1/2011	2,330,000	4.00%	1,741,598.75	1,277,854.00	(1,268,524.75)	1,694,934.50	1,694,934.50
12/1/2012	2,440,000	4.00%	1,894,906.75	1,277,854.00	(1,221,844.75)	1,694,934.50	1,694,934.50
12/1/2013	2,565,000	4.25%	1,846,106.75	1,138,852.00	(1,175,875.50)	1,694,934.50	1,694,934.50
12/1/2014	2,660,000	5.00%	1,591,815.00	1,092,608.00	(1,126,752.00)	1,694,934.50	1,694,934.50
12/1/2015	2,845,000	5.00%	1,324,295.00	1,042,328.00	(1,075,115.25)	1,694,934.50	1,694,934.50
12/1/2016	3,005,000	4.50%	1,453,440.00	989,648.00	(1,020,574.50)	1,694,934.50	1,694,934.50
12/1/2017	3,105,000	5.00%	1,395,827.50	943,129.75	(982,418.00)	1,694,934.50	1,694,934.50
12/1/2018	3,348,000	5.00%	1,305,702.50	875,072.00	(902,418.00)	1,694,934.50	1,694,934.50
12/1/2019	3,530,000	5.00%	1,223,077.50	812,944.00	(830,348.50)	1,694,934.50	1,694,934.50
12/1/2020	3,735,000	5.00%	1,134,827.50	747,206.00	(770,538.25)	1,694,934.50	1,694,934.50
12/1/2021	2,210,000	5.00%	1,041,452.50	708,312.00	(730,446.75)	1,694,934.50	1,694,934.50
12/1/2022	2,340,000	5.00%	986,202.50	671,891.25	(697,875.75)	1,694,934.50	1,694,934.50
12/1/2023	2,465,000	5.00%	927,702.50	623,392.00	(642,873.00)	1,694,934.50	1,694,934.50
12/1/2024	2,810,000	4.75%	895,877.50	577,472.00	(584,857.00)	1,694,934.50	1,694,934.50
12/1/2025	3,000,000	5.00%	822,877.50	527,472.00	(527,472.00)	1,694,934.50	1,694,934.50
12/1/2026	3,180,000	4.80%	736,140.00	474,672.00	(468,505.50)	1,694,934.50	1,694,934.50
12/1/2027	3,375,000	4.60%	681,140.00	418,724.00	(418,724.00)	1,694,934.50	1,694,934.50
12/1/2028	3,590,000	5.00%	510,375.00	359,304.00	(359,304.00)	1,694,934.50	1,694,934.50
12/1/2029	3,825,000	5.00%	400,825.00	296,120.00	(296,120.00)	1,694,934.50	1,694,934.50
12/1/2030	4,065,000	5.00%	325,125.00	228,888.00	(228,888.00)	1,694,934.50	1,694,934.50
12/1/2031	4,320,000	5.00%	223,750.00	157,520.00	(157,520.00)	1,694,934.50	1,694,934.50
12/1/2032	4,590,000	5.00%	115,750.00	81,488.00	(81,488.00)	1,694,934.50	1,694,934.50
12/1/2033	7,085,000		45,614.88			116,862.75	116,862.75

OUTSTANDING DEBT - EXPECTED PAYMENTS WITH 2010 LIBOR CONVERSION

Date	2010 Notes Principal	2013 Notes Principal	2010 Note Coupon (%)	2013 Note Coupon (%)	2010 Fixed Pay Swap Notional Amount	2013 Fixed Pay Swap Notional Amount	2008 Swap Fixed Pay 4.310%	2009 Swap Fixed Pay 4.080%	2010 Swap Fixed Pay 4.310%	2015 Swap Fixed Pay 4.310%	Swap Variable Receiver (%) 4.070%	Debt Service	Annual Debt Service
12/1/2010	1,870,000	1,870,000	4.110%	4.110%	605,000.00	720,000.00	386,043.25	500,000.00	714,700.50	714,700.50	(1,607,286.50)	2,150,700.00	2,150,700.00
12/1/2011	1,760,000	1,760,000	4.110%	4.110%	630,000.00	760,000.00	390,043.25	500,000.00	707,136.75	707,136.75	(1,573,728.50)	2,151,440.00	5,622,168.00
12/1/2012	1,650,000	1,650,000	4.110%	4.110%	655,000.00	806,000.00	392,287.43	500,000.00	699,164.75	699,164.75	(1,538,354.50)	2,048,960.00	5,901,432.00
12/1/2013	1,540,000	1,540,000	4.110%	4.110%	680,000.00	865,000.00	394,100.50	500,000.00	691,040.50	691,040.50	(1,503,854.50)	2,048,960.00	5,901,432.00
12/1/2014	1,430,000	1,430,000	4.110%	4.110%	705,000.00	930,000.00	395,361.50	500,000.00	682,893.00	682,893.00	(1,469,300.50)	2,048,960.00	5,901,432.00
12/1/2015	1,320,000	1,320,000	4.110%	4.110%	730,000.00	1,000,000.00	396,351.50	500,000.00	674,624.50	674,624.50	(1,434,750.50)	2,048,960.00	5,901,432.00
12/1/2016	1,210,000	1,210,000	4.110%	4.110%	755,000.00	1,075,000.00	397,043.50	500,000.00	666,236.50	666,236.50	(1,400,200.50)	2,048,960.00	5,901,432.00
12/1/2017	1,100,000	1,100,000	4.110%	4.110%	780,000.00	1,150,000.00	397,480.50	500,000.00	657,736.50	657,736.50	(1,365,650.50)	2,048,960.00	5,901,432.00
12/1/2018	990,000	990,000	4.110%	4.110%	805,000.00	1,225,000.00	397,720.50	500,000.00	649,126.50	649,126.50	(1,331,100.50)	2,048,960.00	5,901,432.00
12/1/2019	880,000	880,000	4.110%	4.110%	830,000.00	1,300,000.00	397,815.50	500,000.00	640,406.50	640,406.50	(1,296,550.50)	2,048,960.00	5,901,432.00
12/1/2020	770,000	770,000	4.110%	4.110%	855,000.00	1,375,000.00	397,800.50	500,000.00	631,586.50	631,586.50	(1,262,000.50)	2,048,960.00	5,901,432.00
12/1/2021	660,000	660,000	4.110%	4.110%	880,000.00	1,450,000.00	397,720.50	500,000.00	622,166.50	622,166.50	(1,227,450.50)	2,048,960.00	5,901,432.00
12/1/2022	550,000	550,000	4.110%	4.110%	905,000.00	1,525,000.00	397,590.50	500,000.00	612,146.50	612,146.50	(1,192,900.50)	2,048,960.00	5,901,432.00
12/1/2023	440,000	440,000	4.110%	4.110%	930,000.00	1,600,000.00	397,410.50	500,000.00	601,526.50	601,526.50	(1,158,350.50)	2,048,960.00	5,901,432.00
12/1/2024	330,000	330,000	4.110%	4.110%	955,000.00	1,675,000.00	397,180.50	500,000.00	590,306.50	590,306.50	(1,123,800.50)	2,048,960.00	5,901,432.00
12/1/2025	220,000	220,000	4.110%	4.110%	980,000.00	1,750,000.00	396,900.50	500,000.00	578,486.50	578,486.50	(1,089,250.50)	2,048,960.00	5,901,432.00
12/1/2026	110,000	110,000	4.110%	4.110%	1,005,000.00	1,825,000.00	396,480.50	500,000.00	566,066.50	566,066.50	(1,054,700.50)	2,048,960.00	5,901,432.00
12/1/2027	0	0	4.110%	4.110%	1,030,000.00	1,900,000.00	395,920.50	500,000.00	553,646.50	553,646.50	(1,020,150.50)	2,048,960.00	5,901,432.00
12/1/2028	0	0	4.110%	4.110%	1,055,000.00	1,975,000.00	395,220.50	500,000.00	541,226.50	541,226.50	(985,600.50)	2,048,960.00	5,901,432.00
12/1/2029	0	0	4.110%	4.110%	1,080,000.00	2,050,000.00	394,380.50	500,000.00	528,806.50	528,806.50	(951,050.50)	2,048,960.00	5,901,432.00
12/1/2030	0	0	4.110%	4.110%	1,105,000.00	2,125,000.00	393,390.50	500,000.00	516,386.50	516,386.50	(916,500.50)	2,048,960.00	5,901,432.00
12/1/2031	0	0	4.110%	4.110%	1,130,000.00	2,200,000.00	392,260.50	500,000.00	503,966.50	503,966.50	(881,950.50)	2,048,960.00	5,901,432.00
12/1/2032	0	0	4.110%	4.110%	1,155,000.00	2,275,000.00	391,000.50	500,000.00	491,546.50	491,546.50	(847,400.50)	2,048,960.00	5,901,432.00
12/1/2033	0	0	4.110%	4.110%	1,180,000.00	2,350,000.00	389,610.50	500,000.00	479,126.50	479,126.50	(812,850.50)	2,048,960.00	5,901,432.00
12/1/2034	0	0	4.110%	4.110%	1,205,000.00	2,425,000.00	388,090.50	500,000.00	466,706.50	466,706.50	(778,300.50)	2,048,960.00	5,901,432.00
12/1/2035	0	0	4.110%	4.110%	1,230,000.00	2,500,000.00	386,450.50	500,000.00	454,286.50	454,286.50	(743,750.50)	2,048,960.00	5,901,432.00
12/1/2036	0	0	4.110%	4.110%	1,255,000.00	2,575,000.00	384,700.50	500,000.00	441,866.50	441,866.50	(709,200.50)	2,048,960.00	5,901,432.00
12/1/2037	0	0	4.110%	4.110%	1,280,000.00	2,650,000.00	382,840.50	500,000.00	429,446.50	429,446.50	(674,650.50)	2,048,960.00	5,901,432.00
12/1/2038	0	0	4.110%	4.110%	1,305,000.00	2,725,000.00	380,880.50	500,000.00	417,026.50	417,026.50	(639,100.50)	2,048,960.00	5,901,432.00
12/1/2039	0	0	4.110%	4.110%	1,330,000.00	2,800,000.00	378,920.50	500,000.00	404,606.50	404,606.50	(603,550.50)	2,048,960.00	5,901,432.00
12/1/2040	0	0	4.110%	4.110%	1,355,000.00	2,875,000.00	376,960.50	500,000.00	392,186.50	392,186.50	(568,000.50)	2,048,960.00	5,901,432.00
12/1/2041	0	0	4.110%	4.110%	1,380,000.00	2,950,000.00	374,990.50	500,000.00	379,766.50	379,766.50	(532,450.50)	2,048,960.00	5,901,432.00
12/1/2042	0	0	4.110%	4.110%	1,405,000.00	3,025,000.00	372,920.50	500,000.00	367,346.50	367,346.50	(496,900.50)	2,048,960.00	5,901,432.00
12/1/2043	0	0	4.110%	4.110%	1,430,000.00	3,100,000.00	370,760.50	500,000.00	354,926.50	354,926.50	(461,350.50)	2,048,960.00	5,901,432.00
12/1/2044	0	0	4.110%	4.110%	1,455,000.00	3,175,000.00	368,600.50	500,000.00	342,506.50	342,506.50	(425,800.50)	2,048,960.00	5,901,432.00
12/1/2045	0	0	4.110%	4.110%	1,480,000.00	3,250,000.00	366,440.50	500,000.00	330,086.50	330,086.50	(390,250.50)	2,048,960.00	5,901,432.00
12/1/2046	0	0	4.110%	4.110%	1,505,000.00	3,325,000.00	364,280.50	500,000.00	317,666.50	317,666.50	(354,700.50)	2,048,960.00	5,901,432.00
12/1/2047	0	0	4.110%	4.110%	1,530,000.00	3,400,000.00	362,120.50	500,000.00	305,246.50	305,246.50	(319,150.50)	2,048,960.00	5,901,432.00
12/1/2048	0	0	4.110%	4.110%	1,555,000.00	3,475,000.00	359,960.50	500,000.00	292,826.50	292,826.50	(283,600.50)	2,048,960.00	5,901,432.00
12/1/2049	0	0	4.110%	4.110%	1,580,000.00	3,550,000.00	357,800.50	500,000.00	280,406.50	280,406.50	(248,050.50)	2,048,960.00	5,901,432.00
12/1/2050	0	0	4.110%	4.110%	1,605,000.00	3,625,000.00	355,640.50	500,000.00	267,986.50	267,986.50	(212,500.50)	2,048,960.00	5,901,432.00
12/1/2051	0	0	4.110%	4.110%	1,630,000.00	3,700,000.00	353,480.50	500,000.00	255,566.50	255,566.50	(176,950.50)	2,048,960.00	5,901,432.00
12/1/2052	0	0	4.110%	4.110%	1,655,000.00	3,775,000.00	351,320.50	500,000.00	243,146.50	243,146.50	(141,400.50)	2,048,960.00	5,901,432.00
12/1/2053	0	0	4.110%	4.110%	1,680,000.00	3,850,000.00	349,160.50	500,000.00	230,726.50	230,726.50	(105,850.50)	2,048,960.00	5,901,432.00
12/1/2054	0	0	4.110%	4.110%	1,705,000.00	3,925,000.00	346,990.50	500,000.00	218,306.50	218,306.50	(70,300.50)	2,048,960.00	5,901,432.00
12/1/2055	0	0	4.110%	4.110%	1,730,000.00	4,000,000.00	344,830.50	500,000.00	205,886.50	205,886.50	(34,750.50)	2,048,960.00	5,901,432.00
12/1/2056	0	0	4.110%	4.110%	1,755,000.00	4,075,000.00	342,670.50	500,000.00	193,466.50	193,466.50	1,000.00	2,048,960.00	5,901,432.00
12/1/2057	0	0	4.110%	4.110%	1,780,000.00	4,150,000.00	340,510.50	500,000.00	181,046.50	181,046.50	3,450.00	2,048,960.00	5,901,432.00
12/1/2058	0	0	4.110%	4.110%	1,805,000.00	4,225,000.00	338,350.50	500,000.00	168,626.50	168,626.50	6,900.00	2,048,960.00	5,901,432.00
12/1/2059	0	0	4.110%	4.110%	1,830,000.00	4,300,000.00	336,190.50	500,000.00	156,206.50	156,206.50	10,350.00	2,048,960.00	5,901,432.00
12/1/2060	0	0	4.110%	4.110%	1,855,000.00	4,375,000.00	334,030.50	500,000.00	143,786.50	143,786.50	13,800.00	2,048,960.00	5,901,432.00
12/1/2061	0	0	4.110%	4.110%	1,880,000.00	4,450,000.00	331,870.50	500,000.00	131,366.50	131,366.50	17,250.00	2,048,960.00	5,901,432.00
12/1/2062	0	0	4.110%	4.110%	1,905,000.00	4,525,000.00	329,710.50	500,000.00	118,946.50	118,946.50	20,700.00	2,048,960.00	5,901,432.00
12/1/2063	0	0	4.110%	4.110%	1,930,000.00	4,600,000.00	327,550.50	500,000.00	106,526.50	106,526.50	24,150.00	2,048,960.00	5,901,432.00
12/1/2064	0	0	4.110%	4.110%	1,955,000.00	4,675,000.00	325,390.50	500,000.00	94,106.50	94,106.50	27,600.00	2,048,960.00	5,901,432.00
12/1/2065	0	0	4.110%	4.110%	1,980,000.00	4,750,000.00	323,230.50	500,000.00	81,686.50	81,686.50	31,050.00	2,048,960.00	5,901,432.00
12/1/2066	0	0	4.110%	4.110%	2,005,000.00	4,825,000.00	321,070.50						

OUTSTANDING DEBT - EXPECTED PAYMENTS WITH 2010 LIBOR CONVERSION

Date	VOCOA		VOCOA		VOCOA		VOCOA		County		County		County		Annual Debt Service
	1997 Bonds	2002 CO Bonds	2003A Bonds (1)	2003B Bonds (2)	2005 CO Mts	2005A CO Mts	2006 CO Mts	2006A CO Mts	2006 CO Mts	2006A CO Mts	2010A CO Mts	2010A CO Mts	2010A CO Mts		
2010	6,408,386	485,249	537,990	224,720	-	-	-	-	1,701,887	5,686,306	2,150,702	5,114,517	5,114,517		
2011	9,625,775	2,044,294	597,084	488,440	-	-	-	-	5,686,306	5,705,618	5,822,169	14,695,384	14,695,384		
2012	9,624,525	2,030,596	596,091	485,440	-	-	-	-	5,705,618	5,801,432	5,917,432	14,666,142	14,666,142		
2013	9,746,050	2,022,435	-	485,440	-	-	-	-	5,720,272	5,788,673	5,871,840	14,687,258	14,687,258		
2014	9,874,800	2,009,825	-	488,440	-	-	-	-	5,794,282	5,847,181	5,932,550	14,708,421	14,708,421		
2015	-	1,988,560	-	824,286	-	-	-	-	5,760,762	5,799,223	5,835,155	14,386,325	14,386,325		
2016	-	1,867,810	-	818,440	-	-	-	-	5,787,418	5,768,118	5,728,624	14,337,543	14,337,543		
2017	-	1,846,833	-	818,440	-	-	-	-	5,815,240	5,728,624	5,687,279	14,288,171	14,288,171		
2018	-	1,934,685	-	804,885	-	-	-	-	5,835,155	5,687,279	5,646,408	14,238,528	14,238,528		
2019	-	1,916,525	-	780,882	-	-	-	-	5,862,326	5,646,408	5,605,217	14,188,885	14,188,885		
2020	-	1,891,810	-	760,852	-	-	-	-	5,890,170	5,605,217	5,564,244	14,139,242	14,139,242		
2021	-	1,870,080	-	743,510	-	-	-	-	5,918,170	5,564,244	5,523,444	14,089,599	14,089,599		
2022	-	1,857,014	-	728,440	-	-	-	-	5,946,240	5,523,444	5,482,644	14,039,956	14,039,956		
2023	-	1,821,375	-	718,172	-	-	-	-	5,974,310	5,482,644	5,441,844	13,990,313	13,990,313		
2024	-	1,807,286	-	709,807	-	-	-	-	6,002,380	5,441,844	5,401,044	13,940,670	13,940,670		
2025	-	1,801,988	-	703,207	-	-	-	-	6,030,450	5,401,044	5,360,244	13,891,027	13,891,027		
2026	-	1,811,655	-	700,204	-	-	-	-	6,058,520	5,360,244	5,319,444	13,841,384	13,841,384		
2027	-	1,822,388	-	700,204	-	-	-	-	6,086,590	5,319,444	5,278,644	13,791,741	13,791,741		
2028	-	1,833,121	-	700,204	-	-	-	-	6,114,660	5,278,644	5,237,844	13,742,098	13,742,098		
2029	-	1,843,854	-	700,204	-	-	-	-	6,142,730	5,237,844	5,197,044	13,692,455	13,692,455		
2030	-	1,854,587	-	700,204	-	-	-	-	6,170,800	5,197,044	5,156,244	13,642,812	13,642,812		
2031	-	1,865,320	-	700,204	-	-	-	-	6,198,870	5,156,244	5,115,444	13,593,169	13,593,169		
2032	-	1,876,053	-	700,204	-	-	-	-	6,226,940	5,115,444	5,074,644	13,543,526	13,543,526		
2033	-	1,886,786	-	700,204	-	-	-	-	6,255,010	5,074,644	5,033,844	13,493,883	13,493,883		
2034	-	1,897,519	-	700,204	-	-	-	-	6,283,080	5,033,844	5,000,000	13,444,240	13,444,240		
2035	-	1,908,252	-	700,204	-	-	-	-	6,311,150	5,000,000	4,966,155	13,394,597	13,394,597		
2036	-	1,918,985	-	700,204	-	-	-	-	6,339,220	4,966,155	4,932,310	13,344,954	13,344,954		
2037	-	1,929,718	-	700,204	-	-	-	-	6,367,290	4,932,310	4,898,465	13,295,311	13,295,311		
2038	-	1,940,451	-	700,204	-	-	-	-	6,395,360	4,898,465	4,864,620	13,245,668	13,245,668		
2039	-	1,951,184	-	700,204	-	-	-	-	6,423,430	4,864,620	4,830,775	13,196,025	13,196,025		
2040	-	1,961,917	-	700,204	-	-	-	-	6,451,500	4,830,775	4,796,930	13,146,382	13,146,382		
2041	-	1,972,650	-	700,204	-	-	-	-	6,479,570	4,796,930	4,763,085	13,096,739	13,096,739		
2042	-	1,983,383	-	700,204	-	-	-	-	6,507,640	4,763,085	4,729,240	13,047,096	13,047,096		
2043	-	1,994,116	-	700,204	-	-	-	-	6,535,710	4,729,240	4,695,395	12,997,453	12,997,453		
2044	-	1,999,849	-	700,204	-	-	-	-	6,563,780	4,695,395	4,661,550	12,947,810	12,947,810		
2045	-	2,005,582	-	700,204	-	-	-	-	6,591,850	4,661,550	4,627,705	12,898,167	12,898,167		
2046	-	2,011,315	-	700,204	-	-	-	-	6,619,920	4,627,705	4,593,860	12,848,524	12,848,524		
2047	-	2,017,048	-	700,204	-	-	-	-	6,647,990	4,593,860	4,560,015	12,798,881	12,798,881		
2048	-	2,022,781	-	700,204	-	-	-	-	6,676,060	4,560,015	4,526,170	12,749,238	12,749,238		
2049	-	2,028,514	-	700,204	-	-	-	-	6,704,130	4,526,170	4,492,325	12,699,595	12,699,595		
2050	-	2,034,247	-	700,204	-	-	-	-	6,732,200	4,492,325	4,458,480	12,649,952	12,649,952		
2051	-	2,039,980	-	700,204	-	-	-	-	6,760,270	4,458,480	4,424,635	12,600,309	12,600,309		
2052	-	2,045,713	-	700,204	-	-	-	-	6,788,340	4,424,635	4,390,790	12,550,666	12,550,666		
2053	-	2,051,446	-	700,204	-	-	-	-	6,816,410	4,390,790	4,356,945	12,501,023	12,501,023		
2054	-	2,057,179	-	700,204	-	-	-	-	6,844,480	4,356,945	4,323,100	12,451,380	12,451,380		
2055	-	2,062,912	-	700,204	-	-	-	-	6,872,550	4,323,100	4,289,255	12,401,737	12,401,737		
2056	-	2,068,645	-	700,204	-	-	-	-	6,900,620	4,289,255	4,255,410	12,352,094	12,352,094		
2057	-	2,074,378	-	700,204	-	-	-	-	6,928,690	4,255,410	4,221,565	12,302,451	12,302,451		
2058	-	2,080,111	-	700,204	-	-	-	-	6,956,760	4,221,565	4,187,720	12,252,808	12,252,808		
2059	-	2,085,844	-	700,204	-	-	-	-	6,984,830	4,187,720	4,153,875	12,203,165	12,203,165		
2060	-	2,091,577	-	700,204	-	-	-	-	7,012,900	4,153,875	4,120,030	12,153,522	12,153,522		
2061	-	2,097,310	-	700,204	-	-	-	-	7,040,970	4,120,030	4,086,185	12,103,879	12,103,879		
2062	-	2,103,043	-	700,204	-	-	-	-	7,069,040	4,086,185	4,052,340	12,054,236	12,054,236		
2063	-	2,108,776	-	700,204	-	-	-	-	7,097,110	4,052,340	4,018,495	12,004,593	12,004,593		
2064	-	2,114,509	-	700,204	-	-	-	-	7,125,180	4,018,495	3,984,650	11,954,950	11,954,950		
2065	-	2,120,242	-	700,204	-	-	-	-	7,153,250	3,984,650	3,950,805	11,905,307	11,905,307		
2066	-	2,125,975	-	700,204	-	-	-	-	7,181,320	3,950,805	3,916,960	11,855,664	11,855,664		
2067	-	2,131,708	-	700,204	-	-	-	-	7,209,390	3,916,960	3,883,115	11,806,021	11,806,021		
2068	-	2,137,441	-	700,204	-	-	-	-	7,237,460	3,883,115	3,849,270	11,756,378	11,756,378		
2069	-	2,143,174	-	700,204	-	-	-	-	7,265,530	3,849,270	3,815,425	11,706,735	11,706,735		
2070	-	2,148,907	-	700,204	-	-	-	-	7,293,600	3,815,425	3,781,580	11,657,092	11,657,092		
2071	-	2,154,640	-	700,204	-	-	-	-	7,321,670	3,781,580	3,747,735	11,607,449	11,607,449		
2072	-	2,160,373	-	700,204	-	-	-	-	7,349,740	3,747,735	3,713,890	11,557,806	11,557,806		
2073	-	2,166,106	-	700,204	-	-	-	-	7,377,810	3,713,890	3,680,045	11,508,163	11,508,163		
2074	-	2,171,839	-	700,204	-	-	-	-	7,405,880	3,680,045	3,646,200	11,458,520	11,458,520		
2075	-	2,177,572	-	700,204	-	-	-	-	7,433,950	3,646,200	3,612,355	11,408,877	11,408,877		
2076	-	2,183,305	-	700,204	-	-	-	-	7,462,020	3,612,355	3,578,510	11,359,234	11,359,234		
2077	-	2,189,038	-	700,204	-	-	-	-	7,490,090	3,578,510	3,544,665	11,309,591	11,309,591		
2078	-	2,194,771	-	700,204	-	-	-	-	7,518,160	3,544,665	3,510,820	11,259,948	11,259,948		
2079	-	2,200,504	-	700,204	-	-	-	-	7,546,230	3,510,820	3,476,975	11,210,305	11,210,305		
2080	-	2,206,237	-	700,204	-	-	-	-	7,574,300	3,476,975	3,443,130	11,160,662	11,160,662		
2081	-	2,211,970	-	700,204	-	-	-	-	7,602,370	3,443,130	3,409,285	11,111,019	11,111,019		
2082	-	2,217,703	-	700,204	-	-	-	-	7,630,440	3,409,285	3,375,440	11,061,376	11,061,376		
2083	-	2,223,436	-	700,204	-	-	-	-	7,658,510	3,375,440	3,341,595	11,011,733	11,011,733		
2084	-	2,229,169	-	700,204	-	-	-	-	7,686,580	3,341,595	3,307,750	10,962,090	10,962,090		
2085	-	2,234,902	-	700,204	-	-	-	-	7,714,650	3,307,750	3,273,905	10,912,447	10,912,447		
2086	-	2,240,635	-	700,204	-	-	-	-	7,742,720	3,273,905	3,240,060	10,862,804	10,862,804		
2087	-	2,246,368	-	700,204	-	-	-	-	7,770,790	3,240,060	3,206,215	10,813,161	10,813,161		
2088	-	2,252,101	-	700,204	-	-	-	-	7,798,860	3,206,215	3,172,370	10,763,518	10,763,518		
2089	-	2,257,834	-	700,204	-	-	-	-	7,826,930	3,172,370	3,138,525	10,713,875	10,713,875		
2090	-	2,263,567	-	700,204	-	-	-	-	7,855,000	3,138,525	3,104,680	10,664,232	10,664,232		
2091	-	2,269,300	-	700,204	-	-	-	-	7,883,070	3,104,680	3,070,835	10,614,589	10,614,589		
2092	-	2,275,033	-	700,204	-	-	-	-	7,911,140	3,070,835	3,036,990	10,564,946	10,564,946		
2093	-	2,280,766	-	700,204	-	-	-	-	7,939,210	3,036,990	3,003,145	10,515,303	10,515,303		

OUTSTANDING DEBT - MAXIMUM PAYMENTS WITH EXPECTED 2010 LIBOR CONVERSION

Investment Management Advisory Group, Inc.  
 COUNTY OF YORK, PENNSYLVANIA  
 Series of 1997 10a County Seal Water Authority - County Quarry  
 Estimated Debt Service Payment Schedule - Final Bid

Date	Principal Maturity	Coupon	Interest	Debt Service	Annual Debt Service
12/1/2010	7,280,000	5.25%	1,128,987.50	8,408,987.50	8,408,987.50
6/1/2011	7,280,000	5.500%	1,317,600.00	8,597,600.00	8,597,600.00
12/1/2011	7,280,000	5.500%	1,317,600.00	8,597,600.00	8,597,600.00
6/1/2012	8,345,000	5.500%	1,317,600.00	9,664,600.00	9,664,600.00
12/1/2012	8,345,000	5.500%	1,317,600.00	9,664,600.00	9,664,600.00
6/1/2013	6,750,000	5.500%	1,128,987.50	7,878,987.50	7,878,987.50
12/1/2013	6,750,000	5.500%	1,128,987.50	7,878,987.50	7,878,987.50
6/1/2014	9,380,000	5.500%	1,317,600.00	10,697,600.00	10,697,600.00
12/1/2014	9,380,000	5.500%	1,317,600.00	10,697,600.00	10,697,600.00
6/1/2015					
12/1/2015					
6/1/2016					
12/1/2016					
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12/1/2032					
6/1/2033					
12/1/2033					
	41,385,000		3,965,138	47,350,138	47,350,138

OUTSTANDING DEBT - MAXIMUM PAYMENTS WITH EXPECTED 2010 LIBOR CONVERSION

(Investment Management Advisory Client) - COUNTY OF YORK, PENNSYLVANIA General Fund Bonds, Series of 2000 Standard Debt Service Payment Schedules (Fixed Rate)						
Date	Principal Maturity	Coupon	Interest	Debt Service	Annual Debt Service	
12/1/2010	1,075,000	3.200%	485,548.75	485,548.75	485,548.75	
6/1/2011	1,075,000	3.200%	485,548.75	485,548.75	485,548.75	
12/1/2011	1,075,000	3.200%	485,548.75	485,548.75	485,548.75	
6/1/2012	1,075,000	3.750%	478,048.75	478,048.75	2,044,207.50	
12/1/2012	1,130,000	4.000%	457,817.50	457,817.50	2,000,666.25	
6/1/2013	1,130,000	4.000%	457,817.50	457,817.50	2,000,666.25	
12/1/2013	1,160,000	4.000%	454,917.50	454,917.50	2,000,666.25	
6/1/2014	1,160,000	4.000%	454,917.50	454,917.50	2,000,666.25	
12/1/2014	1,160,000	5.000%	411,717.50	411,717.50	2,000,666.25	
6/1/2015	1,235,000	5.000%	411,717.50	411,717.50	1,888,960.00	
12/1/2015	1,235,000	5.000%	381,442.50	381,442.50	1,888,960.00	
6/1/2016	1,280,000	5.000%	350,967.50	350,967.50	1,867,810.00	
12/1/2016	1,330,000	5.000%	318,867.50	318,867.50	1,848,655.00	
6/1/2017	1,330,000	5.000%	288,717.50	288,717.50	1,848,655.00	
12/1/2017	1,330,000	5.000%	258,567.50	258,567.50	1,848,655.00	
6/1/2018	1,380,000	5.000%	228,417.50	228,417.50	1,848,655.00	
12/1/2018	1,425,000	5.000%	198,267.50	198,267.50	1,848,655.00	
6/1/2019	1,425,000	5.000%	168,117.50	168,117.50	1,848,655.00	
12/1/2019	1,425,000	5.000%	137,967.50	137,967.50	1,848,655.00	
6/1/2020	1,485,000	5.000%	107,817.50	107,817.50	1,848,655.00	
12/1/2020	1,535,000	4.550%	77,667.50	77,667.50	1,848,655.00	
6/1/2021	1,535,000	4.550%	47,517.50	47,517.50	1,848,655.00	
12/1/2021	1,570,000	4.550%	17,367.50	17,367.50	1,848,655.00	
6/1/2022	380,000	4.850%	143,548.25	143,548.25	1,848,655.00	
12/1/2022	380,000	4.850%	107,628.75	107,628.75	1,848,655.00	
6/1/2023	380,000	4.850%	67,828.75	67,828.75	1,848,655.00	
12/1/2023	380,000	4.700%	28,458.75	28,458.75	587,287.50	
6/1/2024	400,000	4.700%	9,458.75	9,458.75	587,287.50	
12/1/2024	400,000	4.700%	4,458.75	4,458.75	587,287.50	
6/1/2025	420,000	4.700%	4,458.75	4,458.75	587,287.50	
12/1/2025	420,000	4.700%	4,458.75	4,458.75	587,287.50	
6/1/2026	420,000	4.700%	4,458.75	4,458.75	587,287.50	
12/1/2026	420,000	4.700%	4,458.75	4,458.75	587,287.50	
6/1/2027	485,000	4.750%	4,873.00	4,873.00	587,287.50	
12/1/2027	485,000	4.750%	4,873.00	4,873.00	587,287.50	
6/1/2028	485,000	4.750%	4,873.00	4,873.00	587,287.50	
12/1/2028	485,000	4.750%	4,873.00	4,873.00	587,287.50	
6/1/2029	510,000	4.750%	4,873.00	4,873.00	587,287.50	
12/1/2029	510,000	4.750%	4,873.00	4,873.00	587,287.50	
6/1/2030	540,000	4.750%	4,873.00	4,873.00	587,287.50	
12/1/2030	540,000	4.750%	4,873.00	4,873.00	587,287.50	
6/1/2031	565,000	4.750%	4,873.00	4,873.00	587,287.50	
12/1/2031	565,000	4.750%	4,873.00	4,873.00	587,287.50	
6/1/2032	565,000	4.750%	4,873.00	4,873.00	587,287.50	
12/1/2032	565,000	4.750%	4,873.00	4,873.00	587,287.50	
6/1/2033	565,000	4.750%	4,873.00	4,873.00	587,287.50	
12/1/2033	565,000	4.750%	4,873.00	4,873.00	587,287.50	
	21,480,000		10,065,970	31,543,970	31,543,970	

OUTSTANDING DEBT - MAXIMUM PAYMENTS WITH EXPECTED 2010 LIBOR CONVERSION

Date	Principal Maturity	Contract Interest Rate (Maximum Rate)	Interest on Bonds	Unpaid @ 0.25%	Remaining @ 0.125%	Debt Service	Annual Debt Service
12/1/2010	490,000	15.000%	114,750.00	1,559.23	856.25	607,265.58	607,265.58
6/1/2011	810,000	15.000%	78,000.00	1,059.83	650.00	78,709.83	78,709.83
6/1/2012	530,000	15.000%	38,250.00	402.18	331.25	42,871.41	42,871.41
6/1/2013	-	-	-	340.16	331.25	670,521.41	670,521.41
12/1/2014	-	-	-	-	-	-	-
6/1/2015	-	-	-	-	-	-	-
12/1/2016	-	-	-	-	-	-	-
6/1/2017	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
	3,350,000		567,250	4,750	2,318	1,867,828	1,867,828

(1) Assumed maximum rate on variable rate bonds.

OUTSTANDING DEBT - MAXIMUM PAYMENTS WITH EXPECTED 2010 LIBOR CONVERSION

Date	Principal Maturity	Coupon (%) (Maximum Rate)	Interest	Liquidity @ 0.20%	Amortization @ 0.125%	Swaps (National G)	Variable Rate Risk (on Swap 1)	Change on Swap	Fixed Rate Paid on Swap (2)	Interest on Paid on Swap	Debt Service	Annual Debt Service
12/1/2010	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	724,180.00
6/1/2011	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	724,180.00
12/1/2011	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2012	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2012	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2013	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2013	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2014	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2014	375,000	15.000%	628,125.00	8,535.52	5,234.38	3,000,000	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2015	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2015	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2016	360,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2016	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2017	410,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2017	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2018	625,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2018	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2019	685,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2019	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2020	465,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2020	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2021	505,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2021	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2022	525,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2022	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2023	545,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2023	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2024	570,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2024	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2025	595,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2025	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2026	620,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2026	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2027	645,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2027	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2028	670,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2028	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2029	700,000	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2029	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2030	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2030	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2031	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2031	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2032	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2032	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2033	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2033	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2034	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2034	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2035	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2035	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
6/1/2036	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
12/1/2036	-	15.000%	628,125.00	8,535.52	5,234.38	-	0.000%	-	5.465%	62,275.00	724,180.00	1,448,339.79
	8,375,000		228,385	14,044	3,000,000			740,675			28,289,133	28,289,133

(1) Assumed maximum rate on variable rate bonds and swap receipt rate equal to 0%.  
 (2) Expected liquidity and remarketing costs, assumed to be constant for the life of the bonds.  
 (3) Swap National amount does not amortize with 2008B Swaps and is only shown for calculation purposes.  
 (4) Expected float rate on the swap payment.



OUTSTANDING DEBT - MAXIMUM PAYMENTS WITH EXPECTED 2010 LABOR CONVERSION

Date	2010 Matur Principal	2010 Matur Coupon (%)	2010 Matur Interest	2010 Bond Coupon	2010 Bond Interest	2010 Fixed Pay Swap Notional Amount	2010 Fixed Pay Swap Notional Amount	2010 Fixed Pay Swap Notional Amount	2010 Swap Fixed Pay 4.03%	2010 Swap Variable Receive 0.80%	2010 Swap Fixed Pay 4.03%	2010 Swap Variable Receive 0.80%	Annual Debt Service	Annual Debt Service
12/1/2010	1,870,000	15.000%	6,083,000.00	25.000%	9,511,250.00	606,000.00	720,000.00	348,000.00	714,700.50	603,823.50	8,190,726.50	8,190,726.50	8,190,726.50	8,190,726.50
6/1/2011	1,750,000	16.000%	5,807,750.00	25.000%	9,271,875.00	630,000.00	760,000.00	378,000.00	707,138.75	596,207.50	7,888,000.00	7,888,000.00	7,888,000.00	7,888,000.00
12/1/2011	77,420,000	15.000%	5,865,500.00	25.000%	9,511,250.00	680,000.00	805,000.00	362,307.83	698,184.75	573,778.50	17,540,041.50	17,540,041.50	17,540,041.50	17,540,041.50
6/1/2012	1,915,000	15.000%	6,083,000.00	25.000%	9,511,250.00	680,000.00	805,000.00	362,307.83	698,184.75	573,778.50	17,540,041.50	17,540,041.50	17,540,041.50	17,540,041.50
12/1/2012	2,025,000	15.000%	6,401,250.00	25.000%	9,603,125.00	700,000.00	830,000.00	375,000.00	720,000.00	590,000.00	18,130,125.00	18,130,125.00	18,130,125.00	18,130,125.00
6/1/2013	2,100,000	15.000%	6,750,000.00	25.000%	10,125,000.00	720,000.00	860,000.00	390,000.00	740,000.00	610,000.00	18,740,000.00	18,740,000.00	18,740,000.00	18,740,000.00
12/1/2013	2,200,000	15.000%	7,050,000.00	25.000%	10,725,000.00	740,000.00	890,000.00	405,000.00	760,000.00	630,000.00	19,370,000.00	19,370,000.00	19,370,000.00	19,370,000.00
6/1/2014	2,300,000	15.000%	7,350,000.00	25.000%	11,325,000.00	760,000.00	920,000.00	420,000.00	780,000.00	650,000.00	19,990,000.00	19,990,000.00	19,990,000.00	19,990,000.00
12/1/2014	2,410,000	15.000%	7,650,000.00	25.000%	11,925,000.00	780,000.00	950,000.00	435,000.00	800,000.00	670,000.00	20,640,000.00	20,640,000.00	20,640,000.00	20,640,000.00
6/1/2015	2,520,000	15.000%	7,950,000.00	25.000%	12,525,000.00	800,000.00	980,000.00	450,000.00	820,000.00	690,000.00	21,290,000.00	21,290,000.00	21,290,000.00	21,290,000.00
12/1/2015	2,640,000	15.000%	8,250,000.00	25.000%	13,125,000.00	820,000.00	1,010,000.00	465,000.00	840,000.00	710,000.00	21,940,000.00	21,940,000.00	21,940,000.00	21,940,000.00
6/1/2016	2,760,000	15.000%	8,550,000.00	25.000%	13,725,000.00	840,000.00	1,040,000.00	480,000.00	860,000.00	730,000.00	22,590,000.00	22,590,000.00	22,590,000.00	22,590,000.00
12/1/2016	2,880,000	15.000%	8,850,000.00	25.000%	14,325,000.00	860,000.00	1,070,000.00	495,000.00	880,000.00	750,000.00	23,240,000.00	23,240,000.00	23,240,000.00	23,240,000.00
6/1/2017	2,960,000	15.000%	9,075,000.00	25.000%	14,775,000.00	880,000.00	1,100,000.00	510,000.00	900,000.00	770,000.00	23,890,000.00	23,890,000.00	23,890,000.00	23,890,000.00
12/1/2017	3,040,000	15.000%	9,300,000.00	25.000%	15,175,000.00	900,000.00	1,130,000.00	525,000.00	920,000.00	790,000.00	24,540,000.00	24,540,000.00	24,540,000.00	24,540,000.00
6/1/2018	3,120,000	15.000%	9,525,000.00	25.000%	15,575,000.00	920,000.00	1,160,000.00	540,000.00	940,000.00	810,000.00	25,190,000.00	25,190,000.00	25,190,000.00	25,190,000.00
12/1/2018	3,200,000	15.000%	9,750,000.00	25.000%	15,975,000.00	940,000.00	1,190,000.00	555,000.00	960,000.00	830,000.00	25,840,000.00	25,840,000.00	25,840,000.00	25,840,000.00
6/1/2019	3,280,000	15.000%	9,975,000.00	25.000%	16,375,000.00	960,000.00	1,220,000.00	570,000.00	980,000.00	850,000.00	26,490,000.00	26,490,000.00	26,490,000.00	26,490,000.00
12/1/2019	3,360,000	15.000%	10,200,000.00	25.000%	16,775,000.00	980,000.00	1,250,000.00	585,000.00	1,000,000.00	870,000.00	27,140,000.00	27,140,000.00	27,140,000.00	27,140,000.00
6/1/2020	3,440,000	15.000%	10,425,000.00	25.000%	17,175,000.00	1,000,000.00	1,280,000.00	600,000.00	1,020,000.00	890,000.00	27,790,000.00	27,790,000.00	27,790,000.00	27,790,000.00
12/1/2020	3,520,000	15.000%	10,650,000.00	25.000%	17,575,000.00	1,020,000.00	1,310,000.00	615,000.00	1,040,000.00	910,000.00	28,440,000.00	28,440,000.00	28,440,000.00	28,440,000.00
6/1/2021	3,600,000	15.000%	10,875,000.00	25.000%	17,975,000.00	1,040,000.00	1,340,000.00	630,000.00	1,060,000.00	930,000.00	29,090,000.00	29,090,000.00	29,090,000.00	29,090,000.00
12/1/2021	3,680,000	15.000%	11,100,000.00	25.000%	18,375,000.00	1,060,000.00	1,370,000.00	645,000.00	1,080,000.00	950,000.00	29,740,000.00	29,740,000.00	29,740,000.00	29,740,000.00
6/1/2022	3,760,000	15.000%	11,325,000.00	25.000%	18,775,000.00	1,080,000.00	1,400,000.00	660,000.00	1,100,000.00	970,000.00	30,390,000.00	30,390,000.00	30,390,000.00	30,390,000.00
12/1/2022	3,840,000	15.000%	11,550,000.00	25.000%	19,175,000.00	1,100,000.00	1,430,000.00	675,000.00	1,120,000.00	990,000.00	31,040,000.00	31,040,000.00	31,040,000.00	31,040,000.00
6/1/2023	3,920,000	15.000%	11,775,000.00	25.000%	19,575,000.00	1,120,000.00	1,460,000.00	690,000.00	1,140,000.00	1,010,000.00	31,690,000.00	31,690,000.00	31,690,000.00	31,690,000.00
12/1/2023	4,000,000	15.000%	12,000,000.00	25.000%	19,975,000.00	1,140,000.00	1,490,000.00	705,000.00	1,160,000.00	1,030,000.00	32,340,000.00	32,340,000.00	32,340,000.00	32,340,000.00
6/1/2024	4,080,000	15.000%	12,225,000.00	25.000%	20,375,000.00	1,160,000.00	1,520,000.00	720,000.00	1,180,000.00	1,050,000.00	32,990,000.00	32,990,000.00	32,990,000.00	32,990,000.00
12/1/2024	4,160,000	15.000%	12,450,000.00	25.000%	20,775,000.00	1,180,000.00	1,550,000.00	735,000.00	1,200,000.00	1,070,000.00	33,640,000.00	33,640,000.00	33,640,000.00	33,640,000.00
6/1/2025	4,240,000	15.000%	12,675,000.00	25.000%	21,175,000.00	1,200,000.00	1,580,000.00	750,000.00	1,220,000.00	1,090,000.00	34,290,000.00	34,290,000.00	34,290,000.00	34,290,000.00
12/1/2025	4,320,000	15.000%	12,900,000.00	25.000%	21,575,000.00	1,220,000.00	1,610,000.00	765,000.00	1,240,000.00	1,110,000.00	34,940,000.00	34,940,000.00	34,940,000.00	34,940,000.00
6/1/2026	4,400,000	15.000%	13,125,000.00	25.000%	21,975,000.00	1,240,000.00	1,640,000.00	780,000.00	1,260,000.00	1,130,000.00	35,590,000.00	35,590,000.00	35,590,000.00	35,590,000.00
12/1/2026	4,480,000	15.000%	13,350,000.00	25.000%	22,375,000.00	1,260,000.00	1,670,000.00	795,000.00	1,280,000.00	1,150,000.00	36,240,000.00	36,240,000.00	36,240,000.00	36,240,000.00
6/1/2027	4,560,000	15.000%	13,575,000.00	25.000%	22,775,000.00	1,280,000.00	1,700,000.00	810,000.00	1,300,000.00	1,170,000.00	36,890,000.00	36,890,000.00	36,890,000.00	36,890,000.00
12/1/2027	4,640,000	15.000%	13,800,000.00	25.000%	23,175,000.00	1,300,000.00	1,730,000.00	825,000.00	1,320,000.00	1,190,000.00	37,540,000.00	37,540,000.00	37,540,000.00	37,540,000.00
6/1/2028	4,720,000	15.000%	14,025,000.00	25.000%	23,575,000.00	1,320,000.00	1,760,000.00	840,000.00	1,340,000.00	1,210,000.00	38,190,000.00	38,190,000.00	38,190,000.00	38,190,000.00
12/1/2028	4,800,000	15.000%	14,250,000.00	25.000%	23,975,000.00	1,340,000.00	1,790,000.00	855,000.00	1,360,000.00	1,230,000.00	38,840,000.00	38,840,000.00	38,840,000.00	38,840,000.00
6/1/2029	4,880,000	15.000%	14,475,000.00	25.000%	24,375,000.00	1,360,000.00	1,820,000.00	870,000.00	1,380,000.00	1,250,000.00	39,490,000.00	39,490,000.00	39,490,000.00	39,490,000.00
12/1/2029	4,960,000	15.000%	14,700,000.00	25.000%	24,775,000.00	1,380,000.00	1,850,000.00	885,000.00	1,400,000.00	1,270,000.00	40,140,000.00	40,140,000.00	40,140,000.00	40,140,000.00
6/1/2030	5,040,000	15.000%	14,925,000.00	25.000%	25,175,000.00	1,400,000.00	1,880,000.00	900,000.00	1,420,000.00	1,290,000.00	40,790,000.00	40,790,000.00	40,790,000.00	40,790,000.00
12/1/2030	5,120,000	15.000%	15,150,000.00	25.000%	25,575,000.00	1,420,000.00	1,910,000.00	915,000.00	1,440,000.00	1,310,000.00	41,440,000.00	41,440,000.00	41,440,000.00	41,440,000.00
6/1/2031	5,200,000	15.000%	15,375,000.00	25.000%	25,975,000.00	1,440,000.00	1,940,000.00	930,000.00	1,460,000.00	1,330,000.00	42,090,000.00	42,090,000.00	42,090,000.00	42,090,000.00
12/1/2031	5,280,000	15.000%	15,600,000.00	25.000%	26,375,000.00	1,460,000.00	1,970,000.00	945,000.00	1,480,000.00	1,350,000.00	42,740,000.00	42,740,000.00	42,740,000.00	42,740,000.00
6/1/2032	5,360,000	15.000%	15,825,000.00	25.000%	26,775,000.00	1,480,000.00	2,000,000.00	960,000.00	1,500,000.00	1,370,000.00	43,390,000.00	43,390,000.00	43,390,000.00	43,390,000.00
12/1/2032	5,440,000	15.000%	16,050,000.00	25.000%	27,175,000.00	1,500,000.00	2,030,000.00	975,000.00	1,520,000.00	1,390,000.00	44,040,000.00	44,040,000.00	44,040,000.00	44,040,000.00
6/1/2033	5,520,000	15.000%	16,275,000.00	25.000%	27,575,000.00	1,520,000.00	2,060,000.00	990,000.00	1,540,000.00	1,410,000.00	44,690,000.00	44,690,000.00	44,690,000.00	44,690,000.00
12/1/2033	5,600,000	15.000%	16,500,000.00	25.000%	27,975,000.00	1,540,000.00	2,090,000.00	1,005,000.00	1,560,000.00</					



**Appendix E**

**Form of IMAGE Fair and Reasonableness Opinion**



**Investment Management  
Advisory Group, Inc.**

August 18, 2010

Mr. Charles R. Noll  
The Board of Commissioners  
Administrative Center  
28 East Market Street  
York, PA 17401-1588

Re: Independent Swap Advisor (as defined in Act 23) Fair and Reasonableness Opinion  
Regarding 2010 LIBOR Conversion relating to: County of York, Pennsylvania  
General Obligation Bonds, Series of 2010 Notes and Series 2013 Bonds (the "Swapped  
Obligations")

Dear County:

In connection with the 2010 LIBOR Conversion transaction between the County of York, Pennsylvania (the "County") and Royal Bank of Canada ("RBC"), confirmed and dated as of August \_\_, 2010 (the "2010 LIBOR Conversion"), 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, as amended (the "Debt Act"), to the County. The 2010 LIBOR Conversion consists of amending three existing Fixed Pay Swaps by converting the swap floating rate index payable to the County from SIFMA to a percentage of 1-Month LIBOR. All other terms of transaction will remain the same including the notional amount schedules with a total outstanding notional amount of \$80,840,000. IMAGE has performed a market-based valuation on the 2010 LIBOR Conversion. A telephone conference call was concluded at approximately \_\_: \_\_ ET on August \_\_, 2010, which included representatives of the County, RBC, and IMAGE, and the final financial terms of the 2010 LIBOR Conversion were accepted by an authorized County official. On this call, RBC disclosed to the County the following final terms of the transaction: (i) the percentage of 1-Month LIBOR (described below); (ii) the amount of the one-time payment to the County and intended to pay transaction fees; and (iii) the breakdown of RBC's spread (described below).

Our evaluation is based on the following information:

- (1) RBC has furnished IMAGE with the existing ISDA Master Agreement and Schedule between RBC and the County with a substantially final amended ISDA Confirmations (the "Confirmations"), outlining the terms and conditions of the 2010 LIBOR Conversion. IMAGE confirmed with RBC each of the principal terms to assure that the assumptions it utilized in modeling the transaction conformed to the actual terms

employed by the 2010 LIBOR Conversion. The 2010 LIBOR Conversion was executed under the existing ISDA Master Agreement and Schedule between the County and RBC dated February 22, 2006.

- (2) Using the terms contained within the Confirmations, IMAGE has evaluated swap market rates for transactions comparable to the size and structure of the 2010 LIBOR Conversion, assuming that (i) the payment fixed legs of the 2010 LIBOR Conversion payable to RBC is equal to the existing fixed rate (the "County Pay Fixed Amounts"), and (ii) the receipts on the floating leg of the 2010 LIBOR Conversion payable to the County (the "RBC Pay Floating Amounts") are equal to \_\_\_\_% of the USD-LIBOR-BBA having a one month maturity, as set forth in the executed Confirmation. The cashflows on both legs of the 2010 LIBOR Conversion are computed based upon the amortizing notional amounts as detailed in the executed Confirmations.
- (3) As a result of executing the 2010 LIBOR Conversion, the percentage of 1-Month LIBOR was adjusted from mid-market pricing to reflect the following: hedging spreads in the SIFMA/LIBOR ratio markets, credit, operational charges, and an amount to compensate RBC for services to the County deemed to be fair and reasonable by IMAGE. Pursuant to arms length negotiations between the County and RBC with input from IMAGE, and in recognition of significant time, effort and services provided by RBC, as acknowledged by the County, the spread adjustment on the percentage of 1-Month LIBOR was approximately \_\_\_\_ basis points (0.\_\_\_\_%) below the mid-market percentage of \_\_\_\_\_% which was earned by RBC as swap counterparty. The present value of 1 basis point (0.01%) of yield was equal to approximately \$\_\_\_\_\_ on the trade date, August \_\_, 2010. RBC disclosed its spread below the mid-market rate (the "RBC Spread") and its components prior to and during the conference call and before the authorized County official verbally awarded the 2010 LIBOR Conversion to RBC. The breakdown of the RBC spread was as follows: \_\_ basis points (0.\_\_\_\_%) or \$\_\_\_\_\_ for credit charge and profit; and hedging expenses of \_\_\_\_ basis points (0.0\_\_%) or \$\_\_\_\_\_. In light of current, extraordinary market conditions, we believe RBC's Spread was reasonable and IMAGE has confirmed that RBC's claimed mid-market value was on market at the time of execution. To our knowledge, no payments were made by RBC to any other party than the County as a result of the 2010 LIBOR Conversion.
- (4) To establish the basis for mid-market pricing, we contacted national broker/dealers who have an established industry reputation as competitive providers of the type of swap contemplated herein. We also used specific market data derived from interest rate curves and ratios found on Bloomberg and structured the 2010 LIBOR Conversion using financial modeling software. Based on the foregoing, we calculated the mid-market value at approximately the same level as RBC. The County official participating in the conference call verbally accepted the terms recited by RBC and reviewed by IMAGE under the 2010 LIBOR Conversion.

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 2010 LIBOR Conversion for a counterparty to be willing to take on the interests and obligations as specified in

the 2010 LIBOR Conversion Confirmations in an arms-length market transaction committed to at the time of the trade reflect a fair market value of such transactions and were reasonable, given the methodology described above, and (b) as interpreted by the Debt Act, the 2010 LIBOR Conversion contains financial terms and conditions which are reasonable to the County as of the date of the award.

The County determined to enter into the 2010 LIBOR Conversion on a negotiated (rather than competitive) basis with RBC without our involvement except to confirm RBC as a qualified provider under the Debt Act. IMAGE did not inquire whether any other counterparty may have executed a similar swap for a different percentage of LIBOR or spread to mid-market. We acted solely as the Independent Financial Advisor as defined in the Debt Act to the County in relation to the 2010 LIBOR Conversion and not as a financial advisor generally to the County. RBC, in its capacity as investment banker to the County presented the County with alternatives. The County selected the 2010 LIBOR Conversion structure based on its own evaluation of this information and the information contained in the interest rate management plan prepared by IMAGE (the "IRMP"). We have performed no due diligence on the County's or RBC's financial condition. IMAGE is not an agent or affiliate of RBC. We were not rendering an opinion on suitability or the ultimate financial outcome of this transaction, which will rely on market, financial and legal circumstances that are impossible to predict. We make no representation as to the 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. IMAGE obtains information, which serves as the basis for all valuation calculations, from sources it believes to be reliable and consistent with prevailing market conditions at the time and date of such calculation. All valuations represent IMAGE's estimates of a market based assessment of any derivative transaction. As an arranger of interest rate swaps IMAGE continually conducts transactions among participants in these markets, including both dealers and end-users.

INVESTMENT MANAGEMENT ADVISORY GROUP, INC.

By: \_\_\_\_\_  
Robert W. Jones  
Managing Director

**EXHIBIT B**

**AMENDED CONFIRMATIONS TO QUALIFIED INTEREST  
RATE MANAGEMENT AGREEMENTS**

**(amending previous County ISDA Master Agreement and Schedule)**

**DRAFT: August 4, 2010 (Preliminary, subject to change, and final legal and credit approval.)**

AMENDMENT (supersedes our document dated 01 Dec 2008):

Fax # 1 717 771 9804

[TBD 2010]

**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 2030 FOR USD 19,090,000.00**

**(Our Ref. No. 1629965 / 1688334)**

Dear Sir or Madam:

The purpose of this letter is to set forth the terms and conditions of the Transactions entered into between us on the Trade Date specified below (the Transaction). This letter constitutes a Confirmation as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 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 19,090,000.00**

Trade Date: **01 Dec 2008**

Effective Date: **01 Dec 2008**

Termination Date: **01 Jun 2030**

**Subject to adjustment in accordance with the Modified Following  
Business Day Convention.**

**Fixed Amounts:**

Fixed Notional Amount:	USD 19,090,000.00 (see Cash flow attached)
Fixed Rate Payer:	COUNTY OF YORK (THE), PENNSYLVANIA
Fixed Rate Payer Payment Dates:	SEMI-ANNUALLY commencing on 01 Jun 2009 subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate:	4.33500 percent
Fixed Rate Day Count Fraction:	30/360
Business Day:	London, New York
Fee:	Not applicable.
<b>Floating Amounts I:</b>	
(From and including the Effective Date to but excluding [TBD 2010])	
Floating Notional Amount:	USD 19,090,000.00 (see Cash flow attached)
Floating Rate Payer:	ROYAL BANK OF CANADA
Spread	0.00000 percent
Floating Rate Payer Payment Dates:	SEMI-ANNUALLY commencing on 01 Jun 2009 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-SIFMA Municipal Swap Index
Designated Maturity:	1WEEK
Determination Date:	Each Wednesday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period, except that the initial rate shall be that rate determined for the Wednesday immediately preceding the Effective Date, provided, however, if the Floating Rate Option for any Reset Date is the Kenny Index, then the Determination Date for such Reset Date shall be Tuesday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period, except that the initial rate shall be that rate determined for the Wednesday immediately preceding the Effective Date.
Floating Rate Day Count Fraction:	Actual/Actual
Reset Dates:	Each Thursday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period.

Method of Averaging:	<b>Weighted Average</b>
Business Day:	<b>London, New York</b>
Compounding:	<b>Not applicable.</b>
Fee:	<b>Not applicable.</b>
<b>Floating Amounts II:</b> (From and including [TBD 2010] to but excluding the Termination Date)	
Floating Notional Amount:	<b>USD 19,090,000.00 (see Schedule A attached)</b>
Floating Rate Payer:	<b>ROYAL BANK OF CANADA ("PARTY A")</b>
Spread	<b>0.00000 percent</b>
Floating Rate Payer Payment Dates:	<b>SEMI-ANNUALLY commencing on [TBD] subject to adjustment in accordance with the Modified Following Business Day Convention and there will be no adjustment to the Calculation Period.</b>
Floating Rate for initial Calculation Period:	<b>To be determined</b>
Floating Rate Option:	<b>USD-LIBOR-BBA * [TBD]%</b>
Designated Maturity:	<b>[TBD]MONTH</b>
Floating Rate Day Count Fraction:	<b>Actual/360</b>
Reset Dates:	<b>The first day of each Calculation Period</b>
Business Day (for Payments):	<b>New York</b>
Business Day (for Rate Resets):	<b>London</b>
Compounding:	<b>Not applicable.</b>
Fee:	<b>Not applicable.</b>

### 3. 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** **[PLEASE PROVIDE WIRE INSTRUCTIONS]**

### 4. Offices:

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

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

### 5. Other.

#### (a) RELATED BONDS

For purposes of this Transaction "Related Bonds" shall mean, initially, Party B's **General Obligation Note (Floating Rate Mode), Series of 2010 (No. 2010-1)**, and any debt obligations issued by Party B to subsequently refund such Related Bonds, in which case the refunded obligations which are no longer "outstanding" as defined in the Debt Act, will no longer constitute the Related Bonds.

#### (b) MAXIMUM INTEREST RATE

The maximum interest rate (the "Maximum Interest Rate") payable by Party B for periodic scheduled payments pursuant to this Transaction, not including termination payments, will not exceed **4.335%** per annum.

The maximum net payments by fiscal year of Party B shall not exceed:

- (i) the periodic scheduled payments, not including termination payments, at the Maximum Interest Rate specified for this Transaction; and
- (ii) the maximum interest rate of **25.00%** payable on the Related Bonds to which this Transaction relates.

(c) DEFINITIONS

For purposes of this Transaction, 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 November 5, 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 created 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.

Royal Bank of Canada confirms, and **COUNTY OF YORK (THE), PENNSYLVANIA** acknowledges, that this Confirmation has been executed by Royal Bank of Canada 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 such Confirmation shall be deemed to have been signed by Royal Bank of Canada 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 defense or waiver of liability based upon the execution of this Confirmation by Royal Bank of Canada 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

**Sonia Navage**

**COUNTY OF YORK (THE), PENNSYLVANIA pays USD Fixed to ROYAL BANK OF CANADA**  
 (Our Ref. No. 1629965 / 1688334)

**[CASH FLOWS TO BE SYSTEM GENERATED.]**

<u>From</u> <u>and Including</u>	<u>To</u> <u>but excluding</u>	<u>Notional Balance</u>	<u>Amortization</u>
TBD	12/01/2010	17,950,000	-
12/01/2010	06/01/2011	17,950,000	605,000
06/01/2011	12/01/2011	17,345,000	-
12/01/2011	06/01/2012	17,345,000	630,000
06/01/2012	12/01/2012	16,715,000	-
12/01/2012	06/01/2013	16,715,000	655,000
06/01/2013	12/01/2013	16,060,000	-
12/01/2013	06/01/2014	16,060,000	680,000
06/01/2014	12/01/2014	15,380,000	-
12/01/2014	06/01/2015	15,380,000	705,000
06/01/2015	12/01/2015	14,675,000	-
12/01/2015	06/01/2016	14,675,000	735,000
06/01/2016	12/01/2016	13,940,000	-
12/01/2016	06/01/2017	13,940,000	765,000
06/01/2017	12/01/2017	13,175,000	-
12/01/2017	06/01/2018	13,175,000	795,000
06/01/2018	12/01/2018	12,380,000	-
12/01/2018	06/01/2019	12,380,000	825,000
06/01/2019	12/01/2019	11,555,000	-
12/01/2019	06/01/2020	11,555,000	860,000
06/01/2020	12/01/2020	10,695,000	-
12/01/2020	06/01/2021	10,695,000	890,000
06/01/2021	12/01/2021	9,805,000	-
12/01/2021	06/01/2022	9,805,000	930,000
06/01/2022	12/01/2022	8,875,000	-
12/01/2022	06/01/2023	8,875,000	965,000
06/01/2023	12/01/2023	7,910,000	-
12/01/2023	06/01/2024	7,910,000	1,005,000
06/01/2024	12/01/2024	6,905,000	-
12/01/2024	06/01/2025	6,905,000	1,040,000
06/01/2025	12/01/2025	5,865,000	-
12/01/2025	06/01/2026	5,865,000	1,085,000
06/01/2026	12/01/2026	4,780,000	-
12/01/2026	06/01/2027	4,780,000	1,125,000
06/01/2027	12/01/2027	3,655,000	-
12/01/2027	06/01/2028	3,655,000	1,170,000
06/01/2028	12/01/2028	2,485,000	-
12/01/2028	06/01/2029	2,485,000	1,220,000
06/01/2029	12/01/2029	1,265,000	-
12/01/2029	06/01/2030	1,265,000	1,265,000

**ROYAL BANK OF CANADA pays USD Float to COUNTY OF YORK (THE), PENNSYLVANIA**  
(Our Ref. No. 1629965 / 1688334)

**DRAFT: August 4, 2010 (Preliminary, subject to change, and final legal and credit approval.)**

AMENDMENT (supersedes our document dated 01 Dec 2008):

Fax # 1 717 771 9804

[TBD 2010]

**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 02 Jun 2031 FOR USD 30,645,000.00**

**(Our Ref. No. 1629908 / 1688275)**

Dear Sir or Madam:

The purpose of this letter is to set forth the terms and conditions of the Transactions entered into between us on the Trade Date specified below (the Transaction). This letter constitutes a Confirmation as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 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 30,645,000.00**

Trade Date: **01 Dec 2008**

Effective Date: **02 Dec 2008**

Termination Date: **02 Jun 2031**

**Subject to adjustment in accordance with the Modified Following  
Business Day Convention.**

**Floating Amounts I:**

(From and including the Effective Date to but excluding [TBD 2010])

Floating Notional Amount:	USD 30,645,000.00 (see Cash flow attached)
Floating Rate Payer:	ROYAL BANK OF CANADA
Spread	0.00000 percent
Floating Rate Payer Payment Dates:	SEMI-ANNUALLY commencing on 02 Jun 2009 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-SIFMA Municipal Swap Index
Designated Maturity:	1WEEK
Determination Date:	Each Wednesday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period, except that the initial rate shall be that rate determined for the Wednesday immediately preceding the Effective Date, provided, however, if the Floating Rate Option for any Reset Date is the Kenny Index, then the Determination Date for such Reset Date shall be Tuesday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period, except that the initial rate shall be that rate determined for the Wednesday immediately preceding the Effective Date.
Floating Rate Day Count Fraction:	Actual/Actual
Reset Dates:	Each Thursday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period.
Method of Averaging:	Weighted Average
Business Day:	London, New York
Compounding:	Not applicable.
Fee:	Not applicable.

**Floating Amounts II:**

(From and including [TBD 2010] to but excluding the Termination Date)

Floating Notional Amount: USD 30,645,000.00 (see Schedule A attached)

Floating Rate Payer: ROYAL BANK OF CANADA ("PARTY A")

Spread 0.00000 percent

Floating Rate Payer Payment Dates: SEMI-ANNUALLY commencing on [TBD] 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 \* [TBD]%

Designated Maturity: [TBD]MONTH

Floating Rate Day Count Fraction: Actual/360

Reset Dates: The first day of each Calculation Period

Business Day (for Payments): New York

Business Day (for Rate Resets): London

Compounding: Not applicable.

Fee: Not applicable.

**Fixed Amounts:**

Fixed Notional Amount: USD 30,645,000.00 (see Cash flow attached)

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

Fixed Rate Payer Payment Dates: SEMI-ANNUALLY commencing on 02 Jun 2009 subject to adjustment in accordance with the Modified Following Business Day Convention and there will be no adjustment to the Calculation Period.

Fixed Rate: 4.06000 percent

Fixed Rate Day Count Fraction: 30/360

Business Day: London, New York

Fee: Not applicable.

### 3. 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** **[PLEASE PROVIDE WIRE INSTRUCTIONS]**

### 4. Offices:

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

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

### 5. Other.

#### (a) RELATED BONDS

For purposes of this Transaction "Related Bonds" shall mean, initially, Party B's **General Obligation Note (Floating Rate Mode), Series of 2010 (No. 2010-2)**, and any debt obligations issued by Party B to subsequently refund such Related Bonds, in which case the refunded obligations which are no longer "outstanding" as defined in the Debt Act, will no longer constitute the Related Bonds.

#### (b) MAXIMUM INTEREST RATE

The maximum interest rate (the "Maximum Interest Rate") payable by Party B for periodic scheduled payments pursuant to this Transaction, not including termination payments, will not exceed **4.06%** per annum.

The maximum net payments by fiscal year of Party B shall not exceed:

- (i.) the periodic scheduled payments, not including termination payments, at the Maximum Interest Rate specified for this Transaction; and
- (ii.) the maximum interest rate of **25.00%** payable on the Related Bonds to which this Transaction relates.

(a) DEFINITIONS

For purposes of this Transaction, 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 November 5, 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 created 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.

Royal Bank of Canada confirms, and **COUNTY OF YORK (THE), PENNSYLVANIA** acknowledges, that this Confirmation has been executed by Royal Bank of Canada 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 such Confirmation shall be deemed to have been signed by Royal Bank of Canada 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 defense or waiver of liability based upon the execution of this Confirmation by Royal Bank of Canada 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

**Sonia Navage**

**ROYAL BANK OF CANADA pays USD Float to COUNTY OF YORK (THE), PENNSYLVANIA**  
 (Our Ref. No. 1629908 / 1688275)

**[CASH FLOWS TO BE SYSTEM GENERATED.]**

<u>From</u> <u>and including</u>	<u>To</u> <u>but excluding</u>	<u>Notional Balance</u>	<u>Amortization</u>
TBD	12/01/2010	29,745,000	-
12/01/2010	06/01/2011	29,745,000	720,000
06/01/2011	12/01/2011	29,025,000	-
12/01/2011	06/01/2012	29,025,000	760,000
06/01/2012	12/01/2012	28,265,000	-
12/01/2012	06/01/2013	28,265,000	805,000
06/01/2013	12/01/2013	27,460,000	-
12/01/2013	06/01/2014	27,460,000	855,000
06/01/2014	12/01/2014	26,605,000	-
12/01/2014	06/01/2015	26,605,000	910,000
06/01/2015	12/01/2015	25,695,000	-
12/01/2015	06/01/2016	25,695,000	960,000
06/01/2016	12/01/2016	24,735,000	-
12/01/2016	06/01/2017	24,735,000	1,015,000
06/01/2017	12/01/2017	23,720,000	-
12/01/2017	06/01/2018	23,720,000	1,075,000
06/01/2018	12/01/2018	22,645,000	-
12/01/2018	06/01/2019	22,645,000	1,140,000
06/01/2019	12/01/2019	21,505,000	-
12/01/2019	06/01/2020	21,505,000	1,205,000
06/01/2020	12/01/2020	20,300,000	-
12/01/2020	06/01/2021	20,300,000	1,280,000
06/01/2021	12/01/2021	19,020,000	-
12/01/2021	06/01/2022	19,020,000	1,350,000
06/01/2022	12/01/2022	17,670,000	-
12/01/2022	06/01/2023	17,670,000	1,435,000
06/01/2023	12/01/2023	16,235,000	-
12/01/2023	06/01/2024	16,235,000	1,515,000
06/01/2024	12/01/2024	14,720,000	-
12/01/2024	06/01/2025	14,720,000	1,610,000
06/01/2025	12/01/2025	13,110,000	-
12/01/2025	06/01/2026	13,110,000	1,700,000
06/01/2026	12/01/2026	11,410,000	-
12/01/2026	06/01/2027	11,410,000	1,800,000
06/01/2027	12/01/2027	9,610,000	-
12/01/2027	06/01/2028	9,610,000	1,905,000
06/01/2028	12/01/2028	7,705,000	-
12/01/2028	06/01/2029	7,705,000	2,010,000
06/01/2029	12/01/2029	5,695,000	-
12/01/2029	06/01/2030	5,695,000	2,130,000
06/01/2030	12/01/2030	3,565,000	-
12/01/2030	06/01/2031	3,565,000	3,565,000

**COUNTY OF YORK (THE), PENNSYLVANIA pays USD Fixed to ROYAL BANK OF CANADA**  
(Our Ref. No. 1629908 / 1688275)

**DRAFT: August 4, 2010 (Preliminary, subject to change, and final legal and credit approval.)**

AMENDMENT (supersedes our document dated 01 Dec 2008):

Fax # 1 717 771 9804

[TBD 2010]

**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 32,605,000.00**

(Our Ref. No. 1629892 / 1688255)

Dear Sir or Madam:

The purpose of this letter is to set forth the terms and conditions of the Transactions entered into between us on the Trade Date specified below (the Transaction). This letter constitutes a Confirmation as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 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 32,605,000.00**

Trade Date: **01 Dec 2008**

Effective Date: **01 Dec 2008**

Termination Date: **01 Jun 2033**

**Subject to adjustment in accordance with the Modified Following**

**Business Day Convention.**

**Fixed Amounts:**

Fixed Notional Amount: USD 32,605,000.00 (see Cash flow attached)  
Fixed Rate Payer: COUNTY OF YORK (THE), PENNSYLVANIA  
Fixed Rate Payer Payment Dates: SEMI-ANNUALLY commencing on 01 Jun 2009 subject to adjustment in accordance with the Modified Following Business Day Convention.  
Fixed Rate: 4.43000 percent  
Fixed Rate Day Count Fraction: 30/360  
Business Day: London, New York  
Fee: Not applicable.

**Floating Amounts I:**

(From and including the Effective Date to but excluding [TBD 2010])

Floating Notional Amount: USD 32,605,000.00 (see Cash flow attached)  
Floating Rate Payer: ROYAL BANK OF CANADA  
Spread: 0.00000 percent  
Floating Rate Payer Payment Dates: SEMI-ANNUALLY commencing on 01 Jun 2009 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-SIFMA Municipal Swap Index  
Designated Maturity: 1WEEK  
Determination Date: Each Wednesday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period, except that the initial rate shall be that rate determined for the Wednesday immediately preceding the Effective Date, provided, however, if the Floating Rate Option for any Reset Date is the Kenny Index, then the Determination Date for such Reset Date shall be Tuesday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period, except that the initial rate shall be that rate determined for the Wednesday immediately preceding the Effective Date.  
Floating Rate Day Count Fraction: Actual/Actual

Reset Dates:	<b>Each Thursday, or if such day is not a New York Business Day, then the next succeeding New York Business Day during the Calculation Period.</b>
Method of Averaging:	<b>Weighted Average</b>
Business Day:	<b>London, New York</b>
Compounding:	<b>Not applicable.</b>
Fee:	<b>Not applicable.</b>
<b>Floating Amounts II:</b> (From and including [TBD 2010] to but excluding the Termination Date)	
Floating Notional Amount:	<b>USD 32,605,000.00 (see Schedule A attached)</b>
Floating Rate Payer:	<b>ROYAL BANK OF CANADA ("PARTY A")</b>
Spread	<b>0.00000 percent</b>
Floating Rate Payer Payment Dates:	<b>SEMI-ANNUALLY commencing on [TBD] subject to adjustment in accordance with the Modified Following Business Day Convention and there will be no adjustment to the Calculation Period.</b>
Floating Rate for initial Calculation Period:	<b>To be determined</b>
Floating Rate Option:	<b>USD-LIBOR-BBA * [TBD]%</b>
Designated Maturity:	<b>[TBD]MONTH</b>
Floating Rate Day Count Fraction:	<b>Actual/360</b>
Reset Dates:	<b>The first day of each Calculation Period</b>
Business Day (for Payments):	<b>New York</b>
Business Day (for Rate Resets):	<b>London</b>
Compounding:	<b>Not applicable.</b>
Fee:	<b>Not applicable.</b>

### 3. 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** **[PLEASE PROVIDE WIRE INSTRUCTIONS]**

### 4. Offices:

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

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

### 5. Other.

#### (a) RELATED BONDS

For purposes of this Transaction "Related Bonds" shall mean, initially, Party B's **General Obligation Note (Floating Rate Mode), Series of 2010 (No. 2010-3)**, and any debt obligations issued by Party B to subsequently refund such Related Bonds, in which case the refunded obligations which are no longer "outstanding" as defined in the Debt Act, will no longer constitute the Related Bonds.

#### (b) MAXIMUM INTEREST RATE

The maximum interest rate (the "Maximum Interest Rate") payable by Party B for periodic scheduled payments pursuant to this Transaction, not including termination payments, will not exceed **4.43%** per annum.

The maximum net payments by fiscal year of Party B shall not exceed:

- (i.) the periodic scheduled payments, not including termination payments, at the Maximum Interest Rate specified for this Transaction; and
- (ii.) the maximum interest rate of **25.00%** payable on the Related Bonds to which this Transaction relates.

#### (a) DEFINITIONS

For purposes of this Transaction, 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 November 5, 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 created 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.

Royal Bank of Canada confirms, and **COUNTY OF YORK (THE), PENNSYLVANIA** acknowledges, that this Confirmation has been executed by Royal Bank of Canada 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 such Confirmation shall be deemed to have been signed by Royal Bank of Canada 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 defense or waiver of liability based upon the execution of this Confirmation by Royal Bank of Canada 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

**Sonia Navage**

**COUNTY OF YORK (THE), PENNSYLVANIA pays USD Fixed to ROYAL BANK OF CANADA**  
 (Our Ref. No. 1629892 / 1688255)

**[CASH FLOWS TO BE SYSTEM GENERATED.]**

<u>From</u> <u>and including</u>	<u>To</u> <u>but excluding</u>	<u>Notional Balance</u>	<u>Amortization</u>
TBD	12/01/2010	32,270,000	-
12/01/2010	06/01/2011	32,270,000	345,000
06/01/2011	12/01/2011	31,925,000	-
12/01/2011	06/01/2012	31,925,000	360,000
06/01/2012	12/01/2012	31,565,000	-
12/01/2012	06/01/2013	31,565,000	365,000
06/01/2013	12/01/2013	31,200,000	-
12/01/2013	06/01/2014	31,200,000	380,000
06/01/2014	12/01/2014	30,820,000	-
12/01/2014	06/01/2015	30,820,000	390,000
06/01/2015	12/01/2015	30,430,000	-
12/01/2015	06/01/2016	30,430,000	405,000
06/01/2016	12/01/2016	30,025,000	-
12/01/2016	06/01/2017	30,025,000	420,000
06/01/2017	12/01/2017	29,605,000	-
12/01/2017	06/01/2018	29,605,000	430,000
06/01/2018	12/01/2018	29,175,000	-
12/01/2018	06/01/2019	29,175,000	445,000
06/01/2019	12/01/2019	28,730,000	-
12/01/2019	06/01/2020	28,730,000	460,000
06/01/2020	12/01/2020	28,270,000	-
12/01/2020	06/01/2021	28,270,000	470,000
06/01/2021	12/01/2021	27,800,000	-
12/01/2021	06/01/2022	27,800,000	485,000
06/01/2022	12/01/2022	27,315,000	-
12/01/2022	06/01/2023	27,315,000	505,000
06/01/2023	12/01/2023	26,810,000	-
12/01/2023	06/01/2024	26,810,000	1,775,000
06/01/2024	12/01/2024	25,035,000	-
12/01/2024	06/01/2025	25,035,000	1,805,000
06/01/2025	12/01/2025	23,230,000	-
12/01/2025	06/01/2026	23,230,000	1,835,000
06/01/2026	12/01/2026	21,395,000	-
12/01/2026	06/01/2027	21,395,000	1,870,000
06/01/2027	12/01/2027	19,525,000	-
12/01/2027	06/01/2028	19,525,000	1,900,000
06/01/2028	12/01/2028	17,625,000	-
12/01/2028	06/01/2029	17,625,000	1,930,000
06/01/2029	12/01/2029	15,695,000	-
12/01/2029	06/01/2030	15,695,000	1,960,000
06/01/2030	12/01/2030	13,735,000	-
12/01/2030	06/01/2031	13,735,000	2,000,000
06/01/2031	12/01/2031	11,735,000	-
12/01/2031	06/01/2032	11,735,000	5,770,000
06/01/2032	12/01/2032	5,965,000	-
12/01/2032	06/01/2033	5,965,000	5,965,000

**ROYAL BANK OF CANADA pays USD Float to COUNTY OF YORK (THE), PENNSYLVANIA**  
(Our Ref. No. 1629892 / 1688255)

**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 Ordinance No. 2010-06 that 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 August 18, 2010; said Ordinance has been duly 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 Debt 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:

Steve Chronister	- Yes
Christopher B. Reilly	- Yes
Doug Hoke	- Yes

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County,  
this 18<sup>th</sup> day of August, 2010.

  
\_\_\_\_\_  
Chief Clerk of the County of York,  
Pennsylvania

(SEAL)