Lewistown, PA *June 3, 2010*

The Board of Mifflin County Commissioners met for their Regular Meeting on Thursday, June 3, 2010 at 9:00 a.m. In attendance were Commissioners Mark A. Sunderland, Otis E. Riden, Jr. and Robert A. Reck; Co. Solicitor Patricia Gardner; Chief Clerk Cathy Romig; and, Confidential Clerk Shirley Haller.

Joe Cannon of The Sentinel/County Observer was the only representative present from the news media.

Guests present were Treas. Janice Peachey; Anthony & Shirley Geno; Larry Clark; Tim Mateer; Lynn Freeman; Jay Wenger & John Hewlett of Susquehanna Group Advisors.

The meeting was called to order at 9:00 a.m. by Chairman Sunderland.

I. A moment of silent prayer was observed as the Invocation.

II. The Pledge of Allegiance was said by all present.

III. ***Approval of Minutes****:*

Motion was made by Commissioner Riden to accept the minutes of the Regular Meeting of May 20, 2010 as received. Seconded by Commissioner Reck. Motion carried.

IV. ***County Treasurer's Report****: 5/19/10 – 6/01/10*

General Account Starting Balance		*$ 72,732.56*
Deposits (Receipt #49285 – 49461)		*933,828.76*
Transferred from 911 Telephone Acct.		*34.00*
Transferred from Capital Reserve Acct.1		*424,790.00*
Voided Ck. #77798		*2,605.00*
Interest		*207.73*
Total Debits		*1,361,465.49*
Bills Paid (Ck. #77888 – 78293)		*429,498.11*
Transferred to Payroll (Ck. #48608 – 48841)		*302,026.44*
Total Credits		*731,524.55*
Ending Balance (int. 0.5%)		*702,673.50*
Liquid Fuels Acct.	*JVB @ 0.5%*	*251,735.68*
911 Telephone Acct.	*JVB @ 0.5%*	*194,821.43*
Capital Reserve Acct.	*JVB @ .25%*	
	Gen. Acct.	*3,854,817.08*
	911 Funds	*1,102,858.14*
	TRAN Acct.	*1,601,304.12*
Total - Capital Reserve Acct.		*6,558,979.34*

Motion was made by Commissioner Riden to accept the Treasurer's report as received, subject to audit. Seconded by Commissioner Reck. Motion carried.

V. ***Approval of Bills****:*

1. General Fund, Accounts Payable: Ck. #77900 to 78293 in the amount of $429,498.11

2. Payroll Account: Ck. #48608 to 48841 in the amount of $302,026.44

3. MCCDBG Accounts:

Ck. #893 – MCCDBG 07 – County of Mifflin – Sal/Ben. Reimb.- Mark Colussy – $494.89
Ck. #894 – MCCDBG 09 – Manbeck Construction Co – Housing Rehab – $5,391.00
Ck. #895 – MCCDBG 09 – Ferguson Waterworks – FEI #920 – Inv. #0218186 – $654.42
Ck. #899 – MCCDBG 06, 07 & 08 – Newton Wayne Joint Municipal Auth. – Contract #6-01 #1, 6-02 #2 & #3 6-03 #1 - $615,915.00

4. 9-1-1 Telephone Account:

Ck. #2790 – James Carter – Reimb. Mileage/Meals - $95.03
Ck. #2791 – Brian Fleegal – Reimb. Mileage/Meals - $98.85
Ck. #2792 – Laura Simonetti – Reimb. Hotel - $76.30
*Ck. #2793 – Wal*Mart – Meeting Supplies - $64.94*
Ck. #2794 – Zelenkofske Axelrod – 911 Audit Consulting Fee - $2,500.00

5. LEPC Account:

Ck. #3291 – Phil Lucas – Meal Reimb. - $19.37
Ck. #3292 – Gene Long – Mileage Reimb. - $38.13
*Ck. #3293 – Wal*Mart – Meeting Supplies - $92.70*
Ck. #3294 – Phil Lucas – Meal Reimb. May 17, 18 & 19 - $138.38
Ck. #3295 – Lewistown Borough – Community Room Rental - $150.00
Ck. #3296 – Care Trak Inc – PLS Batteries - $132.00

Motion was made by Commissioner Reck to approve payment of the bills as listed above. Seconded by Commissioner Riden. Motion carried.

*VI. **Committee Reports**:*

Commissioner Riden:	*Annual Volunteer Recognition Banquet*
	Ribbon Cutting Ceremony, Lewistown Readiness Center
Commissioner Reck:	*Annual Volunteer Recognition Banquet*
	Ribbon Cutting Ceremony, Lewistown Readiness Center
	Mifflin County Solid Waste Authority
	Memorial Day Parade
	Prison Board Meeting
Commissioner Sunderland:	*Annual Volunteer Recognition Banquet*
	Ribbon Cutting Ceremony, Lewistown Readiness Center
	Memorial Day Parade
	Prison Board Meeting
	Prison Board Meeting
	SEDA-COG Board Meeting

*VII. **Public Comment**:*

Larry Clark asked when are the Commissioners going to appoint a permanent person to the position of Veterans' Affairs? Chairman Sunderland responded that they have a meeting today with the Union to meet and discuss. Depending how that goes it will probably be announced at the next County Commissioners' Meeting. Mr. Clark said the concern was to make sure that whoever you appoint was a veteran. Commissioner Reck said they were advised by a letter of support from the Veterans that this position doesn't have to be a veteran.

VIII. ***Old Business****:* *None*

IX. ***New Business****:*

A. Proclamation – June Dairy Month:

Chairman Sunderland said the presentation would be made on June 11th at the Historic Courthouse during the "Big Sundae" festivities from 11:00 a.m to 1:00 p.m. It will be read and presented at that time.

The proclamation is as follows:

PROCLAMATION
JUNE DAIRY MONTH

WHEREAS, June is the month when nature bestows upon us her most nearly perfect weather; and

WHERAS, milk is one of nature's most nearly perfect foods with vitamins, minerals and protein that a healthy body needs, it follows that June is the most fitting month to celebrate the importance of dairy products and dairy farmers to our good health and to our community; and

WHEREAS, Mifflin County's 285 dairy farms produce more than 215 million pounds (about 27 million gallons) of milk at a value to the local economy of 30 million dollars; and

WHEREAS, dairy farmers are hard at work to provide not only a safe, wholesome product for consumer's enjoyment, but also to provide a clean environment for future generations through the use of new technologies and a better understanding of the links between soil, plants, animals and the natural environment.

THEREFORE, we, the Commissioners of Mifflin County, do hereby proclaim **June, 2010** to be **DAIRY MONTH**. We encourage you to become better acquainted with all of the healthy products, and economic and environmental contributions this industry provides to our County, our State and our Nation.

Motion was made by Commissioner Riden to adopt the Proclamation making June Dairy Month. Seconded by Commissioner Reck. Motion carried.

B. Request for exoneration of the County portion of 2010 per capita taxes:

- *Union Twp. Tax Collector Herbert Eichhorn – 35*
- *Decatur Twp. Tax Collector Cindy McKnight – 66*
- *Juniata Terrace Borough Tax Collector Carol Brandt – 5*
- *Lewistown Borough Tax Collector Nancy Held – 50*

Motion was made by Commissioner Riden to approve the requests for exoneration of the County portion of 2010 per capita taxes as listed above. Seconded by Commissioner Reck.

Question: Anthony Geno asked what is the most common reason for exonerations. He was told that most of them are for students, low income, deaths and moving from the area.

Motion carried.

C. Application for County Aid – 2010 Liquid Fuels Allocation:

- *Wayne Township - $5,040.61*

Motion was made by Commissioner Reck to approve the application for County Aid from the 2010 Liquid Fuels Allocation as listed above. Seconded by Commissioner Riden. Motion carried.

D. Request for exoneration of 2010 real estate tax bill and relieve the tax collector from collecting this bill:

- *Bill No. 11-00014 for Parcel No. 11,01-0006--,001 located in Newton Hamilton Borough – Mobile home was removed*

Motion was made by Commissioner Reck to approve the request for exoneration of 2010 real estate tax bill and relieve the tax collector from collecting this bill as listed above. Seconded by Commissioner Riden. Motion carried.

E. Promotion of Kevin Swisher from Caseworker I to Caseworker II in the Children & Youth Dept., effective June 14, 2010:

Motion was made by Commissioner Riden to approve the promotion of Kevin Swisher as noted above. Seconded by Commissioner Reck. Motion carried.

F. Offer for Parcel No. 04,01-0354--,000 located in Lewistown Borough that is currently in repository for unsold properties - $175.00:

Motion was made by Commissioner Reck to reject the offer of $175.00 for the above-listed parcel located in Lewistown Borough as listed above. Seconded by Commissioner Riden. Motion carried.

G. Memorandum of understanding between Mifflin County and Juniata County for the Shared Associate Planner Position:

Chairman Sunderland said Juniata County has already approved this memorandum.

Motion was made by Commissioner Riden to approve the Memorandum of Understanding between Mifflin County and Juniata County for the Shared Associate Planner Position. Seconded by Commissioner Reck. Motion carried.

H. Ordinance No. 1 of 2010 authorizing non-electoral debt:

The ordinance is as follows:

AN ORDINANCE OF THE COUNTY COMMISSIONERS
OF THE COUNTY OF MIFFLIN
(PENNSYLVANIA)
ADOPTED JUNE 3, 2010 AND NUMBERED _____

FORMAL ACTION CONSTITUTING A DEBT ORDINANCE UNDER THE LOCAL GOVERNMENT UNIT DEBT ACT

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2010A AND A GENERAL OBLIGATION NOTE, SERIES OF 2010B, IN THE COMBINED AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWO MILLION FIVE HUNDRED SEVENTY THOUSAND DOLLARS ($2,570,000); COVENANTING TO PAY, AND PLEDGING UNLIMITED TAXING POWER FOR THE PAYMENT OF, THE NOTES; FIXING THE FORM, INTEREST RATE, MATURITY, REDEMPTION AND OTHER PROVISIONS FOR THE PAYMENT THEREOF; AUTHORIZING THE ACCEPTANCE OF A PROPOSAL FOR THE PURCHASE OF THE NOTES; AUTHORIZING A FILING OF REQUIRED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; RATIFYING AND DIRECTING CERTAIN ACTIONS OF OFFICERS; AND MAKING CERTAIN OTHER COVENANTS AND PROVISIONS IN RESPECT OF THE NOTES.

Note Counsel:

Dinsmore & Shohl LLP
One Oxford Center
301 Grant Street, Suite 2800
Pittsburgh, PA 15219

Solicitor:

Patricia A. Gardner, Esq.
Courthouse
20 North Wayne Street
Lewistown, Pa 17044

NOW, THEREFORE, it is hereby resolved that:

Section 1. Definitions

Unless the context clearly indicates otherwise, the following terms shall, for all purposes of this Ordinance, have the meanings hereby ascribed to them. Moreover, such terms, together with all other provisions of this Ordinance, shall be read and understood in a manner consistent with the provisions of the Debt Act, as generally interpreted by the Department of Community and Economic Development or by courts maintaining competent jurisdiction.

Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word "person," in addition to natural persons, shall mean and include corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

"Act" means the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 *et seq*.

"Bank" means The Juniata Valley Bank, Mifflintown, PA 17059.

"County Code" means the County Code, Act of August 9, 1955, P.L. 323, No. 101, as amended.

"Dated Date" means the date of delivery of a series of Notes, or such other date that is determined and fixed by the Bank in the Purchase Contract relating to a series of the Notes, upon which interest will begin to accrue on such series.

"Designated Officers" has the meaning given to such term in Section 2 hereof.

"First Interest Payment Date" means that date upon which interest on a series of the Notes is first payable, as determined and fixed by the Bank in the Purchase Contract relating to such series.

"Interest Payment Date(s)" means, singularly or jointly, those monthly or semi-annual dates as determined and fixed by the Local Government Unit and the Bank in a Purchase Contract, commencing with the First Interest Payment Date.

"Loan Agreement" has the meaning given to such term in Section 2 hereof.

"Local Government Unit" means the County of Mifflin, a County duly organized and validly existing under the Constitution and laws of the Commonwealth of Pennsylvania, particularly the County Code.

"Notes" means the Series A Note and the Series B Note.

"Project" has the meaning given to such term in Exhibit P hereto.

"Purchase Price" means, with respect to a series of the Notes, not less than 97.00% of the par amount of said series (the discount from par being inclusive of any bank fee or discount) together with accrued interest, if any, to the date(s) of delivery of said Note, as any such fees, discounts or interest shall be specified in the Purchase Contract(s).

"Purchase Contract" means the written commitment or commitments of the Bank , for the purchase and sale of one or more series of the Notes, to be presented by the Bank, and accepted by the Local Government Unit by execution and delivery of the same pursuant to Section 6 herein.

"Series A Note" has the meaning given to such term in Section 2 hereof.

"Series A Project" has the meaning given to such term in Exhibit P hereto.

"Series B Note" has the meaning given to such term in Section 2 hereof.

"Series B Project" has the meaning given to such term in Exhibit P hereto.

Section 2. Authorization

The Local Government Unit hereby authorizes the incurrence, and the increase, of nonelectoral indebtedness in an aggregate principal amount not to exceed $2,570,000, to be evidenced by (a) a General Obligation Note, Series of 2010A (the "Series A Note") to be issued in the principal amount not to exceed $1,450,000 in substantially the form attached hereto as Exhibit A to the Loan Agreement (with such changes as the Designated Officers, hereinafter defined, shall approve), in order to pay the costs of the Series A Project, and (b) a General Obligation Note, Series of 2010B (the "Series B Note") to be issued in the principal amount not to exceed $1,120,000 in substantially the form attached hereto as Exhibit B to the Loan Agreement (with such changes as the Designated Officers, hereinafter defined, shall approve), in order to pay the costs of the Series B Project. The Series A Note will be dated the Dated Date, will bear interest at a rate not to exceed 4.0%, per annum, payable on the Interest Payment Dates, beginning on the First Interest Payment Date. The Series B Note will be dated the Dated Date, will bear interest at the rate not to exceed 4.0%, per annum, payable on the Interest Payment Dates, beginning on the First Interest Payment Date. The Series A Note shall be issued as a term note maturing on September 1, 2019 with mandatory redemptions of principal payable annually on the first day of September in each year during the term of the Series A Note, beginning September 1, 2011, until September 1, 2019, upon which date the final payment of principal shall be due upon maturity, as further provided in the Series A Note. The Series B Note shall be issued as a term note maturing on September 1, 2020 with mandatory redemptions of principal payable annually on the first day of September in each year during the term of the Series B Note, beginning September 1, 2011, until September 1, 2020, upon which date the final payment of principal shall be due upon maturity, as further provided in the Series B Note. Furthermore, the Notes will be issued subject to, and its terms and conditions of payment and security further delineated by and under a loan agreement or agreements (the "Loan Agreement") substantially incorporating the terms and conditions of the Purchase Contract(s). The Loan Agreement, substantially in the form attached hereto as **Exhibit LA**, is hereby approved, and the same shall be executed and delivered, with such changes as the Designated Officers shall approve, upon the issuance and delivery of one or more series of the Notes, in exchange for the purchase price of said Note or Notes, at the settlement thereof.

The Local Government Unit hereby authorizes and directs the County Commissioners and the Chief Clerk, or their duly elected and acting successors (the "Designated Officers"), to execute and deliver the Notes, the Loan Agreement(s) and all such documents, and to do and perform all acts necessary and proper for the issuance and further security of the Notes, including the filing of proceedings with the Pennsylvania Department of Community and Economic Development (the "Department") to enable the Department to certify its approval to issue, sell and deliver the Notes.

The Designated Officers are hereby further authorized and directed to provide to the Bank each year, for as long as the Notes are outstanding, a copy of the audited financial statements of the Local Government Unit when available.

Section 3. <u>Preparation of Debt Statement</u>

As required by §8110 of the Act, the Chairman of the Board of County Commissioners and the Chief Clerk of the Local Government Unit are authorized to prepare, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate.

Section 4. <u>Security and Payment of the Notes</u>

The Notes shall be general obligations of the Local Government Unit to the extent permitted by law. The Local Government Unit hereby covenants with the Bank and with subsequent holders, from time to time, of the Notes that it will (a) include the amount of the debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service, and (c) duly and punctually pay or cause to be paid the principal of and interest on the Notes on the dates, at the place and in the manner stated therein according to the true intent and meaning thereof.

For such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power. The Local Government Unit further covenants and agrees to undertake, perform and pursue all acts, applications, appeals, procedures and petitions, including the filing and pursuit of legal actions and remedies within appropriate administrative and judicial forums, necessary to permit and enable the Local Government Unit to budget and collect taxes and other revenues adequate to fulfill

the foregoing covenant. The maximum amounts of debt service which are payable in respect of the Notes are set forth in **Exhibit DS** attached hereto.

The Local Government Unit does hereby create, and orders to be established at the appropriate time (in its name and identified by reference to the Notes), a Sinking Fund for the payment of each of the Notes with the Bank, which is a bank lawfully conducting business in the Commonwealth of Pennsylvania, and does further covenant to maintain each such Sinking Fund, in accordance with the Local Government Unit Debt Act, until the related Note is paid in full. Any Designated Officer is hereby authorized and directed to contract with the Bank for its services in such capacity, except as the same may be included in the Purchase Contract. The Bank shall undertake the duties of sinking fund depository, paying agent and registrar according to the provisions of the Act in compliance with current industry standards and practices.

Section 5. Tax Covenants.

The Local Government Unit hereby states its intention to comply with all the provisions of Sections 103 and 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Tax Code"); the Local Government Unit represents and covenants that it has undertaken and performed, and will undertake and perform, or, as appropriate, discontinue, upon the instruction of Note Counsel, all those acts necessary and proper to the maintenance of the exclusion from gross income of the interest on the Notes to the registered owner(s) thereof conferred by those Sections, as interpreted by applicable regulations, rulings or other pronouncements of the Secretary of the United States Department of the Treasury.

The Local Government Unit covenants that the Notes are not an issue: (1)(a) more than 10 percent of the proceeds of which are to be used for any private business use, and (b) the payment of the principal of, or the interest on, more than 10 percent of the proceeds, directly or indirectly, is (x) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (y) to be derived from payments in respect of property, or borrowed money, used or to be used for a private business use; nor (2) the proceeds of which, in an amount exceeding the lesser of five percent of such proceeds, or $5,000,000, are to be used to make or finance loans to persons other than governmental units.

The Local Government Unit certifies that it is a county duly organized and validly existing under the Constitution and laws of the Commonwealth, particularly the County Code, Act of August 9, 1955, P.L. 323, No. 101, as amended (the "County Code").

The Local Government Unit covenants that no portion of the proceeds of the Notes is reasonably expected (at the time of issuance of the Notes) to be used, nor will intentionally be so used, directly or indirectly, (1) to acquire higher yielding investments, or (2) to replace funds which were used directly or indirectly to acquire higher yielding investments. This prohibition does not apply to proceeds invested in higher yielding investments (a) for a reasonable temporary period until such proceeds are needed for the purpose of the Notes, or (b) as a part of a reasonably required reserve or replacement fund. For these purposes, "higher yielding investment" means any investment property (generally, a security or debt obligation) that produces a yield over the term of the Notes which is materially higher than the yield on the Notes, but does not include any tax-exempt obligation.

The Local Government Unit covenants to pay and rebate its arbitrage profits (being an amount equal to the sum of (1) the excess of (a) the amount earned on all nonpurpose investments over (b) the amount which would have been earned if the nonpurpose investments were invested at a rate equal to the yield on the Notes; plus (2) any income attributable to said excess [provided, further, that any gain or loss on the disposition of a nonpurpose investment will be taken into account] to the United States in accordance with the provisions of Section 148(f) of the Tax Code and regulations thereunder, but only as and to the extent that none of the following exceptions apply to the Local Government Unit).

Rebate to the United States as described above shall not be required of the Local Government Unit if, and in the event that any one of the following exceptions applies: (i) **SIX MONTH SAFE HARBOR** - the gross proceeds of the Notes are expended for the Project by no later than the day which is six months after the date of issuance of the Notes, or, the gross proceeds, except the lesser of five percent of the gross proceeds of the Notes, or $100,000, are so expended by said date and such remaining portion is

expended by no later then the day which is one year after the date of issuance of the Notes; (ii) **18-MONTH SPEND-DOWN** - the following cumulative percentages of the gross and investment proceeds of the Notes are expended for the Project by no later than the day which is the indicated period of time following the date of issuance of the Notes: 15% - six months; 60% - one year; 100% - eighteen months (except that not more than 5%, representing only reasonable retainage on the costs of the Project, may remain unexpended after eighteen months, but not in excess of thirty months); (iii) **TWO YEAR SPEND-DOWN (CONSTRUCTION ISSUES ONLY)** - the following cumulative percentages of available construction proceeds of the Notes are expended for the Project by no later than the day which is the indicated respective period of time following the date of issuance of the Notes: 10% - six months; 45% - one year, 75% - eighteen months; 100% - two years (except that not more than 5%, representing only reasonable retainage on the costs of the Project, may remain unexpended after two years, but not in excess of three years); or (iv) **SMALL ISSUER** - (a) 95 percent or more of the net sale proceeds (being gross proceeds minus amounts deposited into a reasonably required reserve fund) of the Notes is to be used for local governmental activities of the Local Government Unit (or a subordinate entity), <u>and</u> (b) the aggregate face amount of all tax-exempt obligations other than private activity bonds, issued by the Local Government Unit, and all subordinate entities thereof (but not including any obligations not outstanding or to be redeemed, as may be excluded under prevailing interpretations of the Tax Code and regulations thereunder), during the calendar year in which the Notes are issued, is not reasonably expected to exceed $5,000,000 ($15,000,000, in the case of certain bonds for school construction purposes).

For these purposes, "gross proceeds" means any proceeds and replacement proceeds of the Notes, "available construction proceeds" has the meaning used in §148(f)(4)I(vi) of the Tax Code, "sale proceeds" means all amounts actually or constructively received from the sale of the Notes, except accrued interest on the Notes deposited to the Sinking Fund, and "nonpurpose investment" means any investment property acquired with the gross proceeds of the Notes and not required to carry out the governmental purpose of the Notes.

The Local Government Unit must prepare, or cause to be prepared, execute and submit to the Secretary IRS Form 8038-G (or 8038-GC, as applicable) according to all the requirements for information reporting contained in Section 149(e) of the Tax Code.

The Local Government Unit hereby designates the Notes to be "qualified tax-exempt obligations" for the purposes of, and according to all the terms and conditions of, Section 265(b)(3) of the Tax Code. Having considered tax-exempt obligations previously issued, together with the Notes, during the calendar year in which the Notes are issued, the Local Government Unit represents and covenants that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Local Government Unit (together with all subordinate entities) during said calendar year does not exceed $30,000,000. For these purposes, "tax-exemption obligations" means any obligation the interest on which is wholly-exempt from taxes under the Tax Code.

Section 6. <u>Award</u>

After due consideration of sundry factors, including professional assistance and current market conditions, the Local Government Unit hereby: (1) determines that a private sale by negotiation of the Notes is in the best financial interest of the Local Government Unit; and (2) authorizes the Chairman of the Board of County Commissioners and the Chief Clerk (or their appropriate successors acting by reason of absence or other incapacity), in their sole discretion, to award the sale of the Notes (or a portion thereof) to the Bank, by means of the execution of and delivery to the Bank of an acceptable Purchase Contract or Purchase Contracts (which may be executed and delivered on the same date or on different dates).

For this purpose, an “acceptable” Purchase Contract shall mean an offer or commitment by the Bank to purchase the Notes, that complies with the requirements and parameters set forth in this Ordinance, presented in its standard form, compliant with prevailing industry standards and approved as to form by Note Counsel and by the Solicitor to the Local Government Unit.

Section 7. <u>Expeditious Settlement</u>.

The Local Government Unit hereby authorizes and directs the Bank, Note Counsel or Solicitor to undertake and perform all actions on behalf of the Local Government Unit necessary and proper to the expeditious settlement of the sale of the Notes.

The Designated Officers are further authorized and directed to undertake and perform, or cause to be undertaken or performed, all the ordinary duties of the Local Government Unit (and the same are hereby specifically approved) which may be required under, or reasonably contemplated by, the Purchase Contract, including without limitation, the call for redemption of the Refunded Obligations (as defined in **Exhibit P** attached hereto), as necessary, retention of professionals, and execution and delivery of any certificates, orders, security agreements, mortgages and other similar documents and agreements that may be necessary, in the opinion of the Bank, Note Counsel or Solicitor, for settlement of the sale of the Notes.

Section 8. Note Ordinance a Contract

Upon the Local Government Unit's execution of a Purchase Contract relating to one or more series of the Notes, this Ordinance, together with the Loan Agreement relating thereto, if and when executed and delivered, shall be deemed to be a contract with the holders, from time to time, of said Notes.

DESCRIPTION OF PROJECT

"Project" means the Series A Project and the Series B Project, as hereinafter defined.

"Series A Project" means: (a) the current refunding of all or a portion of the Local Government Unit's outstanding General Obligation Bonds, Series B of 2005 (the "Refunded 2005B Bonds"), together with interest due thereon, in order to substitute notes for bonds and in order to refund maturities or portions thereof to a later date, and (b) paying a portion of the costs of issuance of the Notes.

Reasonable estimates of the cost of the Series A Project, which is not less than the principal amount of the Series A Note, together with the remaining useful life of the capital assets financed or refinanced from the proceeds of the Refunded 2005B Bonds (being, on a weighted average, in excess of fifteen (15) years), have been obtained with the assistance of engineers, architects and other persons qualified by experience.

"Series B Project" means: (a) the current refunding of the September 1, 2010 maturities of the Local Government Unit's General Obligation Bonds, Series of 2000 and the General Obligation Bonds, Series A of 2005 (such maturities referred to herein as the "Refunded 2000 Bonds" and the "Refunded 2005A Bonds", respectively), together with interest due thereon, in order to substitute notes for bonds and in order to refund maturities or portions thereof to a later date, (b) the current refunding of the Local Government Unit's General Obligation Note, Series of 2006 (the "Refunded 2006 Note", and collectively with the Refunded 2000 Bonds, the Refunded 2005A Bonds, the Refunded 2005B Bonds and the Refunded 2006 Note, the "Refunded Obligations"), together with interest due thereon, in order to reduce total debt service over the life of the series and/or to eliminate covenants and restrictions applicable to such note (such as the upcoming conversion of the fixed interest rate to a variable interest rate) which the Local Government Unit hereby determines to be unduly burdensome; and (c) paying a portion of the costs of issuance of the Notes.

Reasonable estimates of the cost of the Series B Project, which is not less than the principal amount of the Series B Note, together with the remaining useful life of the capital assets financed or refinanced from the proceeds of the Refunded 2000 Bonds, the Refunded 2005A Bonds and the Refunded 2006 Note (being, on a weighted average, in excess of fifteen (15) years), have been obtained with the assistance of engineers, architects and other persons qualified by experience.

EXHIBIT P

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”), dated this _____ day of _____, 2010 by and between the COUNTY OF MIFFLIN, with its administrative offices located at the Mifflin County Courthouse, 20 North Wayne Street, Lewistown, PA 17044 (the “County” or the "Local Government Unit"), and The Juniata Valley Bank, a commercial bank duly organized and existing under the laws of the [United States of America], with an address at P.O. Box 66, Mifflintown, PA 17059 (the “Bank”).

RECITALS:

The Local Government Unit is both a "local government unit" and a "County," duly organized and existing under the Constitution and the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), particularly the Local Government Unit Debt Act, as amended (53 Pa.C.S.A. § 8001 *et seq*., the "Debt Act") and the County Code, Act of August 9, 1955, P.L. 323, No. 101, as amended (the “County Code”).

The Local Government Unit has determined to undertake a Project consisting of (a) the current refunding of the Local Government Unit's outstanding General Obligation Bonds, Series B of 2005 (the "Refunded 2005B Bonds"), together with interest due thereon, and paying a portion of the costs of issuance of the Notes (together, the "Series A Project"), and (b) the current refunding of the September 1, 2010 maturities of the Local Government Unit's General Obligation Bonds, Series of 2000 and the General Obligation Bonds, Series A of 2005 (such maturities referred to herein as the "Refunded 2000 Bonds" and the "Refunded 2005A Bonds", respectively), together with interest due thereon; the current refunding of the Local Government Unit's General Obligation Note, Series of 2006 (the "Refunded 2006 Note", and collectively with the Refunded 2000 Bonds, the Refunded 2005A Bonds, the Refunded 2005B Bonds and the Refunded 2006 Note, the "Refunded Obligations"), together with interest due thereon; and paying a portion of the costs of issuance of the Notes (collectively, the "Series B Project" and together with the Series A Project, the "Project").

The County is authorized by law, among other things, to borrow money and to make and issue negotiable notes and bonds, and to make such agreements in connection therewith as the County shall deem advisable.

The County has determined to finance certain costs of the Project and has requested the Bank to extend credit or to make a loan to the County in order to enable it to borrow $_____ (the "Loan"), and the Bank is willing to make the Loan to the County upon the terms and conditions hereinafter set forth and in its commitment letter dated May 14, 2010 (the "Proposal") which was accepted by the County by its adoption of an Ordinance on June 3, 2010 (the "Debt Ordinance").

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein set forth, the parties hereto, each intending to be legally bound hereby, covenant and agree as follows:

Definitions.

In this Agreement (except as otherwise expressly provided for or unless the context otherwise requires), the following terms have the meanings specified in the foregoing recitals:

Agreement	Proposal
Bank	Project
Commonwealth	Refunded Obligations
County	Refunded 2000 Bonds
County Code	Refunded 2005A Bonds
Debt Act	Refunded 2005B Bonds
Debt Ordinance	Refunded 2006 Note
Loan	Series A Project
Local Government Unit	Series B Project

In addition, the following terms shall have the following meanings, unless the context otherwise requires:

"Event of Default" means an event specified in Section 10.

"**Notes**" means the Series A Note and the Series B Note.

"**Series A Note**" means the County of Mifflin, General Obligation Note, Series of 2010A, in substantially the form attached hereto as **Exhibit A**, duly executed by the County and delivered to the Bank to evidence the portion of the Loan related to the Series A Project, including any amendment, modification, renewal, extension, substitution or replacement thereof.

"**Series B Note**" means the County of Mifflin, General Obligation Note, Series of 2010B, in substantially the form attached hereto as **Exhibit B**, duly executed by the County and delivered to the Bank to evidence the portion of the Loan related to the Series B Project, including any amendment, modification, renewal, extension, substitution or replacement thereof.

All terms defined in this Agreement shall bear those same meanings when used in the Notes, certificates, reports or other documents made or delivered pursuant to this Agreement, unless the context otherwise requires.

In this Agreement, unless otherwise indicated, (i) defined terms may be used in the singular or the plural and the use of any gender includes all genders, (ii) the words "hereof", "herein", "hereunder" and words of similar import refer to this entire Agreement, and (iii) all references to particular Sections are references to the Sections of this Agreement.

Loan; Notes; Interest.

Subject to the terms and conditions and relying upon the representations and warranties herein set forth, the Bank agrees, in its sole discretion, to make the Loan to the County on the date hereof. To evidence the Loan, the County shall issue and deliver the Notes to the Bank.

Interest on the Notes shall be at a fixed rate equal to _____% per annum.

Subject to the terms and conditions, and relying upon the representations and warranties herein, the Bank agrees to loan to the County the sum of $_____ ($_____ to be evidenced by the Series A Note and $_____ to be evidenced by the Series B Note).

Payments

Interest on the Series A Note shall be due and payable monthly on the first day of each month (or, if any such date is not a business day, the next succeeding business day) during the term of the Series A Note commencing on _____, 2010. Principal shall be due and payable annually by mandatory redemption on the first day of September in each year during the term of the Series A Note commencing on _____, 2010. The final outstanding principal balance and accrued interest on the Series A Note shall be due and payable on September 1, 2019 (the **"Series A Maturity Date**").

Interest on the Series B Note shall be due and payable monthly on the first day of each month (or, if any such date is not a business day, the next succeeding business day) during the term of the Note commencing on _____, 2010. Principal shall be due and payable annually by mandatory redemption on the first day of September in each year during the term of the Series B Note commencing on _____, 2010. The final outstanding principal balance and accrued interest on the Series A Note shall be due and payable on September 1, 2020 (the **"Series A Maturity Date**").

Prepayment.

Upon at least five (5) business days prior written notice to the Bank, the Local Government Unit has the right to prepay all or part of the outstanding principal and interest of the Notes, without penalty.

Note Registration.

Pursuant to the Debt Ordinance, the Local Government Unit has appointed the Bank as the Paying Agent, Sinking Fund Depository and registrar for the Notes (the "Registrar") and as such the Bank shall keep books for the registration of the Notes. The Local Government Unit hereby confirms and ratifies said appointment. The principal of

and interest on the Notes shall be payable only to the registered owner or his attorney or legal representative.

The transfer of the Notes may be registered only upon the books kept for the registration and transfer of the Notes upon surrender thereof to the Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative and shall be in such form as shall be satisfactory to the Registrar.

The person in whose name a Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and interest on said Note shall be made only to the registered owner thereof or his registered assigns. All such payments shall be valid and effectual to satisfy and discharge the liability upon said Note, including the interest thereof, to the extent of the sum or sums so paid. Neither the Local Government Unit, the Bank, nor the Registrar shall be affected by any notice to the contrary.

Section 6. **Security**.

The Notes are secured by the Local Government Unit's irrevocable pledge of its full faith, credit and taxing power. Pursuant to the Debt Ordinance, the Local Government Unit has covenanted to the Bank that the Local Government Unit shall include the amount of the debt service, for each fiscal year of the Local Government Unit in which such sums are payable under the Notes, in its budget for that fiscal year, shall appropriate such amounts to the Notes and the applicable interest thereon on the dates and at the place and in the manner stated in the Notes, according to the true intent and meaning thereof. As provided in the Debt Act, the foregoing covenant of the Local Government Unit is specifically enforceable. The Local Government Unit further covenanted and agreed in the Debt Ordinance to undertake, perform and pursue all acts, applications, appeals, procedures and petitions, including the filing and pursuit of legal actions and remedies within appropriate administrative and judicial forums, necessary to permit and enable the Local Government Unit to budget and collect revenues adequate to fulfill the foregoing covenant.

This Agreement, the Notes, the Debt Ordinance and all other agreements and documents executed and/or delivered pursuant hereto, as each may be amended, modified, extended or renewed from time to time, are collectively referred to as the "Loan Documents." Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Documents.

At any time when payments are required to be made by the Local Government Unit hereunder, to the extent sufficient money shall not be available in the Local Government Unit's then current budget, and if the Local Government Unit shall be unable to incur, lawfully, debt in the current fiscal year for the purpose of paying such debt service or to issue revenue anticipation notes or to otherwise satisfy its obligations hereunder, the Local Government Unit shall, to the extent permitted by law, include any amounts so payable in its budget for the next succeeding fiscal year and shall appropriate any such amounts to the payment of such obligations and duly and punctually shall pay or cause to be paid the obligations incurred hereunder in the manner herein stated according to the true intent and meaning hereof, and for such budgeting, or appropriation and payment the Local Government Unit does pledge its full faith, credit and taxing power. As provided in the Debt Act, this covenant shall be enforceable specifically against the Local Government Unit.

The obligations of the Local Government Unit hereunder shall not be affected by any bankruptcy, arrangement of creditors, reorganization or similar proceedings of the Local Government Unit; and, to the extent applicable, the Local Government Unit specifically waives any right or benefit, which could accrue to it by reason of any such proceeding and agrees that the same shall not affect the liability of the Local Government Unit hereunder.

Section 7. Representations and Warranties.

The Local Government Unit represents and warrants to the Bank that:

(a) The Local Government Unit is a county duly organized and validly existing under the County Code and constituting a Local Government Unit, as defined in the Debt Act. The Local Government Unit possesses all requisite power and authority under laws of the Commonwealth to enter into and to perform all the covenants and

agreements set forth in this Agreement, to issue the Notes and to undertake the Project. The Local Government Unit is duly authorized to execute and deliver the Loan Documents, all necessary action to authorize the execution and delivery of the Loan Documents has been properly taken, and the Local Government Unit is and will continue to be duly authorized to borrow under this Agreement and to perform all of the other terms and provisions of the Loan Documents.

(b) The Local Government Unit has full power and authority to enter into the transactions provided for in this Agreement and has been duly authorized to do so by appropriate action of the Board of County Commissioners or otherwise as may be required by law, charter, other organizational documents or agreement, and this Agreement and the Notes, when executed and delivered by the Local Government Unit, will constitute the legal, valid and binding obligation of the Local Government Unit enforceable in accordance with its terms.

(c) There is no litigation pending in any court against the Local Government Unit, nor to the knowledge of the undersigned is there any threatened, in any court or other tribunal of competent jurisdiction, State or Federal, against the Local Government Unit, in any way: (a) affecting the existence of the Local Government Unit or the titles of its officers to their respective offices; (b) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Notes or the collection of taxes of the Local Government Unit pledged to pay the Notes; (c) contesting the power or authority of the Local Government Unit to issue, sell and deliver the Notes, to adopt the Debt Ordinance, to execute and deliver this Agreement and any other Loan Documents, or to perform any official act in connection with any of the foregoing instruments; or (d) questioning or affecting the validity of the Notes, the Debt Ordinance, this Agreement, or any other Loan Documents, or the proceedings of the Local Government Unit relating to the issuance, sale or delivery of the Notes.

Neither this Agreement, the Notes, the Loan Documents, nor any certificate or other document furnished to the Bank in connection herewith contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained in this Agreement or the Notes not misleading. There is no fact known to the Local Government Unit which materially adversely affects or, so far as the Local Government Unit can now foresee, might materially adversely affect the business, assets, operations, financial condition or results of operation of the Local Government Unit and which has not otherwise been fully set forth in this Agreement.

Section 8. Conditions of Lending.

The obligation of the Bank to make the Loan is subject to the accuracy of all representations and warranties herein contained, to the performance by the Local Government Unit of its agreements to be performed hereunder, and to the satisfaction of the following further conditions:

(a) The Local Government Unit shall be in compliance with all terms and conditions set forth herein, and no Event of Default and no conditions, lapse of time, or both, which would constitute an Event of Default shall have occurred and be continuing or shall exist;

(b) Concurrently with the execution and delivery of this Agreement and the Notes, the Local Government Unit shall have also furnished to the Bank (i) certified copies of the Debt Ordinance and the approval of the Department of Community and Economic Development for the issuance of said Notes, (ii) evidence of the authority of each person who has signed this Agreement, the Notes and certificates on behalf of the Local Government Unit, (iii) an opinion of the Local Government Unit's solicitor, in form and substance satisfactory to the Bank, as to all matters incident to the transactions herein contemplated which the Bank may reasonably request, and (iv) an opinion of Note Counsel, in form and substance satisfactory to the Bank, as to all matters incident to the transactions herein contemplated which the Bank may reasonably request; and

(c) All legal details and proceedings in connection with the transactions contemplated by this Agreement shall be in form and substance satisfactory to the Bank, and the Bank shall have received all such counterparts, originals or certified or other copies of such documents or proceedings in connection with such transactions, in form and substance as to certification and otherwise, satisfactory to the Bank, as the Bank may reasonably request.

Section 9. Covenants of the Local Government Unit.

The Local Government Unit covenants that, from the date of execution of this Agreement until the Loan has been fully paid, it will:

(a) At all times comply with the laws of the Commonwealth of Pennsylvania applicable to the Local Government Unit;

(b) Promptly notify the Bank of any condition or event which constitutes an Event of Default or which, with the lapse of time or giving of notice would become such an Event of Default, and, if such a condition or event has been so disclosed, specifying the nature and extent thereof and the corrective measures which the Local Government Unit proposes to take in relation thereto;

(c) Furnish the Local Government Unit's audited financial statements to the Bank each year when available; and

(d) Maintain books and records in accordance with Generally Accepted Accounting Principles and permit any officers or qualified employees or representatives of the Bank designated by it to visit and inspect the Local Government Unit's books and discuss the affairs, finances and accounts of the Local Government Unit, all at such times and as often as the Bank may reasonably request.

Section 10. Events of Default.

The occurrence of any of the following events shall be deemed an Event of Default:

(a) Default in the payment of principal or interest on any Note for a period in excess of fifteen (15) days or any other default under the terms of said Note; or

(b) Default in the performance of any covenant or agreement set forth in this Agreement or in any Note or the occurrence of a default under any other agreement between the Local Government Unit and the Bank; or

(c) Any representation or warranty made by the Local Government Unit is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the Local Government Unit pursuant to this Agreement is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified.

Section 11. Miscellaneous.

(a) No delay or failure of the Bank in exercising any right, power or privilege hereunder or under law shall affect the right, power or privilege, nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof. Any waiver, permit, consent or approval of any kind or character on the part of the Bank or any breach or default under this Agreement or any waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent in such writing specifically set forth. Nothing in this Agreement shall be deemed any waiver or prohibition of Bank's right of banker's lien or setoff.

(b) All representations, warranties, covenants and agreements of the Local Government Unit contained herein or made in writing in connection herewith shall survive execution and delivery of this Agreement, the making of the Loan and issuance of the Notes to the Bank, except as herein otherwise expressly provided.

(c) Any notices required or permitted to be given pursuant hereto, or in connection therewith, shall be deemed to have been fully given when addressed and mailed, postage prepaid, as follows:

If to the Bank:	The Juniata Valley Bank. P.O. Box 66 Mifflintown, PA 17059
If to the Local Government Unit:	County of Mifflin 20 North Wayne Street Lewistown, PA 17044

(d) This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, each of which shall be regarded for all purposes as an original, but such counterparts shall constitute but one and the same instrument.

This Agreement constitutes the entire contract between the Bank and the Local Government Unit and supersedes all prior communications, oral and written, as well as all contemporaneous oral communications between the parties.

If any part or provision of this Agreement is found or declared to be invalid or in contravention of any governing law or regulation, such part or provision shall be severable without affecting the validity of any other part or provision of this Agreement.

This Agreement shall be binding upon and inure to the benefit of the Bank, the Local Government Unit and their respective successors and assigns, except the Local Government Unit may not voluntarily transfer or assign its rights hereunder.

This Agreement shall be deemed to be a contract made under the laws of the Commonwealth of Pennsylvania, and shall be governed by and construed in accordance with the laws thereof.

COUNTY OF MIFFLIN
(Pennsylvania)

GENERAL OBLIGATION NOTE, SERIES OF 2010A

Principal Amount	Interest Rate	Dated Date	Maturity Date
$_____	_____%	_____, 2010	September 1, 2019

The above named Local Government Unit, intending to be legally bound, promises to pay to the Registered Owner at its address shown on the attached registration form in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of set-off, the just principal sum of _____ DOLLARS ($_____) in accordance with the Debt Service Schedule attached hereto and incorporated by reference, together with interest thereon at the above-stated rate. All outstanding principal and accrued interest shall be due and payable in full on September 1, 2019. The Principal Amount outstanding under this Note will bear interest at a rate per annum, computed on the basis of a three hundred sixty (360) day year consisting of a twelve (12), thirty (30) day, months.

Upon at least five (5) business days prior written notice to the Registered Owner of this Note, the Local Government Unit has the right to prepay, without penalty, all or part of the outstanding principal and interest of this Note.

The Local Government Unit hereby covenants with the Registered Owner hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon in the place, on the dates and in the manner stated above, according to the true meaning and intent hereof; for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any office, agent or employee, past, present or future, of the Local Government Unit, as such, either directly or through the Local Government Unit, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note.

This Note evidences a borrowing for a Project under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, pursuant to an Ordinance of the Local Government Unit duly and regularly enacted in accordance with the provisions of the Debt Act (the" Debt Ordinance"), and is delivered under and pursuant to

all the terms and conditions of a Loan Agreement of even date between the Local Government Unit and the Original Registered Owner (the "Loan Agreement").

This Note has been designated as a "qualified tax-exempt obligation" for the purposes of, and according to all the terms and conditions of, Section 265(b)(3) of the Tax Code.

No delay or omission of the Registered Owner to exercise any right or power arising hereunder shall impair any such right or power or be considered to be a waiver of any such right or power or any acquiescence therein nor shall the action or non-action of the Registered Owner impair any right or power resulting therefrom. If any provision of this Note is found to be invalid by a court, all the other provisions of this Note will remain in full force and effect.

This Note has been delivered to and accepted by the Registered Owner and will be deemed to be made in the Commonwealth of Pennsylvania. This Note will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Pennsylvania, excluding its conflict of laws rules.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the debt evidenced by this Note is not in excess of any constitutional or statutory limitation.

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below. The Local Government Unit shall treat the Registered Owner of this Note, as noted on this Note and on its books, as the absolute owner hereof, and shall not be affected by any changed circumstances, or by any notice to the contrary.

Original Registered Owner

The Juniata Valley Bank

Date	Transferor	Subsequent Purchaser
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

For value received, the last-named Transferor, by its due execution above, hereby, on the above-stated date, sells, transfers and negotiates this Note to the last-named Subsequent Purchaser, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note.

COUNTY OF MIFFLIN
(Pennsylvania)

GENERAL OBLIGATION NOTE, SERIES OF 2010B

Principal Amount	Interest Rate	Dated Date	Maturity Date

$_____ _____ _____, 2010
September 1, 2020

The above named Local Government Unit, intending to be legally bound, promises to pay to the Registered Owner at its address shown on the attached registration form in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of set-off, the just principal sum of _____ DOLLARS ($_____) in accordance with the Debt Service Schedule attached hereto and incorporated by reference, together with interest thereon at the above-stated rate. All outstanding principal and accrued interest shall be due and payable in full on September 1, 2020. The Principal Amount outstanding under this Note will bear interest at a rate per annum, computed on the basis of a three hundred sixty (360) day year consisting of a twelve (12), thirty (30) day, months.

Upon at least five (5) business days prior written notice to the Registered Owner of this Note, the Local Government Unit has the right to prepay, without penalty, all or part of the outstanding principal and interest of this Note.

The Local Government Unit hereby covenants with the Registered Owner hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon in the place, on the dates and in the manner stated above, according to the true meaning and intent hereof; for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any office, agent or employee, past, present or future, of the Local Government Unit, as such, either directly or through the Local Government Unit, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note.

This Note evidences a borrowing for a Project under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, pursuant to an Ordinance of the Local Government Unit duly and regularly enacted in accordance with the provisions of the Debt Act (the" Debt Ordinance"), and is delivered under and pursuant to all the terms and conditions of a Loan Agreement of even date between the Local Government Unit and the Original Registered Owner (the "Loan Agreement").

This Note has been designated as a "qualified tax-exempt obligation" for the purposes of, and according to all the terms and conditions of, Section 265(b)(3) of the Tax Code.

No delay or omission of the Registered Owner to exercise any right or power arising hereunder shall impair any such right or power or be considered to be a waiver of any such right or power or any acquiescence therein nor shall the action or non-action of the Registered Owner impair any right or power resulting therefrom. If any provision of this Note is found to be invalid by a court, all the other provisions of this Note will remain in full force and effect.

This Note has been delivered to and accepted by the Registered Owner and will be deemed to be made in the Commonwealth of Pennsylvania. This Note will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Pennsylvania, excluding its conflict of laws rules.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the debt evidenced by this Note is not in excess of any constitutional or statutory limitation.

Lynn Freeman of Dinsmore & Shohl, acting as bond counsel for this transactiongave the following explanation. A few weeks ago her colleague Chris Brewer along with Jay Wenger and John Hewlett from Susquehanna Financial Group presented the Commissioners with a refunding opportunity for the County. Since then Susquehanna has surveyed several local banks and based on preliminary rate proposals, is recommending that the County go with Juniata Valley Bank to do the refinancing. Juniata Valley Bank is in the process of completing its credit analysis and will be submitting their firm commitment at some point in the future. Therefore, the ordinance on the agenda today is in the form of "not to exceed or parameters ordinance" meaning that it authorizes the acceptance of a proposal from Juniata Valley Bank at some point in the future should that commitment conform to the parameters set forth in the ordinance. The primary parameter of importance to the County being the rate. That rate has been set at a maximum interest rate of 4.0%. Should Juniata come back with a firm commitment for the loan, not in excess of 4.0%, then this ordinance authorizes the Chairman and the Chief Clerk to accept that proposal to move forward with the refinancing.

Chairman Sunderland asked what happens if they don't accept the proposal? Then the County is under no commitment and the next step would be to repeal the ordinance.

Chairman Sunderland asked what is the current interest rate? At this point, John Hewlett said the series of 2000 bonds are outstanding at between 5.20 and 5.63%. The series A of 2005 are between 3.25 and 5.0% and 2005 B range from 3.25 to 4.20% and 2006 is fixed at 4.34% right now. In large part, they are all above the proposed maximum rate of 4.0%.

Chairman Sunderland then asked if there is a maximum dollar value that they are refinancing? Yes, the maximum amount set forth in the ordinance is $2,570,000 although that is an outside number for State law debt act purposes. The actual number will be lower than that.

Motion was made by Commissioner Reck to approve Ordinance No. 1 of 2010 authorizing non-electoral debt. Chairman Sunderland stepped from the Chair and seconded the motion.

Question: Commissioner Riden said his questions are pretty well answered this morning. Actually, we will see a savings for the first two years and then after that, between 2012 and 2021, we will see an increase in our debt? He was told that is correct. This is just being done to provide a cash flow relief? Yes, in the form of reduced debt service in 2010 and 2011. Then this is "pay me now or pay me later". Right? We're actually increasing our debt over the same time period. Yes, right now we see the saving in 2010 and 2011 between $450,000 and $550,000. Commissioner Riden said that then between 2012 and 2021 our debt service will increase by $793,000 so we will be looking at $138,000 increased debt over the time span. Is that right? The response was yes, over the next ten years.

Vote on the motion:	*Commissioner Reck -*	*yes*
	Chairman Sunderland -	*yes*
	Commissioner Riden -	*no*

The motion carried, 2-1.

Motion was made by Commissioner Reck to adjourn.

The meeting adjourned at 9:20 a.m.

_____

Secretary

ATTEST:

_____

Chief Clerk