

COUNTY OF DAUPHIN

RESOLUTION

#8-2007

WHEREAS, the County heretofore authorized and directed issuance of a series of bonds designated as the General Obligation Bonds, Series of 2002, in the aggregate principal amount of \$16,415,000, dated as of June 1, 2002 (the "Series of 2002 Bonds"); and

WHEREAS, The Board of Commissioners of this County entered into an interest rate management agreement (fixed to variable) evidenced by an ISDA Master Agreement, Schedule thereto and Confirmation thereof, all dated as of April 29, 2004 (the "2002 Swap Agreement"), between the County and Royal Bank of Canada with respect to the Series of 2002 Bonds;

WHEREAS, the County refunded the Series of 2002 Bonds with proceeds of its General Obligation Bonds, Series C of 2005, dated as of August 1, 2005 in the aggregate principal amount of \$16,975,000 (the "Series 2005C Bonds"); and

WHEREAS, Coincident with the refunding of the Series of 2002 Bonds and the issuance of the Series of 2005C Bonds, by amendment to the Confirmation for the Series of 2002 Bonds, the 2002 Swap Agreement was related to the Series 2005C Bonds (the "2005C Swap Agreement");

WHEREAS, the County heretofore authorized and directed issuance of a series of bonds designated as the General Obligation Bonds, Series A of 2002, in the aggregate principal amount of \$16,500,000, dated as of October 15, 2002 (the "Series A of 2002 Bonds"),

WHEREAS, The Board of Commissioners of this County entered into an interest rate management agreement (fixed to variable) evidenced by an ISDA Master Agreement. Schedule thereto, and Confirmation thereof, all dated as of April 29, 2004 (the "2002A Swap Agreement"), between the County and Royal Bank of Canada with respect to the Series A of 2002 Bonds;

WHEREAS, The Board of Commissioners of the County has retained the firm of Susquehanna Group Advisors, Inc., for the purposes of acting as an independent financial advisor within the meaning of the Local Government Unit Debt Act, 53 Pa. C.S. Section 8282, and after consultation therewith has determined to terminate the 2005C Swap Agreement and the 2002A Swap Agreement.

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

Section 1. The selection of Susquehanna Group Advisors, Inc., as independent financial advisor to the County in connection with termination of the 2005C Swap Agreement and the 2002A Swap Agreement is confirmed.

Section 2. The County hereby determines to terminate the 2005C Swap Agreement and the 2002A Swap Agreement.

Section 3. The Budget Director of this County is authorized and directed to execute and to deliver a Termination Agreement on behalf of this County with Royal Bank of Canada substantially in the form delivered to this meeting (the "Termination Agreement") terminating both the 2005C Swap Agreement and the 2002A Swap Agreement and to take all other necessary action to terminate the 2005C Swap Agreement and the 2002A Swap

Agreement as of March 14, 2007, or the first date thereafter as shall suit the convenience of the parties and maintain the substantial terms of the Termination Agreement, which action may include, without limiting the generality of the foregoing, the provision of all notices as more fully set forth in the 2005C Swap Agreement and the 2002A Swap Agreement and return of any unearned premium payments received in connection therewith.

Section 4. Rhoads & Sinon LLP, as bond counsel in connection with the Series 2005C Bonds and the Series 2002 A Bonds and special counsel in connection with the 2005C Swap Agreement and the 2002A Swap Agreement is authorized and directed, in cooperation with appropriate officers of this County, to make such filings and give such notices as shall be necessary to comply with applicable provisions of the Local Government Unit Debt upon termination of the 2005C Swap Agreement and the 2002A Swap Agreement.

Section 5. In the event any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Resolution, it being the intent of this Local Government Unit that such remainder shall be and shall remain in full force and effect.

Section 6. This Resolution shall be effective immediately.

D R A F T

[LOGO]

Fax #: 1-717-257-1604

14 March 2007

COUNTY OF DAUPHIN, PA

**DAUPHIN COUNTY ADMINISTRATION BUILDING
2 SOUTH SECOND STREET – 4TH FLOOR
HARRISBURG, PA
USA, 17101**

Attention: MICHAEL YOHE

(Our Ref. No. 1293291 / 1312126) and

(Our Ref. No. 1293292 / 1312127)

TERMINATION AGREEMENT

TERMINATION AGREEMENT dated as of 14 March 2007 between ROYAL BANK OF CANADA ("Royal Bank") and COUNTY OF DAUPHIN, PA (the "County").

WITNESSETH

WHEREAS Royal Bank and the County have entered into an 1992 ISDA Master Agreement dated as of 29 Apr 2004 (the "Agreement") governing the terms and conditions of specific transactions entered or to be entered into by the parties;

AND WHEREAS Royal Bank and the County entered into two swap option transactions on 29 Apr 2004 (the "Transactions") with the Premium Payment Date 03 May 2004, such

Transactions being evidenced by Confirmations (as described in the Agreement) dated as of 29 Apr 2004 and subsequent amendment 05 Jul 2005 for reference # 1293291;

AND WHEREAS subject to the terms and provisions hereof, Royal Bank and the County are willing to terminate the Transactions and to discharge their respective obligations and waive their respective rights thereunder;

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The County agrees to pay Royal Bank on 16 Mar 2007 USD [STBD], such payment to be made to the account of:

CHASUS33
ABA#: 021000021
JPMORGAN CHASE BANK N.A. NEW YORK
Account #: 001-1-153004
ROYCCAT3IMM

Promptly after execution of this Termination Agreement by both parties and upon receipt of an invoice from the respective third parties specified below, Royal Bank will pay on behalf of the County up-front costs relating to these Transactions in an aggregate amount not to exceed **\$37,000.00** (USD), payable to Susquehanna Group Advisors, Inc., Swap Advisor to the County (**\$22,000.00**) and Rhoads & Sinon LLP, Swap Counsel to the County (**\$15,000.00**). These payments are reflected in, and have increased, the amount payable by the County under Section 1 hereof.

2. The County hereby acknowledges and agrees that, immediately upon the making of the USD payments as described in the immediately preceding paragraph (the "Costs Payment"), in accordance with the above USD payment instructions, Royal Bank shall have fully and finally completed its obligations under this Termination Agreement in respect of such Costs Payment and shall have no further obligations or liabilities to the County or to any other person or entity in regard thereto.

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

3. The Transactions shall be terminated and cancelled as of 14 Mar 2007 (only after giving effect to payment required by Section 1 hereof) and all rights, duties, claims and obligations of each of Royal Bank and the County thereunder shall be released and discharged on that date.

4. For greater certainty, the parties agree that the payment to be made under Section 1 hereof shall be deemed to be a payment specified in a Confirmation for the purposes of Section 2(a)(i) and 5(a)(i) of the Agreement.
5. The Agreement shall remain in full force and effect and the parties agree that any existing and subsequent interest rate swap and currency exchange transactions together with confirmations exchanged between the parties confirming such transactions shall be governed by and form part of the Agreement.
6. This Termination Agreement may be executed in two or more counterparts, each of which shall be deemed to be one and the same instrument.
7. This Termination Agreement shall be governed by, and construed in accordance with the same law governing the Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Termination Agreement to be duly executed as of the date first written above.

Please confirm that the above correctly sets forth the terms of our agreement for termination of the above referenced Swap Transactions by signing in the space provided below and returning to us by return facsimile transmission, facsimile number: 416 842-4902.

ROYAL BANK OF CANADA

COUNTY OF DAUPHIN, PA

By: [SIGNATURE1]

Name:

Title:


By: 

Name: Jeff Haste

Title: Chairman



~~NO~~ Dominic D. DiFrancesco, II, Vice-Chairman



George P. Hartwick III, Secretary

CERTIFICATE

I, the undersigned, Chief Clerk of the County of Dauphin of the Commonwealth of Pennsylvania (the "County"), hereby certifies that: the foregoing Resolution was adopted by majority vote of the entire Board of Commissioners of the County at a meeting convened and held according to law on March 14, 2007, said Resolution was adopted by an aye and nay vote; said Resolution and the vote thereon has been recorded in the minutes of said meeting; and said Resolution has not been altered, modified, amended or repealed as of the date of this Certificate.

I further certify that the Board of Commissioners of the County met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. §701, et seq. of the Commonwealth of Pennsylvania, by advertising said meeting, by posting prominently a notice of said meeting at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Act.

IN WITNESS WHEREOF, I affix my hand and the official seal of the County,
this 14th day of March, 2007.


Secretary

(SEAL)