$62,595,000
LANCASTER COUNTY CONVENTION CENTER AUTHORITY
HOTEL ROOM RENTAL TAX REVENUE BONDS, SERIES OF 2014

NONARBITRAGE CERTIFICATE

Pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Regulations promulgated thereunder (the "Regulations"), the undersigned duly authorized officer of the Lancaster County Convention Center Authority (the "Authority"), being the officer responsible for the issuance of the Authority's Hotel Room Rental Tax Revenue Bonds, Series 2014 (the "2014 Bonds") does hereby certify on this 1st day of August, 2014, as follows:

1. **Issuance of the 2014 Bonds**.

(a) The 2014 Bonds are authorized and being issued and delivered on this date pursuant to Third Class County Convention Center Authority Act, Act of December 27, 1994, P.L. 1375, as amended (the "Act").

(b) The 2014 Bonds are being issued pursuant to the provisions of (i) a Trust Indenture dated August 1, 2014 (the "Indenture"), between the Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee") and (ii) a Resolution duly adopted by the Authority on June 6, 2014 (the "Resolution").

(c) The proceeds of the 2014 Bonds will be used to finance a project consisting of the current refunding of the Authority's Amended and Restated Hotel Room Rental Tax Revenue Bonds Series of 2003 (the "A&R 2003 Bonds") and the Authority's Amended and Restated Hotel Room Rental Tax Revenue Bonds Series of 2007 (the "A&R 2007 Bonds").

(d) The 2014 Bonds are the subject of a Guaranty Agreement dated as of August 1, 2014 (the "Guaranty Agreement") among the Authority, the Trustee, and the County of Lancaster (the "County"). The Guaranty Agreement provides that the County will replenish the 2014 Debt Service Reserve Fund (defined below) created for the 2014 Bonds in the event that the Authority fails to do so during the term of the 2014 Bonds and pay the principal of and interest on the 2014 Bonds in the event funds on deposit in the 2014 Debt Service Reserve Fund are not sufficient to do so.

(e) As a condition to its agreement to purchase the 2014 Bonds, Wells Fargo Municipal Capital Strategies, LLC, as the purchaser of the 2014 Bonds (the "Purchaser"), required that the Authority establish a debt service reserve fund in an amount of $3,935,147.47 (the "2014 Debt Service Reserve Fund").

(f) No proceeds of the 2014 Bonds will be used to refund any debt except the A&R 2003 Bonds and the A&R 2007 Bonds (collectively, the "Refunded Bonds").

All terms used in this Nonarbitrage Certificate which are not defined herein, shall have the meanings assigned to them, if any, under Sections 141 through 150 of the Code and all regulations (including but not limited to all proposed and temporary regulations) promulgated thereunder.

2. **Purposes of the Prior Bonds**.

(a) The A&R 2003 Bonds were issued on October 3, 2011 to currently refund the Authority's Hotel Room Rental Tax Revenue Bonds Series of 2003 (as reissued on March 29, 2007 (the "Converted 2003 Bonds")). The Converted 2003 Bonds were redeemed on October 3, 2011.

(b) The Converted 2003 Bonds currently refunded the Authority's Hotel Room Rental Tax Revenue Bonds Series of 2003 (the "Initial Bonds").

(c) The Initial Bonds were issued finance a portion of the costs of a project consisting of, among other things, (i) funding the design, acquisition, construction, furnishing and equipping of a convention center; (ii) funding necessary reserves for the project and the Initial Bonds; (iii) funding a debt service reserve fund; and (iv) the payment of a portion of the costs and expenses of issuing the Initial Bonds. The Initial Bonds were issued on December 16, 2003 in the initial principal amount of $40,000,000 and were redeemed on March 29, 2007.

(d) The A&R 2007 Bonds were issued on October 3, 2011 to current refund the Authority's Hotel Room Rental Tax Revenue Bonds Series 2007 (the "2007 Bonds"). The 2007 Bonds were redeemed on October 3, 2011.

(e) The 2007 Bonds were issued finance a portion of the costs of a project consisting of, among other things, (i) funding the design, acquisition, construction, furnishing and equipping of a convention center; (ii) funding necessary reserves for the project and the 2007 Bonds; (iii) funding a debt service reserve fund; and (iv) the payment of a portion of the costs and expenses of issuing the 2007 Bonds.

(f) No proceeds of the 2007 Bonds or the Initial Bonds were or will be used to refund any debt.

(g) The Initial Bonds, the Converted 2003 Bonds, the A&R 2003 Bonds, the 2007 Bonds, and the A&R 2007 Bonds are collectively referred to as the "Prior Bonds".

3. **Issue Price**.

(a) The total cost of the Project, including issuance expenses, is not reasonably expected to be less than $62,595,000.00. The original proceeds of the 2014 Bonds, together with anticipated investment earnings thereon and other available funds, do not exceed by any amount the amount necessary for the governmental purposes of the issue as set forth above. The 2014 Bonds are not being issued earlier than necessary and will not be outstanding longer than necessary.

(b) Based on the representations of the Purchaser, the issue price of the 2014 Bonds is $62,595,000 (representing the principal amount of $62,595,000, less original issue discount of $0.00 plus accrued interest thereon of $0.00).

4. **Use of Proceeds**.

(a) There are no funds that would have been used for the purposes for which the proceeds of the 2014 Bonds will be used if proceeds of the 2014 Bonds were not to be used for those purposes. The 2014 Bonds are not being issued earlier than necessary and will not remain outstanding longer than necessary. The amount of the 2014 Bonds does not exceed the amount necessary to accomplish their governmental purpose.

(b) The Authority covenants that the 2014 Bonds are not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code by (i) enabling the Authority to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

5. **Relevant Facts Under the Code, Further Representations and Warranties**. In order to set forth the facts and the Authority's reasonable expectations, as of the date hereof, concerning the Project, the amount and use of the proceeds of the 2014 Bonds other available funds, and future events, the Authority hereby further certifies, represents and warrants (subject to the conditions set forth herein and the representations of the Purchaser, and the Financial Advisor described herein) as follows:

(a) The 2014 Bonds do not constitute "private activity bonds" within the meaning of Section 141(a) of the Code, because (i) neither the payment of the principal of, nor the interest on, any of the proceeds of the 2014 Bonds, or the Prior Bonds is, will be, or has been directly or indirectly (A) secured by an interest in (1) property used or to be used for a private business use, or (2) payments in respect of such property; or (B) to be derived from payments (whether or not to the Authority) in respect of property, or borrowed money, used or to be used for a private business use.

(b) No proceeds of the 2014 Bonds will be, and no proceeds of the Prior Bonds have been or will be, used to finance loans within the meaning of and/or for purposes of Section(s) 141(c) and/or 149(f)(5) of the Code or nongovernmental output property as defined in and for purposes of Section 141(d) of the Code.

(c) The 2014 Bonds will only be repaid from the County's Hotel Room Rental Tax which is a tax on the rental of all hotel rooms within the County and is a tax of general applicability within the County. The projections show, and the Authority expects, that operating income from the convention center will not exceed the annual amounts necessary to operate the convention center during the period that the Bonds are outstanding. The Authority expects that the Hotel Room Rental Tax will be applied, in part, to subsidize the operations of the convention center throughout the term of the 2014 Bonds.

(d) The Authority covenants and agrees not to make any use of the proceeds of the 2014 Bonds or do or suffer any other action that would cause the 2014 Bonds to become "arbitrage bonds" as that term is defined in Section 148 of the Code and the regulations thereunder, including the failure to pay rebate in accordance with the requirements of Section 148(f) of the Code. The Authority covenants and agrees not to make any use of the proceeds of the 2014 Bonds or of any property financed or refinanced by the Bonds and/or suffer any other action that would cause the 2014 Bonds to constitute "private activity bonds" within the meaning of Section 141 of the Code.

(e) The Authority has not sold or issued and will not sell or issue other bonds or obligations that have been or will be sold or issued less than fifteen (15) days before or after the 2014 Bonds are issued or sold, sold pursuant to the same plan of financing and paid (or have substantially the same claim for payment) out of substantially the same source of funds as the Bonds.

(f) The Authority has complied or will comply with the information reporting requirements contained in Section 149(e) of the Code by the timely filing of Form 8038-G with respect to the Bonds.

(g) The Authority represents that neither payment of principal or interest on the Bonds are guaranteed in whole or in part, directly or indirectly, by the United States (or any agency or instrumentality thereof) and no portion of the proceeds of the 2014 Bonds is to be invested, directly or indirectly, in federally insured deposits or accounts other than (A) investments of gross proceeds of the 2014 Bonds for an initial temporary period until the proceeds are needed for the Project, (B) investment of the Sinking Fund (described in Section 8 hereof), (C) investment of a reasonably required reserve fund, or (D) investments in obligations issued by the United States Treasury.

(h) The 2014 Bonds are being issued in registered form within the meaning of Section 149(a) of the Code.

(i) The average maturity of the 2014 Bonds, as calculated by Susquehanna Group Advisors, Inc., the municipal advisor to the Authority (the "Municipal Advisor") based on the representations of the Purchaser is 23.8107 years. The average maturity of the 2014 Bonds does not exceed the average reasonably expected economic life of the facilities to be refinanced with the proceeds of the 2014 Bonds, which is not less than 27.8028 years, determined by (1) taking into account the respective costs and reasonably expected economic lives of such facilities and property as of the dates they are expected or were expected to be placed in service and (2) disregarding any land acquisition costs. The convention center was placed in service on May 20, 2009.

(j) The remaining weighted average maturity of the A&R 2007 Bonds is 31.0842 years.

(k) The remaining weighted average maturity of the A&R 2003 Bonds is 19.0926 years.

(l) The remaining weighted average maturity of the Refunded Bonds is 23.6033 years.

(m) There is no temporary period available for the investment of the proceeds of the Refunded Bonds that become transferred proceeds of the 2014 Bonds on the date hereof.

(n) The Authority covenants that it will comply with the requirements of Section 8 and will immediately consult nationally recognized bond counsel concerning its obligation to (x) pay rebate as required by Section 148(f) of the Code if any gross proceeds (other than proceeds used to retire the Refunded Bonds) are invested at any time at a yield higher than the yield on the 2014 Bonds in any property other than tax-exempt obligations (within the meaning of Section 103 of the Code) that are not specified private activity bonds (within the meaning of Section 57(a)(5)(C) of the Code) and (y) rebate arbitrage earnings to the United States. The amount that must be rebated to the United States is referred to herein as the "Rebate Amount."

(o) Except as otherwise provided in this subsection (p), subsection (q) and Section 8 hereof, the Authority will invest all gross proceeds of the 2014 Bonds in either (1) taxable obligations paying a yield not exceeding the yield on the 2014 Bonds (if it can do so without making a Prohibited Payment as set forth in Section 11 hereof) or (2) tax-exempt obligations (within the meaning of Section 103 of the Code) that are not specified private activity bonds (within the meaning of Section 57(a)(5)(C) of the Code). Sale proceeds to be used to refund the Refunded Bonds may be invested at an unrestricted yield for a period of ninety days beginning on the date hereof, but will be used on the date hereof to refund the Refunded Bonds. Transferred proceeds may be invested as set forth in Subsection 15(b).

(p) For each Nonpurpose Investment acquired with or allocated to gross proceeds of the 2014 Bonds, the Authority shall record its purchase date or allocation date, its purchase price (reduced by broker's or dealer's commissions or other administrative expenses, unless such commissions or expenses constitute qualified administrative expenses, as defined in Regulation Sections 1.148-5(e)(2), which shall also be separately stated), or, if not acquired directly with gross proceeds, its fair market value on the allocation date, accrued interest due on its purchase date or allocation date, its face amount, its coupon or interest rate, its yield-to-maturity, the frequency of its interest payments, its disposition price (not reduced by any broker's or dealer's commission or discount, unless such commissions or expenses constitute qualified administrative expenses, as defined in Regulation Section 1.148-5(e)(2), accrued interest due on its disposition date and its disposition date. For purposes of this subsection (q), the term "Nonpurpose Investment" shall mean any investment in which Gross Proceeds of the 2014 Bonds are invested and which is not acquired to carry out the governmental purposes of the 2014 Bonds.

(q) No proceeds of the 2014 Bonds or the Prior Bonds were or will be used to provide residential rental housing for family units. No gross proceeds of the 2014 Bonds will be used to refund any debt except the Refunded Bonds.

(r) No proceeds of the 2014 Bonds will be used to reimburse prior expenditures or to finance working capital.

(s) The Authority will calculate, or cause the calculation of, any rebate amount due on the Refunded Bonds and pay such sum, if any, within 60 days of the date hereof in accordance with the requirements of section 148(f) of the Code.

(t) The Authority may be relieved of any duty set forth in this Section 5 to the extent that it obtains an opinion from bond counsel stating in effect that it is so relieved of that duty, anything contained herein or in any other document, certificate, agreement, or instrument delivered in connection with the issuance of the 2014 Bonds to the contrary notwithstanding.

6. **Sources and Uses of Funds**. The sources and uses of the proceeds of the 2014 Bonds and certain other available funds of the Authority are summarized below. Based on the representations of the Authority, and the expected investment rates for the proceeds of the 2014 Bonds, the proceeds of the 2014 Bonds and certain other available funds of the Authority (and the investment earnings thereon) are not expected to exceed the amount necessary for the governmental purpose of the 2014 Bonds. There are no amounts that would have been used for the governmental purposes of the 2014 Bonds if proceeds of the 2014 Bonds were not to be used for those purposes.

Sources

Par Amount of 2014 Bonds	$62,595,000.00
GIC Termination Payment	818,000.00
Debt Service Reserve Funds	4,112,949.89
Equity	122,947.58
Total	$67,648,897.47

Uses

Tender Price of Original Bonds	$63,590,000.00
Debt Service Reserve Fund deposit	3,935,147.47
Costs of Issuance	123,750.00
Total	$67,648,897.47

7. **Basis for Expectations**. The facts, estimates and expectations which are the basis of the Authority's expectations described herein are based upon the knowledge of the Authority and the representations and advice of the Purchaser and the Municipal Advisor.

8. **Sinking Fund**.

(a) The only sinking funds other than the Debt Service Reserve Funds (defined below) with respect to the 2014 Bonds is the debt service fund portion of the General

Account of the Bond Fund (the "Sinking Fund") established with the Trustee under the provisions of the Indenture to be used primarily to achieve a proper matching of revenues and debt service within each bond year, which bond year ends August 1. The Indenture further provides that the Bond Fund is to maintain an amount of not less than $500,000 in it at all times. The Authority has not created or established and does not expect to create or establish any other sinking fund or similar fund with respect to the 2014 Bonds. No amounts in any other account or fund of the Authority are reserved or pledged for debt service on the 2014 Bonds (except that all moneys of the Authority are subject to the provisions of the Indenture), and it is not expected that any such other accounts or funds will be so reserved, pledged or used. The Authority does not expect to receive any federal, state or other grant, reimbursement or amount with respect to the Project, which grant, reimbursement or amount (i) has not been considered by the Authority in determining the principal amount of the 2014 Bonds, and (ii) will be reserved or pledged or available for the payment of debt service. There is no other amount held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders of the 2014 Bonds or a guarantor of the 2014 Bonds. The Sinking Fund will be used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year. The Authority further expects that any amounts deposited in the Sinking Fund, and any amounts received from the investment of amounts in the Sinking Fund, will be depleted at least once each bond year to pay the principal of and interest on the 2014 Bonds, when due. Amounts in the Sinking Fund may be invested at an unrestricted yield for thirteen (13) months and thereafter in either (a) taxable obligations paying an arms-length yield not exceeding the yield on the 2014 Bonds or (b) tax-exempt obligations (within the meaning of Section 103 of the Code) that are not specified private activity bonds (within the meaning of Section 57(a)(5)(C) of the Code). The moneys in the General Account of the Bond Fund that exceed the Sinking Fund up to the amount of $500,000 (and earnings thereon) do not constitute a bona fide debt service fund any investment of such fund is subject to yield restriction at the yield on the 2014 Bonds.

(b) Pursuant to the Indenture, the Authority has created the 2014 Debt Service Reserve Fund. $3,935,147.47 of the funds held immediately prior to the refunding in the debt service reserve fund established for the A&R 2007 Bonds (the "2007 Debt Service Reserve Fund") and in the debt service reserve fund established for the A&R 2003 Bonds (the "2003 Debt Service Reserve Fund", collectively with the 2007 Debt Service Reserve Fund, the "Prior Debt Service Reserve Funds") transfer to the 2014 Bonds on the date hereof and are deposited in the 2014 Debt Service Reserve Fund to secure only the 2014 Bonds. No sale proceeds of the 2014 Bonds are being deposited in the 2014 Debt Service Reserve Fund. Such sum is not in excess of (i) ten percent (10%) of the stated principal amount of the 2014 Bonds (which do not have more than a de minimus amount of original issue discount or premium, $6,259,500.00); (ii) the maximum annual principal and interest requirements on the 2014 Bonds ($6,669,530.51); or (iii) one hundred twenty-five percent (125%) of the average annual principal and interest on the 2014 Bonds ($3,148,117.98 times 1.25 = $3,935,147.47). The Purchaser has certified that the funding of the 2014 Debt Service Reserve Fund was a vital factor in its determination to purchase the 2014 Bonds, and is not in excess of the amount considered necessary for such purposes.

(c) The 2014 Bonds are further secured by the Guaranty Agreement. Because the 2014 Bonds are expected to constitute self liquidating debt, the Authority does not expect the County to set aside any funds for the payment of debt service on the 2014 Bonds. The

County has required the funding of the Debt Service Reserve Fund in order to provide its guaranty, to give the County sufficient time to budget the deficit if such deficit ever arises.

9. **<u>Rebate and Exemption from Rebate</u>**.

(a) Earnings on the gross proceeds of the 2014 Bonds will be subject to rebate unless otherwise exempted as set forth below.

(b) The Authority shall have no obligation to pay the Internal Revenue Service rebate amounts based on arbitrage earned on the gross proceeds (as defined in Section 148(f)(4)(B) of the Code and Section 1.148-7(c) of the Regulations) of the 2014 Bonds if (1) all such gross proceeds are expended for the governmental purposes of the 2014 Bonds, not later than the day which is six (6) months after the date of issue of the 2014 Bonds; or (2) (a) all such gross proceeds are expended for the governmental purposes the Refunding Bonds, not later than the day which is six (6) months after the date of issue of the 2014 Bonds, except for an amount not exceeding five percent (5%) of the proceeds of the 2014 Bonds; and (b) all such gross proceeds are expended for the governmental purposes of the 2014 Bonds, no later than the day which is one (1) year after the date of issue of the 2014 Bonds.

(c) Earnings on the 2014 Debt Service Reserve Fund nonetheless remain subject to rebate.

(d) The "Rebate Amount" with respect to the 2014 Bonds is an amount equal to the excess of (1) the Future Value as of a computation date of all Nonpurpose Receipts with respect to the funds described in Subsection 9(a) above from the date of receipt over (2) the Future Value, as of the same computation date, of all Nonpurpose Payments with respect to the funds described in Subsection 9(a) above from the date of payment.

(e) For the purposes of computing the Future Values of all Nonpurpose Receipts and Payments, the Authority shall cause an independent certified public accountant or other person recognized as expert in calculating rebate under the Code (hereinafter referred to as the "Accountant") that such Receipts and Payments constitute all items described in Regulation Section 1.148-3(d) and that the Future Value is the yield computed in accordance with Regulation Section 1.148-4. In computing the Rebate Amount and the time and manner of paying the Rebate Amount, the Authority and the Accountant shall comply with all requirements of the Code, Regulations issued in June, 1993, as amended, the Proposed Regulations published in 1996, the Regulations published in 1997 and any other applicable final, proposed, temporary, or other Regulations published by the United States Treasury or Internal Revenue Service.

(f) The Authority shall instruct the Accountant to maintain records of the determinations of the Rebate Amount for a period of six years after the date of retirement of all of the 2014 Bonds. A copy of each determination of the Rebate Amount shall be sent to the Authority at the time of each determination.

(g) The Authority selects a Bond Year ending August 1 of each year. The Authority shall make installment payments in the amount specified in Subsection (i) of this Section 9 for the period ending on August 1, 2019 (the first installment computation period).

The Authority shall make the first such installment payment of the Rebate Amount no later than September 29, 2019. The Authority shall make each subsequent installment computation period end on a day which is five years after the last day of the preceding installment computation period. The Authority shall make each subsequent installment payment no later than five years from the due date of the previous installment payment. Notwithstanding any other provision contained in this Subsection 9(g), the Authority shall make the last installment payment no later than sixty (60) days after the date on which the last of the 2014 Bonds is redeemed in an amount sufficient to pay the amount specified in Subsection 9(i) below.

(h) The amount of the payment due and payable to the United States as of each installment computation date equals an amount which, when added to all previous rebate payments made with respect to the 2014 Bonds, equals at least ninety percent of the Rebate Amount as of the installment computation date (taking appropriate account of the Computation Date Credit, if available, provided in Regulation Section 1.148-3(d)(1)(iv)). This amount shall be computed in accordance with the requirements described in Subsections 9(d) and (e) above.

(i) The amount of the payment due and payable to the United States as of the final computation (final rebate) date equals the amount that, when added to the future value of previous rebate payments made for the 2014 Bonds, equals 100 percent of the Rebate Amount taking appropriate account of the Computation Date Credit, if available, provided in Regulation Section 1.148-3(d)(1)(iv). This amount shall be computed in accordance with the requirements described in Subsections 9(d) and (e) above.

(j) The Authority shall cause each payment of Rebate Amount, to be:

(i) mailed to the Internal Revenue Service, Ogden Submission Processing Center, Ogden, Utah 84201 (or such then appropriate location);

(ii) accompanied by a copy of the Form 8038-T (or such then appropriate form); and

(iii) accompanied by a statement summarizing the determination of the Rebate Amount prepared by the Accountant, if necessary.

(k) The Authority shall be relieved of any duty set forth in this Section 9 to the extent that it obtains an opinion from Bond Counsel stating that it is so relieved of that duty, anything contained herein or in any other document, certificate, agreement or instrument delivered in connection with the issuance of the Bonds to the contrary notwithstanding.

10. **<u>Other Sinking Fund</u>**. If any fund or account of the type described in Section 8 should arise or come into existence, all moneys therein shall be invested (1) in taxable obligations with a yield not exceeding the yield on the 2014 Bonds in accordance with Section 11 hereof or (2) in tax-exempt obligations (within the meaning of Section 103 of the Code) that are not specified private activity bonds (within the meaning of Section 57(a)(5)(C) of the Code) unless an opinion is obtained from nationally recognized bond counsel authorizing investment at a higher yield. If any fund described in this Section 10 should arise or come into

existence, the Authority will consult nationally recognized bond counsel concerning its obligation to rebate arbitrage earnings to the United States.

11. **Prohibited Payments**. For the purposes of calculating the yield on any Nonpurpose Investment as required under this Nonarbitrage Certificate and Compliance Agreement, the purchase price of the Nonpurpose Investment must be the fair market value of the investment on an established market. This means that the Authority cannot pay a premium to adjust the yield, accept a lower interest rate than is usually paid or otherwise enter into a transaction that reduces the amount of earnings on Nonpurpose Investments by producing a smaller profit or larger loss than would have resulted if the transaction had been at arm's length and artificially reducing the yield on the Nonpurpose Investments had not been relevant to either party.

If a certificate of deposit has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, the purchase price of such certificate is treated as its fair market value on the purchase date if the yield on the certificate is not less than the yield on reasonably comparable direct obligations of the United States and the highest yield that is published or posted by the provider to be currently available from the provider on comparable certificates of deposit offered to the public (in which event the provider delivers a certificate in the form attached hereto as Exhibit A).

Absent an opinion of nationally recognized bond counsel, the Authority shall not enter into a repurchase, reverse repurchase or supply contract or other investment contract pursuant to which "gross proceeds" are used to acquire securities bearing an agreed rate (a "Supply Contract") unless:

(1) The Authority makes a bona fide solicitation for a specified investment contract with specified material terms and receives at least three bona fide bids that satisfy the requirements described herein from different reasonably competitive providers of investment contracts that have no material financial interest in the 2014 Bonds;

(2) The bid specifications (i) are in writing; (ii) are timely forwarded to potential providers; (iii) contain all terms that may directly or indirectly affect the yield or the cost of the investment; (iv) include a statement notifying potential providers that submission of a bid is a representation that (a) the potential provider did not consult with any other potential provider about its bid; (b) the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Authority or any other person (whether or not in connection with the 2014 Bonds); and (c) the bid is not being submitted as a courtesy to the Authority or any other person for purposes of satisfying the requirements of Regulation Section 1.148-5(d)(6)(iii)(B)(1) or (2); and (v) contain solely and exclusively terms that serve a legitimate business purpose other than to increase the purchase price or reduce the yield of the investment;

(3) The Authority purchases the highest-yielding investment contract for which a qualifying bid is made (determined net of broker's fees);

(4) The determination of the terms of the solicitation and investment contract takes into account as a significant factor the Authority's reasonably expected deposit and drawdown schedule for the funds to be invested;

(5) The terms of the investment contract, including collateral security requirements, are reasonable;

(6) The obligor on the investment contract certifies the amount of those administrative costs (as defined in Regulation Section 1.148-5(e)(1)) that are paid or are expected to be paid to third parties in connection with the investment contract (a Form of Certificate is attached hereto as Exhibit B);

(7) The obligor on the investment contract certifies that the yield on the investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable investment contracts offered to other persons from a source of funds other than gross proceeds of an issue of tax-exempt bonds (a Form of Certificate is attached hereto as Exhibit B);

(8) The Authority shall have received a certificate substantially similar to the form of certificate attached hereto as Exhibit C (the "Bidder's Certificate") from the person whose bid was accepted to the effect that, based on such person's reasonable expectations on the date that such contract was entered into, "nonpurpose investments" will not be purchased pursuant to such contract at a price in excess of their fair market value or sold at a price less than their fair market value;

(9) If an agent is used to conduct the bidding process, it does not bid to provide the investment;

(10) All potential providers have equal opportunity to bid so that no bidder is given the opportunity to review other bids (a last look) before bidding;

(11) All bidders have an established industry reputation as competitive providers of investments of the type purchased; and

(12) The Authority retains all documents listed in Regulation Section 1.148-5(d)(6)(iii)(E) until six (6) years after the 2014 Bonds have been completely retired.

An allocation of gross proceeds (including an allocation of a broker's fee) of the 2014 Bonds to a payment or a receipt on a Supply Contract is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the investment (administrative costs) unless such administrative expense (including broker's fees) constitutes a qualified administrative cost as defined in Regulation Section 1.148-5(e)(2).

The Authority will comply with all requirements of Regulation Section 1.148-5.

12. **Terms**. Certain terms which are used but not defined herein and which are defined or used in the Code or in the Treasury Regulations thereunder shall have the meaning

given to those terms in the Code or in the Treasury Regulations, unless such terms are otherwise defined herein, or unless the context clearly otherwise requires.

13. **Yield Calculation and Issuance Costs.**

(a) For purposes of this Nonarbitrage Certificate and Compliance Agreement, yield is, and shall be calculated in accordance with Section 148(h) of the Code and Section 1.148-4 of the Regulations.

(b) Based on the representations of the Purchaser, the "yield" on the 2014 Bonds, compounded semi-annually, is variable, calculated in accordance with Section 148(h) of the Code and Regulation Section 1.148-4 and on the basis of semiannual compounding and a year consisting of twelve (12) thirty-day months. In computing the yield on the 2014 Bonds, there shall not be considered as a reduction in purchase price or as additional interest paid on the 2014 Bonds any of the costs of issuance paid in connection with the issuance of the 2014 Bonds.

14. **2014 Bonds Not Hedge Bonds**. The 2014 Bonds do not constitute hedge bonds for the purpose of Section 149(g) of the Code because with respect to the Initial Bonds and the 2007 Bonds as of the date of issue it was reasonably expected that (i) 85 percent or more of the spendable proceeds (as defined in Treasury Regulation §1.148-1(b)) would be used to carry out the governmental purposes of the applicable Initial Bonds and the 2007 Bonds within the three (3) year period beginning on the date of issue (without taking into account any non-customary prepayments); (ii) not more than fifty percent (50%) of the proceeds of the Initial Bonds or the 2007 Bonds would be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield (within the meaning of Section 149(g)(3)(A)(ii) of the Code) for four (4) years or more and such proceeds were not so invested; (iii) no proceeds of the Initial Bonds or the 2007 Bonds were or will be used to refund any debt; and (iv) there is a substantial governmental purpose for currently refunding the Refunded Bonds.

15. **Transferred Proceeds**.

(a) Prior Debt Service Reserve Funds

(1) On the date hereof, $4,930,949.89 of proceeds of the Refunded Bonds deposited in the Prior Debt Service Reserve Funds have not been spent.

(2) $3,935,147.47 of such sum shall be deposited in the 2014 Debt Service Reserve Fund, and such proceeds become transferred proceeds of the 2014 Bonds on the date hereof. Such proceeds may be invested after the date hereof at a yield higher than the yield on the 2014 Bonds subject to rebate as set forth in Section 9.

(3) The remaining $995,000 shall be applied on the date hereof to redeem A&R 2007 Bonds and A&R 2003 Bonds, as applicable, and $802.42 shall be applied toward costs of issuance of the 2014 Bonds, and such proceeds will have been spent on the date hereof and do not become transferred proceeds of the 2014 Bonds.

(b) Rate Stabilization Fund

(1) On the date hereof, $450,000 is held in the Rate Stabilization Fund created pursuant to the indentures for the Refunded Bonds and has not been spent. The Rate Stabilization Fund will transfer to a Rate Stabilization Fund created pursuant to the Indenture (the "2014 Rate Stabilization Fund"). Those funds were and under the Indenture are only available to make payments to swap counterparties while the Authority is a party to a swap. The Authority does not expect that such sums will be available to pay debt service on the 2014 Bonds and if any sums are released from such Rate Stabilization Fund such moneys will be applied to operating expenses other than debt service on the 2014 Bonds.

(2) The 2014 Rate Stabilization Fund may be invested without regard to yield restriction.

(c) Surplus Fund

(1) On the date hereof, $196,468.38 is held in the Operating Expense Account of the Surplus Fund created pursuant to the indenture for the Refunded Bonds and has not been spent. The Surplus Fund will transfer to the Operating and Administrative Expense Account of the Surplus Fund created pursuant to the Indenture (the "Operating and Administrative Expense Account") and used to pay a portion of the costs of issuing the 2014 Bonds. The remaining funds on deposit in the Operating and Administrative Expense Account were and under the Indenture are available to make payments of operating expenses and are not reasonably expected to pay debt service on the 2014 Bonds. The Authority does not expect that such sums will be available to pay debt service on the 2014 Bonds and all sums released from the Operating and Administrative Expense Account will be applied to operating expenses other than debt service on the 2014 Bonds.

(2) The Operating and Administrative Expense Account may be invested without regard to yield restriction.

16. **Hedge Contracts**. The Authority has not entered into a hedge with respect to the 2014 Bonds. The Authority will not enter into a hedge in respect of the 2014 Bonds unless the Authority has first received an opinion of bond counsel that such hedge will not adversely affect the exclusion of interest on the 2014 Bonds from gross income for federal income tax purposes.

17. **Recordkeeping**. The Authority shall keep records of the use and investments of the proceeds of the 2014 Bonds and of the facilities refinanced by such proceeds until at least six years after the date that the 2014 Bonds mature or are otherwise redeemed.

18. **Reasonableness**. To the best of my knowledge, information and belief, the expectations of the Authority as to future events and as to the representations set forth herein are reasonable.

19. **No Other Information**. To the best of my knowledge, information and belief, there are no other facts, estimates or circumstances which would materially change the conclusions set forth herein. I have no reason to believe that the proceeds of the 2014 Bonds will be used in any manner other than the manner described herein, or that the proceeds will be used in a manner which would cause the 2014 Bonds to be "arbitrage bonds" as that term is defined in Sections 103(b)(2) and 148 of the Code and the Treasury Regulations applicable thereto. The Authority has not been notified of and has no reason to believe that the Internal Revenue Service or any other government entity has taken or will take any action pertaining to the issuance of the 2014 Bonds.

20. **Date**. This certificate is dated and is given the date of issuance and delivery of the 2014 Bonds.

21. **Reliance**. The Authority understands and agrees that Stevens & Lee, P.C. ("Bond Counsel") is relying upon the representations, expectations, certifications and statements contained herein in issuing its opinion regarding the tax-exempt status of interest to be paid on the 2014 Bonds. Further, the interest rate mode and certain requirements and procedures contained or referred to in the Indenture, the 2014 Bonds, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the 2014 Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in those documents. Bond Counsel will express no opinion as to any Restated Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Stevens & Lee, P.C.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

The Authority acknowledges that Bond Counsel's engagement with respect to the 2014 Bonds ends with the issuance of the 2014 Bonds. Unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Borrower regarding the tax-exempt status of the 2014 Bonds in the event of an audit examination by the IRS; nor is Bond Counsel obligated to provide any advice or assistance with regard to post issuance compliance matters.

The Authority has engaged the Municipal Advisor as municipal advisor with respect to the issuance of the 2014 Bonds and has relied on the financial advice of the Municipal Advisor with respect to the structuring of the 2014 Bonds and the investment of the proceeds thereof. The Authority acknowledges that Bond Counsel was not engaged to provide such advice and that the Authority did not rely on any advice from Bond Counsel with respect thereto.

IN WITNESS WHEREOF, the undersigned authorized officer of the Lancaster County Convention Center Authority has set his hand this 1st day of August, 2014.

LANCASTER COUNTY CONVENTION CENTER AUTHORITY

By______________________________
Chairman

____
Secretary

____
Executive Director

[Signature Page to Nonarbitrage Certificate]

EXHIBIT "A"

$62,595,000
LANCASTER COUNTY CONVENTION CENTER AUTHORITY
HOTEL ROOM RENTAL TAX REVENUE BONDS, SERIES 2014

I, ____________________________, of __________________, HEREBY CERTIFY that the yield on the certificate of deposit sold to the Authority is not less than the highest yield that is published or posted by this firm to be currently available from this firm on comparable certificates of deposit offered to the public.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of __________.

By____
Name:
Title:

EXHIBIT "B"

$62,595,000
LANCASTER COUNTY CONVENTION CENTER AUTHORITY
HOTEL ROOM RENTAL TAX REVENUE BONDS, SERIES 2014

I, ___________________________, of ___________________, HEREBY CERTIFY that the yield on the investment sold to the Authority is not less than the yield currently available from this firm on comparable investment contracts offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds.

I, ___________________________, of ___________________, HEREBY CERTIFY that the administrative costs (as defined in Section 1.148-5(e)(1) of the Regulations) that are reasonably expected to be paid to third parties in connection with the investment contract are $____________.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _________.

By____

Name:

Title:

EXHIBIT "C"

$62,595,000
LANCASTER COUNTY CONVENTION CENTER AUTHORITY
HOTEL ROOM RENTAL TAX REVENUE BONDS, SERIES 2014

I, _______________, hereby certify and represent that:

1. I am the [INSERT TITLE] of [INSERT NAME OF FIRM OR COMPANY], a [DESCRIBE BUSINESS OR FIRM OR COMPANY; e.g., BANK, SAVINGS AND LOAN, ETC.]. I am qualified to render the certifications and representations set forth herein.

2. I am aware of the 2014 Bonds. Other than as set forth below, I have no interest in the 2014 Bonds.

3. I submitted a bid to _____________ to enter an agreement whereby proceeds of the Bonds in an amount equal to $_________ will be used to [acquire a repurchase agreement].

4. Based on my reasonable expectations as of the date the Supply Contract was entered, no securities (within the meaning of subparagraph (A) or (B) of Section 165(g)(2) of the Internal Revenue Code of 1986 (the "Code")), annuity contracts, investment-type property, or obligations will be purchased pursuant to the Supply Contract at a price in excess of their fair market value or sold pursuant to the Supply Contract at a price less than their fair market value.

5. To the best of my knowledge, information, and belief, there are no other facts, estimates or circumstances which would materially change any of the foregoing certifications or representations. The certifications and representations made in this Certificate are made for the benefit of the Authority, Bond Counsel, and all other parties to the financing and may be relied upon by such parties.

WITNESS my signature this _____ day of __________.

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