

COUNTY OF YORK, PENNSYLVANIA

ORDINANCE NO. 2005-09

OF THE COUNTY OF YORK, PENNSYLVANIA, AUTHORIZING AND SECURING A GENERAL OBLIGATION NOTE, SERIES A OF 2005, IN THE MAXIMUM PRINCIPAL AMOUNT OF ELEVEN MILLION DOLLARS (\$11,000,000), PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, TO ACQUIRE LAND, CONSTRUCT A COUNTY PARK AND PAY RELATED COSTS OF THE SUSQUEHANNA RIVERLAND PRESERVATION PROJECT; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS COUNTY IN SUPPORT OF SUCH GENERAL OBLIGATION NOTE; SETTING FORTH RELATED COVENANTS AND REPRESENTATIONS; AUTHORIZING APPROPRIATE OFFICERS OF THIS COUNTY TO TAKE ACTIONS AND TO EXECUTE DOCUMENTS IN CONNECTION WITH ISSUANCE OF SUCH GENERAL OBLIGATION NOTE; AND CONTAINING RELATED PROVISIONS.

WHEREAS, The County of York, Pennsylvania (the "County") is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") and is governed by its Board of County Commissioners (the "Board"); and

WHEREAS, The Board has determined to acquire land, construct a park and pay other costs related to the Susquehanna Riverland Preservation Project (collectively, the "Project"); and

WHEREAS, The Board, in contemplation of the authorization, sale, issuance and delivery of a general obligation note, in the maximum principal amount of \$11,000,000, with the

proceeds to be used for the Project, has determined that such general obligation note: (a) shall be offered at private sale by negotiation; and (b) shall be offered for sale at a price of not less than 100% of principal amount advanced, from time to time, thereunder; and

WHEREAS, The Board has obtained realistic cost estimates through appraisals, professional estimates or otherwise, and has determined that the costs, as that term is defined in the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Act"), of the Project to be financed, will be at least \$11,000,000; and

WHEREAS, A written proposal (the "Proposal") for the purchase of such general obligation note has been requested from and has been received from Commerce Bank/Harrisburg, N.A. (the "Bank"), having an office in York, Pennsylvania; and

WHEREAS, The Board has duly opened, read and considered the Proposal; and

WHEREAS, The Board desires to accept the Proposal, to award the general obligation note to the Bank, to authorize issuance of nonelectoral debt, and to take appropriate action and to authorize proper things, all in connection with the Project, and in accordance with applicable provisions of the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of this County, as follows:

SECTION 1. The Board does hereby authorize and direct the issuance of a general obligation note of this County, pursuant to this Ordinance, in the maximum principal amount of \$11,000,000, to be designated generally as the County's "General Obligation Note, Series A of 2005 (the "Note"), in accordance with the Act, to finance the Project.

SECTION 2. The Board expresses its finding that it is in the best financial interests of this County to sell the Note at private sale by negotiation and determines that the debt to be incurred pursuant to this Ordinance shall be nonelectoral debt.

SECTION 3. A brief description of the Project is set forth in the preamble hereof. The estimated useful life of the Project is at least 20 years. The County represents that the maturity date of the Note is not beyond one year after the date of estimated completion of construction of the Project.

SECTION 4. The Board of this County shall and does accept the Proposal of the Bank for the purchase of the Note. The Note shall be and is awarded to the Bank, in accordance with the terms and conditions of the Proposal, the original of which is on file with the Chief Clerk of this County, at private sale, at a dollar price of \$11,000,000 (100% of principal amount), the Bank having submitted the Proposal in accordance with provisions of the Act.

SECTION 5. The Note, when issued, will be a general obligation note of this County.

SECTION 6. The Note shall be registered in form, shall be in one or more denominations in the aggregate principal amount of \$11,000,000, shall be dated as of the date of delivery thereof to the Bank, and shall bear interest from the date of delivery thereof to the Bank at the rate specified in Section 7. Interest only shall be payable on the outstanding principal balance of the Note, quarterly, until maturity or until any earlier date upon which the principal amount of the Note is prepaid or redeemed in full. The outstanding principal balance of the Note shall be payable in full upon maturity on December 1, 2008.

SECTION 7. The Note shall bear interest at the fixed rate of 3.90%, per annum. A schedule setting forth the maximum annual principal and interest payable on the Note is attached hereto as Exhibit "A" and made a part hereof. Principal of the Note shall be advanced to this County by the Bank, from time to time, on a non-revolving, line of credit basis, until the maturity date of the Note.

SECTION 8. The Note shall be subject to redemption prior to maturity, at the option of this County, as a whole or in part, on any date. Any such redemption, as a whole, shall be upon written notice addressed to the Bank at the time of such redemption, as the registrar and paying agent for the Note. On the date designated for redemption, notice having been given as aforesaid, and money for payment of the principal and accrued interest being held by the Bank, as paying agent, interest on the Note so called for redemption or on any part of the principal of the Note selected for redemption shall cease to accrue. If the principal of the Note has been called for redemption or prepayment in full, the Note shall cease to be entitled to any benefit or security under this Ordinance, and the registered owner of the Note shall have no rights with respect to the Note, except to receive payment of the principal of and accrued interest on the Note to the redemption date.

SECTION 9. The principal of and interest on the Note shall be payable at any branch office of the Bank, including the office located in York, Pennsylvania, in lawful money of the United States of America.

SECTION 10. The form of the Note shall be substantially in the form attached hereto as Exhibit "B", with appropriate insertions, omissions and variations.

SECTION 11. The Note shall be executed in the name of and on behalf of the County by at least two members of the Board, and the official seal of this County shall be affixed thereto by the Chief Clerk of the Board and who shall sign the Note in attestation thereof, and said officers are authorized to execute and to attest, as applicable, the Note, as aforesaid.

SECTION 12. This County covenants to and with the registered owner, from time to time, of the Note outstanding pursuant to this Ordinance, that this County shall do the following: (i) include the amount of the debt service for the Note, for each fiscal year of this County in which such sums are payable, in its budget for that fiscal year, (ii) appropriate such amounts from its general revenues for the payment of such debt service, and (iii) duly and punctually pay or cause to be paid from the sinking fund created pursuant to Section 13 hereof or any other of its revenues or funds the principal of the Note and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this County shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this County shall be enforceable specifically.

SECTION 13. There is created, pursuant to the Act, a sinking fund for the Note, to be known as the "Sinking Fund - General Obligation Note, Series A of 2005" (the "Sinking Fund"), which Sinking Fund shall be administered in accordance with applicable provisions of the Act.

SECTION 14. This County appoints the Bank as the sinking fund depository with respect to the Sinking Fund.

SECTION 15. This County covenants to make payments out of the Sinking Fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Note when due.

SECTION 16. Proper officers of this County are authorized and directed: (a) to prepare, to certify and to file the debt statement required by the Act; (b) to prepare and to file the application with the Department of Community and Economic Development of the Commonwealth (the "Department"), together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Note, upon issue, will be evidence, as required by the Act; (c) to prepare and to file any statements required by the Act that are necessary to qualify all or any portion of nonelectoral or lease rental debt of the County, that is subject to exclusion as self-liquidating or subsidized debt, for exclusion from the appropriate debt limit as self-liquidating or subsidized debt; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; and (e) to take other required, necessary or appropriate action.

Proper officers of this County are authorized and directed to prepare an appropriate borrowing base certificate to be appended to the debt statement authorized herein.

SECTION 17. The Note has been sold, as set forth in this Ordinance, at private sale, as permitted by the Act.

SECTION 18. Proper officials of this County are authorized and directed to contract with the Bank for its services as sinking fund depository in connection with the Sinking Fund and as paying agent in connection with the Note.

SECTION 19. It is declared that the debt to be incurred hereby, together with any other indebtedness of this County, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by this County, which is evidenced by the Note.

SECTION 20. The Chief Clerk of the Board of this County is authorized and directed to deliver the executed Note to the Bank, as provided in the Proposal, but only after the Department has certified its approval pursuant to the Act.

SECTION 21. This County will make no use of the proceeds of the Note that will cause the Note to be or become an "arbitrage bond" within the meaning of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations implementing said Sections that duly have been published in the Federal Register or with any other regulations implementing said Sections, and this County further covenants to comply with all other requirements of the Code if and to the extent applicable to maintain continuously the Federal income tax exemption of the interest paid on the Note.

SECTION 22. In the event any provision, section, sentence, clause, or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Ordinance, it being the intent of this County that such remainder shall be and shall remain in full force and effect.

SECTION 23. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

SECTION 24. This Ordinance shall be effective in accordance with the Act.

DULY ENACTED AND ORDAINED, by the Board of County Commissioners,
of the County of York, Pennsylvania, in lawful session duly assembled, this 16th day of November,
2005.

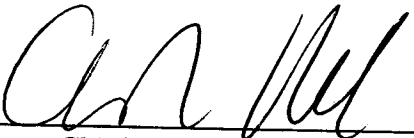
COUNTY OF YORK, PENNSYLVANIA

By: 
Commissioner

By: 
Commissioner

By: _____
Commissioner

ATTEST:


Chief Clerk of the Board
of County Commissioners

(SEAL)

EXHIBIT "A"

COUNTY OF YORK, PENNSYLVANIA
\$11,000,000 Maximum Principal Amount
General Obligation Note, Series A of 2005

<u>Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
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SEE ATTACHED SHEETS¹

¹Assumes the following: (a) the Note is issued by the County to the Bank on December 15, 2005, and the principal amount of the Note is drawn down entirely on that date. Quarterly interest only payments are due beginning on March 1, 2006, at a fixed interest rate of 3.90%, until the principal amount of the Note is paid in full upon maturity on December 1, 2008.

York County, Pennsylvania, Series A of 2005 Note

Compound Period: Quarterly

Nominal Annual Rate: 3.900 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/15/2005	11,000,000.00	1		
2	Payment	03/01/2006	Interest Only	11	Quarterly	09/01/2008
3	Payment	12/01/2008	11,107,250.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	12/15/2005				11,000,000.00
2005 Totals		0.00	0.00	0.00	
1	03/01/2006	89,326.03	89,326.03	0.00	11,000,000.00
2	06/01/2006	107,250.00	107,250.00	0.00	11,000,000.00
3	09/01/2006	107,250.00	107,250.00	0.00	11,000,000.00
4	12/01/2006	107,250.00	107,250.00	0.00	11,000,000.00
2006 Totals		411,076.03	411,076.03	0.00	
5	03/01/2007	107,250.00	107,250.00	0.00	11,000,000.00
6	06/01/2007	107,250.00	107,250.00	0.00	11,000,000.00
7	09/01/2007	107,250.00	107,250.00	0.00	11,000,000.00
8	12/01/2007	107,250.00	107,250.00	0.00	11,000,000.00
2007 Totals		429,000.00	429,000.00	0.00	
9	03/01/2008	107,250.00	107,250.00	0.00	11,000,000.00
10	06/01/2008	107,250.00	107,250.00	0.00	11,000,000.00
11	09/01/2008	107,250.00	107,250.00	0.00	11,000,000.00
12	12/01/2008	11,107,250.00	107,250.00	11,000,000.00	0.00
2008 Totals		11,429,000.00	429,000.00	11,000,000.00	
Grand Totals		12,269,076.03	1,269,076.03	11,000,000.00	

EXHIBIT "B"

COUNTY OF YORK, PENNSYLVANIA

GENERAL OBLIGATION NOTE, SERIES A OF 2005

COUNTY OF YORK, Pennsylvania (the "County"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), promises to pay to the order of COMMERCE BANK/HARRISBURG, N.A. (the "Bank"), or registered assigns, on December 1, 2008, unless this General Obligation Note, Series A of 2005 (the "Note"), duly shall have been called for previous redemption and payment of the redemption price shall have been made or provided for, the maximum principal amount of Eleven Million Dollars (\$11,000,000), or such lesser particular sum as shall represent the unpaid balance of such maximum principal amount advanced, from time to time, on a non-revolving, line of credit basis, and to pay interest on the principal sum hereof which, from time to time, shall be outstanding and shall remain unpaid, at the rate of Three and Ninety Hundredths per centum (3.90%), per annum, from the date thereof. Interest only payments on the outstanding principal balance shall be due quarterly, on March 1, June 1, September 1 and December 1 of each year, beginning on March 1, 2006, until and upon maturity or until any earlier date upon which the principal amount of the Note is paid in full. The principal of this Note shall be payable, in full, upon maturity on December 1, 2008.

The principal of and interest on this Note shall be payable at the principal office or at any branch office of the Bank, in lawful money of the United States of America.

The County, at its option, on any date, may prepay in whole or, from time to time, in part the principal of this Note, by payment of the amount selected for such prepayment. If this Note

is prepaid in whole, the outstanding principal amount shall be paid together with accrued interest to the prepayment date. Any prepayment, as hereinbefore authorized, in whole, shall be upon written notice addressed to the registered owner hereof at the time of such redemption, as such registered owner and address shall appear upon books of the County to be kept by the Bank for such purpose, following written notice to the Bank. If the principal of this Note shall have been prepaid in full, this Note shall cease to be entitled to any benefit or security under the Ordinance (hereinafter defined) authorizing issuance of this Note, and the registered owner of this Note shall have no rights with respect to this Note except to receive payment of the principal of and accrued interest to the prepayment date.

This Note is issued in accordance with provisions of the Act of the General Assembly of the Commonwealth known as the Local Government Unit Debt Act (the "Act"), and by virtue of an Ordinance (the "Ordinance") duly enacted by the Board of County Commissioners of the County. The Act, as such shall have been in effect when this Note was authorized, and the Ordinance shall constitute a contract between the County and the registered owner or registered owners, from time to time, of this Note.

It hereby is certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the County, is not in excess of any applicable limitation imposed by the Act upon the incurring of the debt of the County which is evidenced by this Note.

EXHIBIT "B"

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The County has covenanted, in the Ordinance, to and with registered owners, from time to time, of this Note, outstanding, from time to time, pursuant to the Ordinance, that the County shall do the following: (i) include the amount of the debt service for this Note, for each fiscal year of the County in which such sums are payable, in its budget for that fiscal year, (ii) appropriate such amounts from its general revenues for the payment of such debt service, and (iii) duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal of this Note and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning hereof; and, for such budgeting, appropriation and payment, the County has pledged and does pledge, irrevocably, its full faith, credit and taxing power. The Act provides that the foregoing covenant of the County shall be enforceable specifically.

The County, in the Ordinance, has established a sinking fund with the Bank, as the sinking fund depositary, into which funds for the payment of the principal of and the interest on this Note shall be deposited not later than the date fixed for the disbursement thereof. The County has covenanted, in the Ordinance, to make payments out of such sinking fund or out of any other of its revenues or funds, at such times in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Note.

This Note is transferable by the Bank, or by any subsequent registered owner in person or by his attorney duly authorized, in writing, at the principal office or at any branch office of the Bank, but only upon notation of such registration hereon and on the records of the County to be kept for that purpose at the principal office or at any branch office of the Bank by a duly

authorized representative of the Bank acting on behalf of the County. The County and the Bank may deem and treat the person, from time to time, in whose name this Note shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of redemption hereof prior to maturity and for all other purposes.

IN WITNESS WHEREOF, the COUNTY OF YORK, Pennsylvania, as provided by the Act and in the Ordinance, has caused this Note to be executed in its name and in its behalf by at least two members of the Board of County Commissioners and the official seal of the County to be affixed hereto and executed by the Chief Clerk of the Board of County Commissioners in attestation thereof, all this day of , 2005.

COUNTY OF YORK, PENNSYLVANIA

By: _____
Commissioner

By: _____
Commissioner

By: _____
Commissioner

ATTEST:

Chief Clerk of the Board of
County Commissioners

(SEAL)

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF COMMERCE BANK/HARRISBURG, N.A., THE PAYING AGENT, OR OF ANY SUCCESSOR PAYING AGENT, ACTING AS REGISTRAR, ON BEHALF OF THE COUNTY OF YORK, PENNSYLVANIA

Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)
, 2005	Commerce Bank/Harrisburg, N.A.	Commerce Bank/Harrisburg, N.A.

CERTIFICATE

I, the undersigned, Chief Clerk of the Board of County Commissioners of the County of York, Pennsylvania (the "County"), certify that: the foregoing is a true and correct copy of an Ordinance that duly was enacted by affirmative vote of a majority of all members of the Board of County Commissioners of the County at a meeting duly held on November 16, 2005; said Ordinance duly has been recorded in the ordinance book of the Board of County Commissioners of the County and assigned Ordinance No. 2005-__; a notice with respect to the intent to adopt said Ordinance has been published as required by law; said Ordinance was available for inspection by any interested citizen requesting the same in accordance with the requirements of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania and such notice; and said Ordinance has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that the Board of County Commissioners of the County met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. Ch. 7 by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the principal office of the County or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting, all as required by such Act.

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

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

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 16th day of November, 2005.

Chief Clerk of the Board
of County Commissioners

(SEAL)