

COUNTY OF YORK, PENNSYLVANIA

ORDINANCE NO. 2014-02

OF THE COUNTY OF YORK AUTHORIZING AND SECURING A GENERAL OBLIGATION NOTE IN THE PRINCIPAL AMOUNT OF \$2,757,250, PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT TO REFUND A PORTION OF THE COUNTY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 2006 AND PAY RELATED EXPENSES; ACCEPTING A BANK LOAN PROPOSAL; FIXING THE SUBSTANTIAL FORM AND TERMS OF THE REFUNDING NOTE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY IN SUPPORT OF THE REFUNDING NOTE; AND AUTHORIZING RELATED ACTIONS AND DOCUMENTS.

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

WHEREAS, The County, by Ordinance No. 2005-10, duly enacted by the Board on December 14, 2005 (the "2006 Bonds Enabling Ordinance"), authorized and secured the issuance of its General Obligation Bonds, Series of 2006, in the original principal amount of \$74,890,000 (the "2006 Bonds"), to undertake described capital projects including emergency/911 management and communication facilities and equipment (the "911 Project"); and

WHEREAS, The Department of Community and Economic Development, of the Commonwealth (the "Department"), approved nonelectoral debt proceedings of this County under

the Debt Act related to the 2006 Bonds, evidenced by Certificate of Approval No. GOB-16149, dated January 17, 2006; and

WHEREAS, This County issued and delivered the 2006 Bonds on January 24, 2006; and

WHEREAS, This County intends to replace portions of the 911 Project as a result of mandates by the Federal government, rendering such portions obsolete to the County when replaced; and

WHEREAS, This County intends to seek reimbursement from the Federal government for the cost of the replaced 911 Project; and

WHEREAS, the Board has determined to currently refund on a short term basis, pending reimbursement from the Federal government, those outstanding 2006 Bonds attributable to the replaced 911 Project facilities, including \$2,690,000 principal amount of the outstanding 2006 Bonds stated to mature on June 1, 2014 (the "Refunded 2006 Bonds"), together with interest due on the Refunded 2006 Bonds on June 1, 2014 (collectively, the "Refunding Project"); and

WHEREAS, The Board has determined to issue a General Obligation Note, Series of 2014, in the principal amount of \$2,757,250 (the "Note"), to finance the Refunding Project; and

WHEREAS, A written loan proposal, dated April 30, 2014 (the "Proposal"), to purchase the Note has been received from PNC Bank, National Association (the "Lender"), containing terms and conditions applicable to the Note; and

WHEREAS, The Board desires to accept the Proposal, to award the Note to the Lender, to authorize the issuance of nonelectoral debt represented by the Note, and to take appropriate action and to authorize proper things in accordance with the Debt Act.

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

SECTION 1. This County hereby authorizes and secures the issuance of the Note, pursuant to this Ordinance, in the principal amount of \$2,757,250, in accordance with the Debt Act. The proceeds of the Note will be sufficient to undertake the Refunding Project. The principal and interest of the Refunded 2006 Bonds to be paid pursuant to the Refunding Project are set forth in Exhibit "A" attached hereto.

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

SECTION 3. The remaining useful lives of the facilities originally financed by the proceeds of the Refunded 2006 Bonds are at least 30 months.

The Refunding Project is authorized by Section 8241(b)(5) of the Debt Act (substituting bonds with a note). The maturity date of the Note will not exceed one year after the completion of construction of the replacement 911 facilities.

SECTION 4. The Board of this County accepts the proposal of the Lender to purchase the Note, at a purchase price of \$2,757,250 (100% of principal amount).

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 single dollar denomination of \$2,757,250, shall be dated the date of delivery thereof to the Lender, and shall bear interest from the date of delivery thereof to the Lender, at the rate described in the form of the

Note attached hereto as Exhibit "B". Interest only shall be payable quarterly on the outstanding principal balance of the Note and upon maturity, or until any earlier date upon which the principal amount of the Note is paid or redeemed in full. The outstanding principal balance of the Note shall be payable in full, upon maturity, on December 1, 2016. A schedule illustrating the maximum annual debt service due on the Note is attached hereto as Exhibit "C" and made a part hereof.

SECTION 7. Principal of the Note shall be advanced to this County by the Lender on the issuance 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 registered owner thereof at the time of such redemption, as such registered owner and address shall appear on the books of this County to be kept by the Lender for such purpose, by deposit of such written notice in the United States mail at least ten (10) days prior to the date designated for such redemption. On the date designated for such redemption, notice having been given as aforesaid, and money for payment of the principal and accrued interest being held by the Lender, 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 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 in lawful money of the United States of America.

SECTION 10. 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 11. 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 12 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 Debt Act, the foregoing covenant of this County shall be enforceable specifically.

SECTION 12. There is created, pursuant to the Debt Act, a sinking fund for the Note, to be known as the "Sinking Fund - General Obligation Note, Series of 2014" (the "Sinking Fund"), which Sinking Fund shall be administered in accordance with the Debt Act.

This County appoints the Lender having an office in Camp Hill, Pennsylvania, as the sinking fund depository with respect to the Sinking Fund. 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.

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

SECTION 13. Proper officers of this County are authorized and directed: (a) to prepare, to certify and to file the debt statement required by the Debt Act; (b) to prepare and to file the application with 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 Debt Act; (c) to prepare and to file any statements required by the Debt 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 Debt 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 14. 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 Debt Act upon the incurring of debt by this County evidenced by the Note.

SECTION 15. The Chief Clerk of the Board of this County is authorized and directed to deliver the Note, after execution and attestation thereof as provided for herein, to the

Lender, as provided in the Proposal, but only after the Department has certified its approval pursuant to the Debt Act.

SECTION 16. This County covenants to and with Lender and any other holder of the issue that constitutes the Note that it will make no use of the proceeds of such issue that will cause any of the Note to be or become "arbitrage bonds" 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 interest on the Note.

SECTION 17. 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.

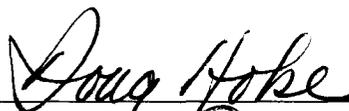
SECTION 18. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

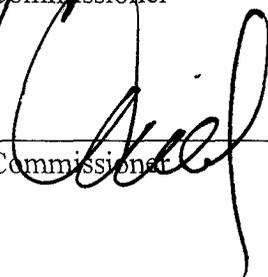
SECTION 19. This Ordinance shall be effective in accordance with the Debt Act.

DULY ENACTED AND ORDAINED, by the Board of County Commissioners,
of the County of York, Pennsylvania, in lawful session duly assembled, this 30th day of April,
2014.

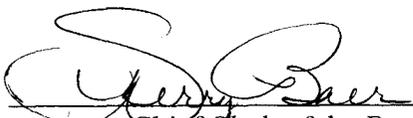
COUNTY OF YORK, PENNSYLVANIA

By: 
Commissioner

By: 
Commissioner

By: 
Commissioner

ATTEST:


Chief Clerk of the Board
of County Commissioners

(SEAL)

EXHIBIT "A"

Principal and Interest to Be Refunded

	Payment Date
	<u>June 1, 2014</u>
2006 Refunded Bonds	
Principal Maturing	\$ 2,690,000
Interest on \$2,690,000	<u>\$ 67,250</u>
Total	\$ 2,757,250

EXHIBIT "B"

\$2,757,250.00

**COUNTY OF YORK, PENNSYLVANIA
GENERAL OBLIGATION NOTE, SERIES OF 2014**

The COUNTY OF YORK, Pennsylvania (the "County"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), promises to pay to the order of PNC BANK, NATIONAL ASSOCIATION (the "Lender"), or registered assigns, on December 1, 2016 (the "Maturity Date"), unless this General Obligation Note, Series of 2014 (the "Note"), shall have been duly called for previous redemption and payment of the redemption price shall have been made or provided for, the principal amount of Two Million Seven Hundred Fifty-seven Thousand Two Hundred Fifty Dollars (\$2,757,250), or such lesser particular sum as shall represent the unpaid balance of such principal amount, and to pay interest on the principal sum hereof which, from time to time, shall be outstanding and shall remain unpaid, at a continuously variable rate equal to adding 1.00% to the product of 70% of "one-month LIBOR" from the date hereof (the "Tax-exempt Rate"). Interest on the outstanding principal balance hereof shall be payable quarterly and on the Maturity Date, or upon any earlier date on which the principal amount of this Note is redeemed in full. The principal of this Note shall be payable in full, in lawful money of the United States of America, on the Maturity Date.

For purposes of this Note, "one-month LIBOR" or "LIBOR" shall mean the rate per annum (rounded upward, if necessary, to the nearest 1/16th of 1%) obtained by dividing (i) the one-month interest period London Interbank Offered Rate fixed by the British Bankers Association for United States dollar deposits in the London interbank market at approximately 11:00 a.m.

London, England time (or as soon thereafter as practicable) as determined by the Lender from any broker, quoting service or commonly available source utilized by the Lender by (ii) a percentage equal to 100% minus the stated maximum rate of all reserves required to be maintained against "Eurocurrency Liabilities" as specified in Regulation D (or against any other category of extensions of credit or other assets which includes loans by a non-United States' office of a bank to United States residents) on such date to any member bank of the Federal Reserve System. Notwithstanding any provision above, the practice of rounding to determine LIBOR may be discontinued at any time in the Lender's sole discretion.

On written demand, together with written evidence of the justification therefor, the County agrees to pay the Lender all direct costs incurred, any losses suffered or payments made by the Lender as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Lender, its holding company or any of their respective assets relative to the Facility. "Change in Law" means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Lender for International Settlements, the Basel

Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

The County agrees to the extent authorized by law, to indemnify the Lender against any liabilities, losses or expenses (including, without limitation, loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any advance (or any part thereof)) which the Lender sustains or incurs as a consequence of either (a) the County's failure to make a payment on the due date thereof, (b) the County's revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Lender to request, convert, renew or prepay any advance hereunder, or (c) the County's payment or prepayment (whether voluntary, after acceleration of the maturity of this Note or otherwise) or conversion of any advance hereunder on a day other than the regularly scheduled due date therefor. A notice as to any amounts payable pursuant to this paragraph given to the County by the Lender shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The County's indemnification obligations hereunder shall survive the payment in full of the advances and all other amounts payable hereunder.

So long as no Determination of Taxability (defined below) has occurred, interest upon the principal hereof shall be paid at the Tax-exempt Rate. However, upon the occurrence of a Determination of Taxability (defined below), while this Note is outstanding, the County promises to pay interest effective as of the date of the Determination of Taxability, on the unpaid principal balance, equal to the after tax equivalent yield to the Lender of the Tax-exempt Rate, as reasonably

determined by the Lender. The County shall pay or reimburse the Lender for any interest or penalties arising out of such Determination of Taxability. The term "Determination of Taxability" means (a) the issuance by the Internal Revenue Service to the Lender or other holder of this Note of a letter proposing to assess a deficiency with respect to the interest on this Note, the receipt of which shall establish that an Event of Taxability (defined below) with respect to this Note has occurred; or (b) the delivery of written notice to the County by the Lender or other holder of this Note declaring that an Event of Taxability has occurred on a specified date (other than by reason of the event described in (a) above). The term "Event of Taxability" shall mean (i) a change in law or fact (or the interpretation thereof), (ii) the occurrence or recognition of a fact, circumstance or situation, (iii) a determination, regulation, ruling or decision issued or made in regard to Sections 103 and/or 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), by any court or judicial or quasi-judicial body or by the commissioner or any district director of the Internal Revenue Service, or (iv) the enactment of any legislation, which, with respect to any of the foregoing causes, nationally recognized bond counsel selected by the Lender (which counsel may be the Lender's counsel), is of the opinion that requires the interest payable on this Note to be includable in the gross income of the Lender.

Upon default, in addition to accelerating the outstanding principal balance hereof and discontinuing advances of proceeds of this Note, the Lender may increase the interest rate payable on the principal balance of this Note by adding an additional 300 basis points (3.00%) margin ("Default Rate Margin") to the interest rate otherwise due. After this Note would have matured had there been no default, the Default Rate Margin will continue to apply to the applicable interest rate described in this Note. If judgment is entered in connection with this Note, interest

will continue to accrue after the date of judgment at the rate in effect at the time judgment is entered. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

The County, at its option, on any date, may prepay in whole or in part, at a redemption price of 100% of the principal amount redeemed. Such redemption shall be upon written notice, at least ten (10) days prior to the date designated for prepayment, addressed to the holder of this Note at the time of such redemption, as such registered owner and address shall appear upon books of the County to be kept by the Lender (hereinafter defined) for such purpose, by deposit of such written notice in the United States mail. 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 the issuance of and securing 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 "Debt Act"), and by virtue of Ordinance No. 2014-02 (the "Ordinance") duly enacted by the Board of County Commissioners of the County on April 30, 2014. The Debt 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 Debt Act upon the incurring of the debt of the County which is evidenced by this Note.

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 Debt 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 Lender, as the sinking fund depository, 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 Lender, 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 PNC Bank, National Association, as paying agent for this Note, 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 Lender by a duly authorized representative of the Lender acting in behalf of the County. The County and the Lender 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 Debt 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 of the County, 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 on this _____ day of _____, 2014.

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 PNC BANK, NATIONAL ASSOCIATION, THE LENDER, 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)
_____, 2014	PNC Bank, National Association	PNC Bank, National Association

EXHIBIT "C"

Maximum Debt Service Payments on the Note¹

COUNTY OF YORK, PENNSYLVANIA
\$2,757,250 Principal Amount
General Obligation Note, Series of 2014

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
September 1, 2014	\$84,584.88	\$ 0.00	\$ 84,584.88
December 1, 2014	\$82,717.50	\$ 0.00	\$ 82,717.50
March 1, 2015	\$82,717.50	\$ 0.00	\$ 82,717.50
June 1, 2015	\$82,717.50	\$ 0.00	\$ 82,717.50
September 1, 2015	\$82,717.50	\$ 0.00	\$ 82,717.50
December 1, 2015	\$82,717.50	\$ 0.00	\$ 82,717.50
March 1, 2016	\$82,717.50	\$ 0.00	\$ 82,717.50
June 1, 2016	\$82,717.50	\$ 0.00	\$ 82,717.50
September 1, 2016	\$82,717.50	\$ 0.00	\$ 82,717.50
December 1, 2016	\$82,717.50	\$2,757,250.00	\$2,839,967.50

¹Assumes the Note is issued by the County to the Lender on May 30, 2014, and the principal amount of the Note is drawn down entirely on that date. Interest only is due quarterly and upon maturity on December 1, 2016, at the maximum variable rate of 12.0%, per annum.

CERTIFICATE

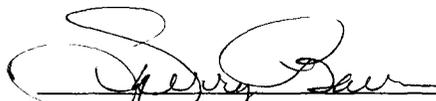
I, the undersigned, Chief Clerk of the Board of County Commissioners of the County of York, Pennsylvania (the "County"), certify that: the foregoing is a true and correct copy of Ordinance No. 2014-02 that was duly enacted by affirmative vote of a majority of all members of the Board of County Commissioners of the County present at a meeting duly held on April 30, 2014; said Ordinance duly has been recorded in the ordinance book of the County and assigned Ordinance No. 2014-02; 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:

Steve Chronister	- 4
Doug Hoke	- 4
Christopher B. Reilly	- 4

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 30th day of April, 2014.



Steve Chronister
Chief Clerk of the Board
of County Commissioners

(SEAL)