

COUNTY OF YORK, PENNSYLVANIA

ORDINANCE NO. 2014-09

AUTHORIZING AN AMENDMENT TO A 2006 QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT TO BE RELATED TO OTHER OUTSTANDING GENERAL OBLIGATION BONDS AND NOTES OF THIS COUNTY; RATIFYING THE ORIGINAL INTEREST RATE MANAGEMENT PLAN; AND AUTHORIZING RELATED ACTIONS AND DOCUMENTS.

WHEREAS, This County is governed by its Board of County Commissioners (the “Board”), and is a “local government unit” as such phrase is defined under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the “Commonwealth”), 53 Pa. C.S. Chs. 80-82 (the “Debt Act”); and

WHEREAS, The Board by ordinance duly enacted on December 14, 2005, authorized and secured the issuance of its General Obligation Bonds, Series of 2006, in the original aggregate principal amount of \$74,890,000, dated as of January 15, 2006 (the “2006 Bonds”); and

WHEREAS, The Department of Community and Economic Development (the “Department”), of the Commonwealth approved the debt proceedings of this County related to the 2006 Bonds, evidenced by Certificate of Approval No. GOB-6149, dated January 17, 2006; and

WHEREAS, The Board, by its Ordinance #2006-2 enacted on February 22, 2006 (the “2006 Basis Swap Ordinance”), approved an Interest Rate Management Agreement (the “2006 Basis Swap”) with the Royal Bank of Canada (the “Counterparty”), in order to manage interest rate risk associated with the 2006 Bonds, including a Master Agreement, Schedule and Confirmation,

all dated February 22, 2006, relating and attaching the 2006 Basis Swap to the 2006 Bonds, all as permitted by and in accordance with the Debt Act; and

WHEREAS, The 2006 Basis Swap Ordinance approved an Interest Rate Management Plan (the “2006 Interest Rate Management Plan”), prepared by an “independent financial advisor” as required by the Debt Act, pertaining to the 2006 Basis Swap; and

WHEREAS, Pursuant to Ordinance #2014-08, enacted on December 10, 2014, the Board incurred debt to be evidenced by the County’s General Obligation Bonds, Series A, B and C (the “2015 Bonds”), to undertake capital projects and to advance refund all of the outstanding 2006 Bonds (the “2006 Bonds Refunding Project”); and

WHEREAS, The Board wishes to affirm, consistent with the terms of the 2006 Basis Swap, that upon the issuance of the 2015 Bonds and at such time as the 2006 Bonds are no longer “outstanding” under the Debt Act, the 2006 Basis Swap shall thereafter be related to the 2015 Bonds and the certain other outstanding County indebtedness described on the attached Exhibit A, as well as any County obligations issued or debt incurred to refund such 2015 Bonds or such other indebtedness (collectively, the “Related Bonds”); and

WHEREAS, The Board finds that amending the 2006 Basis Swap to be associated with the Related Bonds, as contemplated hereby is consistent with the material provisions, schedules and analysis contained in the 2006 Interest Rate Management Plan, which is incorporated herein by reference; provided that all references in the 2006 Interest Rate Management Plan to the 2006 Bonds shall be deemed to refer hereafter to the Related Bonds; and

WHEREAS, The Board desires to take all action necessary to authorize the aforementioned amendment of the 2006 Basis Swap, pursuant to an amendment confirmation substantially in the

form attached hereto as **Exhibit B**, and otherwise consistent with the 2006 Basis Swap and the 2006 Interest Rate Management Plan, as amended hereby (the "Amendment Confirmation").

NOW, THEREFORE, BE IT RESOLVED, by the Board, as follows:

Section 1. The Board hereby authorizes and directs the transfer of the 2006 Basis Swap from the 2006 Bonds to the Related Bonds, pursuant to the Amendment Confirmation, commencing when the 2006 Bonds are no longer deemed outstanding under the Debt Act.

Section 2. The Board hereby finds and declares the following:

- (a) the remaining notional amount of the 2006 Basis Swap at all times does exceed the outstanding principal amount of the Related Bonds;
- (b) the term of the 2006 Basis Swap does not exceed the latest maturity date of the Related Bonds;
- (c) the 2006 Basis Swap contains a provision requiring the termination thereof if the Related Bonds are no longer outstanding;
- (d) the maximum annual interest rate which shall be required to be paid by this County under the 2006 Basis Swap remains at 25%, per annum;
- (e) the maximum net payments by fiscal year due and payable by the County with respect to the Related Bonds, excluding principal of the Related Bonds, shall not exceed the aforesaid maximum interest rate specified in the 2006 Basis Swap (plus the maximum and/or fixed interest rates applicable to the Related Bonds), for (i) periodic scheduled payments, not including any termination payments, due under the 2006 Basis Swap, and (ii) the interest payable on the Related Bonds, as illustrated in **Exhibit C** attached hereto;

(f) the source of payment of the County's obligations with respect to the 2006 Basis Swap is general revenues;

(g) the 2006 Basis Swap contains provisions addressing the actions to be taken if the credit rating of the Counterparty changes; and

(h) the periodic scheduled payments due under the 2006 Basis Swap and any payments due on the Related Bonds in respect of principal of and interest on the Related Bonds is senior in right and priority of payment to any termination payments due under the 2006 Basis Swap.

Section 3. The Board hereby ratifies and confirms the 2006 Basis Swap, as amended by the Amendment Confirmation.

Section 4. The Board hereby determines that the 2006 Basis Swap, as amended, is in the best financial interest of the County and is consistent with the 2006 Interest Rate Management Plan, as amended hereby.

Section 5. The County hereby ratifies and confirms all covenants in the 2006 Basis Swap, as amended, including to make the payments required under the 2006 Basis Swap, and to include the periodic scheduled amounts payable thereunder for each fiscal year in its budget for that fiscal year and to appropriate those amounts from its general revenues for the payment of such amounts, and for such budgeting, appropriation and payment hereby pledges its full faith, credit and taxing power.

Section 6. The County does hereby covenant that the periodic scheduled payments due under the 2006 Basis Swap and the payments in respect of principal of and interest on the Related Bonds shall be equally and ratably payable and secured.

Section 7. A certified copy of this Ordinance shall be filed with the Department within 15 days following the enactment hereof, as required by the Debt Act.

Section 8. The advertisement of a notice of intent to adopt this Ordinance in a newspaper of general circulation, as required by the Debt Act, is hereby ratified and confirmed, and the Chief Clerk is authorized and directed to advertise promptly a notice of final enactment of this Ordinance, as required by the Debt Act.

Section 9. Officers and agents of the County are authorized and directed to execute and deliver the Confirmation Amendment, and take all other required action to implement the intent and purposes of this Ordinance. All actions heretofore taken by such officers and agents in connection with the amendment to the 2006 Basis Swap and the Amendment Confirmation are hereby ratified and confirmed.

Section 10. Any reference in this Ordinance to an officer or member of the Board shall be deemed to refer to his or her duly qualified successor in office, if applicable.

Section 11. This Ordinance shall be effective in accordance with the Debt Act.

Section 12. 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 the County that such remainder shall be and shall remain in full force and effect.

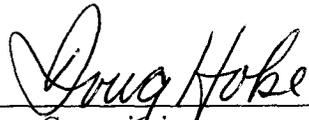
Section 13. All Ordinances or parts of Ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

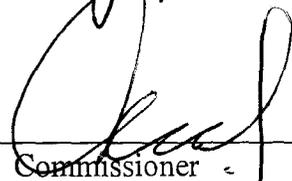
Section 14. A certified copy of this Ordinance shall be provided to the Counterparty promptly following enactment by the Board.

DULY ENACTED AND ORDAINED, by the Board of County Commissioners, of the County of York, Pennsylvania, in lawful session duly assembled, this 17th day of December, 2014.

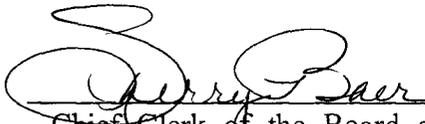
COUNTY OF YORK, PENNSYLVANIA,
York County, Pennsylvania

By: 
Commissioner

By: 
Commissioner

By: 
Commissioner

ATTEST:


Chief Clerk of the Board of County
Commissioners

(SEAL)

EXHIBIT A

	2005 BOND ALLOCATION		2015 A BOND ALLOCATION	2015 B BOND ALLOCATION	2015 C BOND ALLOCATION	TOTAL 2015 A,B,C ALLOCATION	SHORT	2012 BONDS	2015 NOTES	2013 BONDS
1-Jun-14	2,690,000	64,770,000								
1-Dec-14	-	62,090,000								
1-Jun-15	2,845,000	62,090,000	5,000	5,000		10,000	2,535,000	2,005,000		630,000
1-Dec-15	-	59,235,000								
1-Jun-16	3,005,000	59,235,000	5,000	-	21,000,000	21,005,000	(16,000,000)			
1-Dec-16	-	56,230,000								
1-Jun-17	3,165,000	56,230,000	890,000	5,000		895,000	2,270,000		2,200,000	70,000
1-Dec-17	-	53,065,000								
1-Jun-18	3,345,000	53,065,000	915,000	5,000		920,000	2,425,000		2,300,000	125,000
1-Dec-18	-	49,720,000								
1-Jun-19	3,530,000	49,720,000	940,000	5,000		945,000	2,565,000		2,410,000	175,000
1-Dec-19	-	46,190,000								
1-Jun-20	3,735,000	46,190,000	970,000	5,000		975,000	2,760,000		2,505,000	235,000
1-Dec-20	-	42,455,000								
1-Jun-21	2,210,000	42,455,000	1,015,000	470,000		1,485,000	725,000			725,000
1-Dec-21	-	40,245,000								
1-Jun-22	2,340,000	40,245,000	1,060,000	2,210,000		3,270,000	(520,100)			
1-Dec-22	-	37,905,000								
1-Jun-23	2,485,000	37,905,000	1,110,000	2,350,000		3,460,000	(975,000)			
1-Dec-23	-	35,420,000								
1-Jun-24	2,640,000	35,420,000	1,170,000	2,500,000		3,670,000	(1,210,000)			
1-Dec-24	-	32,780,000								
1-Jun-25	2,810,000	32,780,000	1,230,000	2,675,000		3,900,000	(1,090,000)			
1-Dec-25	-	29,970,000								
1-Jun-26	3,000,000	29,970,000	1,285,000	2,660,000		4,145,000	(1,145,000)			
1-Dec-26	-	26,970,000								
1-Jun-27	3,180,000	26,970,000	1,345,000	3,040,000		4,385,000	(1,205,000)			
1-Dec-27	-	23,790,000								
1-Jun-28	3,375,000	23,790,000	1,415,000	3,205,000		4,620,000	(1,245,000)			
1-Dec-28	-	20,415,000								
1-Jun-29	3,590,000	20,415,000	1,485,000	3,350,000		4,835,000	(1,245,000)			
1-Dec-29	-	16,825,000								
1-Jun-30	3,820,000	16,825,000		3,500,000		3,500,000	320,000			320,000
1-Dec-30	-	13,005,000								
1-Jun-31	4,055,000	13,005,000		3,660,000		3,660,000	375,000			375,000
1-Dec-31	-	8,950,000								
1-Jun-32	4,320,000	8,950,000		3,930,000		3,930,000	390,000			390,000
1-Dec-32	-	4,630,000								
1-Jun-33	4,630,000	4,630,000		4,220,000		4,220,000	410,000			410,000
			14,840,000	39,010,000	21,000,000	73,850,000				

1 Debt incurred on December 10, 2014 and approval pending

2 GOB-12092004 and 12092005

3 GON-12092005

4 GOB-13041502

EXHIBIT A

EXHIBIT B

Form of Amendment Confirmation

EXHIBIT B

Form of Amendment Confirmation

SEE ATTACHED PAGES

AMENDMENT (supersedes our document dated 22 Feb 2006) to:

- Remove previous Part 5(1) "THIRD PARTY PAYMENTS"
- Amend Part 5(1) "RELATED BONDS"
- Add Part 5(3) "DEFINITIONS"

Fax # 1 717 771 9804

[15 January 2015]

COUNTY OF YORK (THE), PENNSYLVANIA

**YORK COUNTY ADMINISTRATIVE OFFICES
ONE WEST MARKETWAY, 4TH FLOOR
YORK, PA
USA, 17401**

Attention: CHIEF CLERK / ADMINISTRATOR

Re: SWAP Transaction MATURING 01 Jun 2033 FOR USD 74,890,000.00

(Our Ref. No. 1382581 / 1411114/722/569/570)

(RBC USI – [TBD])

Dear Sir or Madam:

The purpose of this letter is to set forth the terms and conditions of the transaction entered into between us on the Trade Date specified below (the Transaction). This letter constitutes a "Confirmation" as referred to in the International Swaps and Derivatives Association, Inc. Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of **22 Feb 2006**, as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

2. The terms of the particular Swap Transaction to which this Confirmation relates are as follows:-

Notional Amount: **USD 74,890,000.00**

Trade Date: 22 Feb 2006
Effective Date: 01 Mar 2006
Termination Date: 01 Jun 2033

Floating Amounts:

Floating Notional Amount: USD 74,890,000.00 (see Cashflow attached)
Floating Rate Payer: ROYAL BANK OF CANADA
Spread: Plus 0.42390 percent
Floating Rate Payer Payment Dates: SEMI-ANNUALLY on 01 Jun and 01 Dec commencing on 01 Jun 2006 subject to adjustment in accordance with the Modified Following Business Day Convention and there will be no adjustment to the Calculation Period.
Floating Rate for initial Calculation Period: To be determined
Floating Rate Option: USD-LIBOR-BBA * 67%
Designated Maturity: 1MONTH
Floating Rate Day Count Fraction: Actual/360
Reset Dates: The Effective Date and on the first of each month.
Method of Averaging: Weighted Average
Business Day: New York
Compounding: Not applicable.
Fee: Not applicable.

Floating Amounts:

Floating Notional Amount: USD 74,890,000.00 (see Cashflow attached)
Floating Rate Payer: COUNTY OF YORK (THE), PENNSYLVANIA
Spread: 0.00000 percent
Floating Rate Payer Payment Dates: SEMI-ANNUALLY on 01 Jun and 01 Dec commencing on 01 Jun 2006 subject to adjustment in accordance with the Modified Following Business Day Convention and there will be no adjustment to the Calculation Period.

Floating Rate for initial Calculation Period: **To be determined**

Floating Rate Option: **USD-SIFMA Municipal Swap Index; provided, however that, the Floating Rate for any Calculation Period inclusive of the Spread (the "Aggregate") payable by COUNTY OF YORK, PENNSYLVANIA shall not be more than 25.00% (the "Maximum") and, in the event that, in any Calculation Period, the Aggregate is more than the Maximum, it shall be deemed to be equal to the Maximum for such Calculation Period.**

Floating Rate Day Count Fraction: **Actual/Actual**

Business Day: **New York**

Compounding: **Not applicable.**

Fee: **Not applicable.**

3. Account Details

Payments **ROYAL BANK CHASUS33**
o **OF CANADA JPMORGAN CHASE BANK N.A. NEW YORK**
 Account #: 001-1-153004
 ROYCCAT3IMM

Payments **COUNTY OF M&T Bank**
to **YORK (THE), ABA # 022000046**
 Account # 3088001950200
 F/F/C: County of York Swap
 ATTN: CORP. TRUST HBG / ADNAN AHMAD

4. Offices:

(a) The Office of **COUNTY OF YORK (THE), PENNSYLVANIA** for the Transaction is **YORK**:

(b) The Office of **ROYAL BANK OF CANADA** for the Transaction is **TORONTO**:

5. Other.

1. RELATED BONDS

For purposes of this Transaction "Related Bonds" shall mean **Party B's general obligation bonds or notes, identified as such in the Swap Resolution or Ordinance, as defined herein**, and any debt obligations issued by Party B to subsequently refund a series of Related Bonds, in which case the refunded obligations which are no longer "outstanding" as defined in the Debt Act, will no longer constitute Related Bonds.

2. MAXIMUM INTEREST RATE

The maximum interest rate (the "Maximum Interest Rate") payable by Party B with respect to the Transaction for periodic scheduled payments pursuant to this Transaction, not including termination payments, will not exceed **25.00%** per annum. The maximum net scheduled payments by fiscal year by Party B pursuant to this Transaction will not be calculated at a rate of Interest that exceeds the Maximum Interest Rate for periodic scheduled payments pursuant to this Transaction, not including any termination payments.

3. DEFINITIONS

For purposes of this Transaction, the definition of "Bond Ordinance" in Part 5(16) of the Schedule to the Agreement is amended as follows:

"Swap Resolution or Ordinance" shall mean the ordinance enacted on **December 17, 2014**, by the Board of County Commissioners of Party B authorizing and approving this Confirmation and shall also refer to any and all ordinance(s) or resolution(s) of Party B hereafter amending or supplementing such documents, including as a result of issuance of debt obligations to refund another series of Related Bonds.

This Confirmation may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case upon your confirmation in the manner prescribed hereunder, will be deemed for all purposes to be a legally binding transaction.

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing in the space provided below and returning same to us by facsimile transmission, or send to us within two (2) Business Days a letter by facsimile transmission or telex or electronic messaging system similar to this letter which sets forth the material terms of the foregoing Transaction to which this Confirmation relates and which indicates your agreement to those terms.

RBC confirms, and the Counterparty acknowledges, that this Confirmation has been executed by RBC by means of a computer-based system and that such execution shall have the same legal effect as if a signature had been manually written on such Confirmation and that each such Confirmation shall be deemed to have been signed by RBC for the purposes of any statute or rule of law that requires such Confirmation to be signed. The parties acknowledge that in any legal proceedings between them respecting or in any way relating to this Confirmation, each party expressly waives any right to raise any defence or waiver of liability based upon the execution of this Confirmation by RBC by means of an electronically-produced signature.

Telephone No.: **416 842-5613**

Facsimile No : **416 842-4902**

Yours sincerely,

Confirmed as of the date first written:

For and on behalf of

For and on behalf of

ROYAL BANK OF CANADA

**COUNTY OF YORK (THE),
PENNSYLVANIA**

By: _____

By:  _____

Authorized signature

Authorized signature

ROYAL BANK OF CANADA pays USD Float to COUNTY OF YORK (THE), PENNSYLVANIA
(Our Ref. No. 1382581 / 1411114)

Cash flows to be system generated.

COUNTY OF YORK (THE), PENNSYLVANIA pays USD Float to ROYAL BANK OF CANADA
(Our Ref. No. 1382581 / 1411114)

EXHIBIT C

Maximum 2006 Basis Swap and Related Bond Payments

Maximum Swap and Related Bond Payments

DATE	Max Payment Swaps (25%)	2015A	2015B	2015C	2015 Notes	2012 Bonds	2013 Bonds	TOTAL
12/31/2015	15,164,375	574,389	1,491,887	737,333	-	2,005,000	1,593,858	21,566,842
12/31/2016	14,433,125	653,600	1,693,900	21,840,000	-	-	-	38,620,625
12/31/2017	13,661,875	1,525,200	1,698,850	-	2,200,000	-	153,684	19,239,609
12/31/2018	12,848,125	1,523,125	1,698,750	-	2,300,000	-	275,299	18,645,299
12/31/2019	11,988,750	1,522,750	1,698,650	-	2,410,000	-	364,749	17,984,899
12/31/2020	11,080,625	1,521,700	1,698,525	-	2,525,000	-	481,852	17,307,702
12/31/2021	10,337,500	1,521,925	2,154,050	-	-	-	1,410,917	15,424,392
12/31/2022	9,768,750	1,520,350	3,829,400	-	-	-	-	15,118,500
12/31/2023	9,165,625	1,521,400	3,855,400	-	-	-	-	14,542,425
12/31/2024	8,525,000	1,524,400	3,884,150	-	-	-	-	13,933,550
12/31/2025	7,843,750	1,524,400	3,924,900	-	-	-	-	13,293,050
12/31/2026	7,117,500	1,522,950	3,976,650	-	-	-	-	12,617,100
12/31/2027	6,345,000	1,523,625	4,009,150	-	-	-	-	11,877,775
12/31/2028	5,525,625	1,524,625	4,050,075	-	-	-	-	11,100,325
12/31/2029	4,655,000	1,522,125	4,096,750	-	-	-	-	10,273,875
12/31/2030	3,728,750	-	4,144,000	-	-	-	1,065,554	8,938,304
12/31/2031	2,744,375	-	4,179,500	-	-	-	1,202,829	8,126,704
12/31/2032	1,697,500	-	4,239,250	-	-	-	1,207,579	7,144,329
12/31/2033	578,750	-	4,325,500	-	-	-	1,221,462	6,125,712
Total	157,210,000	21,026,564	60,649,337	22,577,333	9,435,000	2,005,000	8,977,782	281,881,017

CERTIFICATE

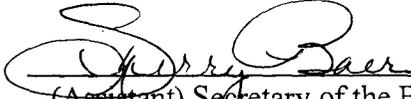
I, the undersigned, Chief Clerk of the Board of County Commissioners of the County of York, Pennsylvania (the "County"), certify that: the foregoing is a true and correct copy of Ordinance No. 2014-09 that was duly enacted by affirmative vote of a majority of all members of the Board of County Commissioners of the County present at a meeting duly held on December 17, 2014; said Ordinance duly has been recorded in the ordinance book of the County; a notice with respect to the intent to enact 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	- ye
Doug Hoke	- ye
Christopher B. Reilly	- ye

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 17th day of December, 2014.


(Assistant) Secretary of the Board

(SEAL)