

COUNTY OF YORK, PENNSYLVANIA

ORDINANCE NO. 2015-05

OF THE COUNTY OF YORK AUTHORIZING AND SECURING A GENERAL OBLIGATION NOTE (UNFUNDED DEBT), SERIES OF 2016, IN THE PRINCIPAL AMOUNT OF \$20,000,000, PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT TO REFUND THE COUNTY'S UNPAID TAX AND REVENUE ANTICIPATION NOTE - SERIES A OF 2015; 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 Resolution No. 2015-25, duly adopted by the Board on October 21, 2015, authorized and secured the issuance of its Tax and Revenue Anticipation Note - Series A of 2015, in the maximum principal amount of \$20,000,000 (the "2015A TRAN"), to pay current expenses of this County until delinquent Commonwealth funding is received; and

WHEREAS, The proceedings of this County associated with the 2015A TRAN were filed with the Department of Community and Economic Development, of the Commonwealth (the "Department"), as required by the Debt Act, and the 2015A TRAN was issued to Fulton Bank, N.A. (the "Lender"), as lender, on October 28, 2015; and

WHEREAS, The 2015A TRAN is stated to mature and is payable in full, including accrued interest, on December 31, 2015, which is within this County's 2015 fiscal year, as required by the Debt Act; and

WHEREAS, The Board believes that the Commonwealth's budget impasse, and resulting delay in payments to local governments, including this County, will result in this County being unable to pay the 2015A TRAN when due; and

WHEREAS, A tax and revenue anticipation note that is not paid when due within the fiscal year it is issued, constitutes "unfunded debt" under Section 8129 of the Debt Act, which can only be repaid with a new loan that has been approved by the Court of Common Pleas of York County (the "Court"); and

WHEREAS, On December 16, 2015, upon Petition of this County (the "Petition") the Court issued an order scheduling a hearing and prescribing a notice period, pursuant to Section 8130 of the Debt Act, to approve the funding of unfunded debt evidenced by the unpaid 2015A TRAN; and

WHEREAS, On December 23, 2015, a hearing has held before the Court and an order dated December 23, 2015 (the "Funding Order"), was issued by the Court approving the issuance of a general obligation note by the County in the principal amount of \$20,000,000 and an interest rate of 1.0% (the "Funding Note"), under the terms described in the Petition, to retire the 2015A TRAN; and

WHEREAS, A written loan proposal, dated December 11, 2015 (the "Proposal"), to purchase the Funding Note was received from the Lender, containing terms and conditions applicable to the Funding Note; and

WHEREAS, The Board desires to accept the Proposal, to award the Funding Note to the Lender, to authorize the issuance of nonelectoral debt represented by the Funding 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 Funding Note, pursuant to this Ordinance, in the principal amount of \$20,000,000, in accordance with the Debt Act, to retire the 2015A TRAN.

SECTION 2. The Board expresses its finding that it is in the best financial interests of this County to sell the Funding 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 Funding Note shall mature on March 31, 2016, or such time as the money owed to this County by the Commonwealth for the County's 2015 fiscal year is received. The issuance of the Funding Note is authorized by Section 8130 of the Debt Act, and by the Funding Order, which is attached hereto as Exhibit "A".

SECTION 4. The Board of this County accepts the proposal of the Lender to purchase the Funding Note, at a purchase price of \$20,000,000 (100% of principal amount).

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

SECTION 6. The Funding Note shall be substantially in the form attached hereto as Exhibit "B". The outstanding principal balance of the Funding Note and accrued interest

shall be payable in full, upon maturity, on March 31, 2016. A schedule illustrating the maximum debt service due on the Funding Note is attached hereto as Exhibit "C" and made a part hereof.

SECTION 7. Principal of the Funding Note shall be advanced to this County by the Lender on the issuance date of the Funding Note.

SECTION 8. The Funding Note shall be subject to redemption prior to maturity, at the option of this County, as a whole or in part, on any date, without premium or penalty.

SECTION 9. The principal of and interest on the Funding Note shall be payable in lawful money of the United States of America.

SECTION 10. The Funding 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 Funding Note in attestation thereof, and said officers are authorized to execute and to attest, as applicable, the Funding Note, as aforesaid.

SECTION 11. This County covenants to and with the registered owner, from time to time, of the Funding Note outstanding pursuant to this Ordinance, that this County shall do the following: (i) include the amount of the debt service for the Funding 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 herein or any other of its revenues or funds the principal of the Funding 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 Funding Note, to be known as the “Sinking Fund - General Obligation Note, Series of 2016” (the “Sinking Fund”), which Sinking Fund shall be administered in accordance with the Debt Act.

This County appoints the Lender having an office in Lancaster, 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 Funding 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 Funding 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 Funding 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. The 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 Funding Note.

SECTION 15. The Chief Clerk of the Board of this County is authorized and directed to deliver the Funding 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 Funding Note that it will make no use of the proceeds thereof that will cause the Funding 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 published in the Federal Register or with any other regulations implementing said Sections, and this County further covenants to comply with all other requirements to maintain continuously the Federal income tax exemption of interest on the Funding 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.

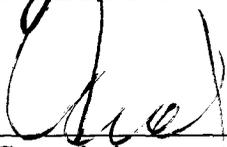
SECTION 19. This Ordinance shall be effective in accordance with the Debt Act.

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 December,
2015.

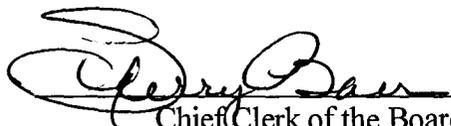
COUNTY OF YORK, PENNSYLVANIA

By: 
Commissioner

By: 
Commissioner

By: 
Commissioner

ATTEST:


Chief Clerk of the Board
of County Commissioners

(SEAL)

EXHIBIT "A"

Court Order Permitting the Funding of Unfunded Debt

SEE ATTACHED PAGES.

IN RE: Petition of the Board of :
County Commissioners of :
the County of York :
for authority to fund :
unfunded debt in the :
maximum amount of :
\$20,000,000 :

IN THE COURT OF COMMON PLEAS
OF YORK COUNTY, PENNSYLVANIA

NO. 2015-SJ-004146-64

JUDICIAL CENTER
YORK, PA

2015 DEC 24 AM 9:16

OFFICE OF PROTHONOTARY

**ORDER RE: EMERGENCY PETITION OF THE BOARD OF COUNTY
COMMISSIONERS OF THE COUNTY OF YORK, PENNSYLVANIA,
FOR AUTHORITY TO FUND UNFUNDED DEBT**

AND NOW, this 23rd day of December, 2015, after hearing, on due notice to
the County of York, Pennsylvania (the "County") and the taxpayers thereof, the Court finds:

That the County has "unfunded debt" as defined in Section 8130 of the Local
Government Unit Debt Act, (53 Pa.C.S. Chs. 80-82), as amended (the "Debt Act"), in the amount
of \$20,000,000 due to the County's continued lack of funding from the Commonwealth of
Pennsylvania during its budget impasse;

That said unfunded debt is a lawful obligation of the County; that it was not
reasonable for the County to have foreseen such obligation; that paying such debt by curtailing
municipal services will be dangerous to the public health and safety, and that it is not feasible or
in the public interest to levy additional taxes in the County's 2015 or 2016 fiscal years that would
be sufficient to fund the same;

That the requested loan funding of said unfunded debt, will not endanger the
rendering of municipal services or require the levying of excessive taxes; and

That the debt is within the statutory limitations of the Debt Act and all such debt shall be charged against the nonelectoral debt limitations applicable to the County.

NOW THEREFORE, it is hereby ordered:

1. That the Board of County Commissioners of the County of York, Pennsylvania, be and it is authorized to fund unfunded debt by the issuance of a general obligation note in the maximum principal amount of \$20,000,000 (the "2016 Note").
2. That the 2016 Note shall be in the denomination of \$20,000,000, shall bear interest at a rate of 1.0% per annum and shall be repaid in full not later than March 31, 2016.
3. That Note shall be approved and issued as provided by the Debt Act.

BY THE COURT

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal tail, is written over a solid horizontal line.

EXHIBIT "B"

\$20,000,000.00

**COUNTY OF YORK, PENNSYLVANIA
GENERAL OBLIGATION NOTE, SERIES OF 2016**

The COUNTY OF YORK, Pennsylvania (the "County"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), promises to pay to the order of FULTON BANK, N.A. (the "Lender"), or registered assigns, in full on March 31, 2016 (the "Maturity Date"), unless this General Obligation Note, Series of 2016 (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 sum of Twenty Million Dollars (\$20,000,000), or such lesser particular sum as shall represent the unpaid balance of such principal sum, and to pay interest accrued as of the Maturity Date, or an earlier date when the principal outstanding is paid in full, at the fixed rate of one percent (1.0%), per annum.

The County, at its option, on any date, may prepay this Note in whole or in part, without premium or penalty.

This Note is issued in accordance with 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. 2015-05 (the "Ordinance") duly enacted by the Board of County Commissioners of the County on December 30, 2015. 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.

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 _____, 2016.

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 FULTON BANK, N.A., OR OF ANY SUCCESSOR, ACTING AS REGISTRAR ON BEHALF OF THE COUNTY OF YORK, PENNSYLVANIA

Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)
_____, 2016	Fulton Bank, N.A.	Fulton Bank, N.A.

EXHIBIT "C"

Maximum Debt Service Payments on the Funding Note¹

COUNTY OF YORK, PENNSYLVANIA
\$20,000,000 Principal Amount
General Obligation Note, Series of 2016

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
March 31, 2016	\$50,000	\$20,000,000	\$20,050,000

¹Assumes the Funding Note is issued by the County to the Lender on January 1, 2016, and the principal amount of the Funding Note is drawn down entirely on that date. Interest only is due quarterly and upon maturity on March 31, 2016, at the fixed rate of 1.0%, 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. 2015-05 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 30, 2015; said Ordinance duly has been recorded in the ordinance book of the County and assigned Ordinance No. 2015-05; 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	-
Doug Hoke	-
Christopher B. Reilly	-

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 30th day of December, 2015.


Chief Clerk of the Board
of County Commissioners

(SEAL)