

COUNTY OF YORK, PENNSYLVANIA

ORDINANCE NO. 2016-04

AUTHORIZING THE TERMINATION OF A 2006 QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT OF THIS COUNTY UNDER CERTAIN CONDITIONS; ATTACHING THE PROPOSED TERMINATION AGREEMENT; 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, By subsequent action of the Board the definition of “related bonds” in the 2006 Basis Swap was amended to include later County bonds that refunded the 2006 Bonds (collectively, the “Related Bonds”); and

WHEREAS, The Board wishes to terminate the 2006 Basis Swap if a payment to the County from the Counterparty is in an amount satisfactory to the Board; and

WHEREAS, This County intends to retain, or ratify the retention of, Echo Financial Products, LLC to serve as the qualified independent representative (the “QIR”), to this County in connection with the 2006 Basis Swap, and to request the QIR to negotiate on its behalf with the Counterparty regarding the final payment amount and terms of the 2006 Basis Swap termination, and to provide an opinion regarding such payment; and

WHEREAS, It is desirable at this time to engage Rhoads & Sinon LLP, as counsel to this County (“Bond Counsel”) to implement and to render ongoing advice and assistance in documenting and rendering an opinion regarding the 2006 Basis Swap termination; and

WHEREAS, The Board finds that terminating the 2006 Basis Swap is consistent with the material provisions, schedules and analysis contained in the 2006 Interest Rate Management Plan, as previously amended, which is incorporated herein by reference; and

WHEREAS, The Board desires to take all action necessary to authorize the aforementioned termination of the 2006 Basis Swap, pursuant to a Termination Agreement substantially in the form attached hereto as **Exhibit A**, and otherwise consistent with the 2006 Basis Swap and the 2006 Interest Rate Management Plan, as amended hereby (the “Termination Agreement”).

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

Section 1. The QIR is hereby retained as the qualified independent representative contemplated by federal securities laws, and the independent financial advisor contemplated by the Debt Act, to represent this County in all financial matters pertaining to the termination of the 2006 Basis Swap. Bond Counsel is hereby retained by this County to represent it in all legal matters pertaining to the termination of the 2006 Basis Swap.

Section 2. The Board hereby authorizes and directs the termination of the 2006 Basis Swap, pursuant to the Termination Agreement, at such time as the net payment to the County by the Counterparty is in an amount established, from time to time, by resolution or motion approved by at least two members of the Board.

Section 3. The Board hereby finds and declares the following:

- (a) the remaining notional amount of the 2006 Basis Swap at all times does not 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;

(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 4. The Board hereby ratifies and confirms the 2006 Basis Swap, until terminated by the Termination Agreement.

Section 5. The Board hereby determines that the termination of the 2006 Basis Swap, under the conditions established by the Board, is in the best financial interest of the County and is consistent with the 2006 Interest Rate Management Plan.

Section 6. The County hereby ratifies and confirms all covenants in the 2006 Basis Swap including, until terminated, 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 7. 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 8. 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 9. 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 10. 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 Termination Agreement are hereby ratified and confirmed.

Section 11. 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 12. This Ordinance shall be effective in accordance with the Debt Act.

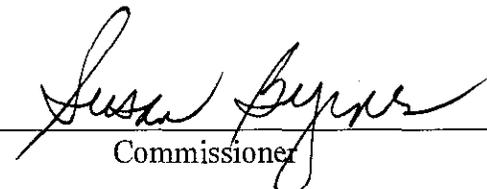
Section 13. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the County that such remainder shall be and shall remain in full force and effect.

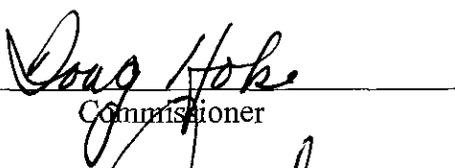
Section 14. All Ordinances or parts of Ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

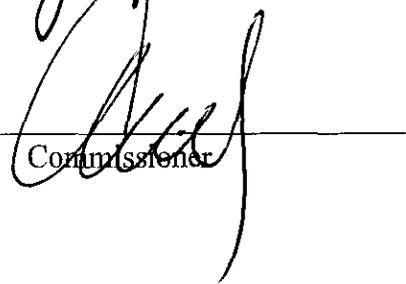
Section 15. A certified copy of this Ordinance shall be provided to the Counterparty promptly following enactment by the Board.

DULY ENACTED AND ORDAINED, by the Board of County Commissioners, of the County of York, Pennsylvania, in lawful session duly assembled, this 11th day of May, 2016.

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

Form of Termination Agreement

SEE ATTACHED PAGES

D R A F T

Fax #: 1-717-771-9804

[TBD]

COUNTY OF YORK, PENNSYLVANIA

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

(Our Ref. No. 138258 / 1411114 / 722 / 569 / 570)

(RBC USI - TBD)

TERMINATION AGREEMENT

TERMINATION AGREEMENT dated as of [TBD] between ROYAL BANK OF CANADA ("Royal Bank") and COUNTY OF YORK, PENNSYLVANIA (the "County").

WITNESSETH

WHEREAS Royal Bank and the County have entered into an 1992 ISDA Master Agreement dated as of 22 Feb 2006 (the "Agreement") governing the terms and conditions of specific transactions entered or to be entered into by the parties;

AND WHEREAS Royal Bank and the County entered into a transaction on 22 Feb 2006 (the "Transaction") effective 01 Mar 2006 having a Notional Amount of USD 74,890,000.00 and a Termination date of 01 Jun 2033 such Transaction being evidenced by a Confirmation (as described in the Agreement) dated as of 15 Jan 2015;

AND WHEREAS subject to the terms and provisions hereof, Royal Bank and the County are willing to terminate the Transaction and to discharge their respective obligations and waive their respective rights thereunder;

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. ROYAL BANK OF CANADA agrees to pay the County on [TBD] USD [TBD], such payment to be made to the account of:

[PLEASE PROVIDE WIRE INSTRUCTIONS]

2. The Transaction shall be terminated and cancelled as of [TBD] (only after giving effect to payment required by Section 1 hereof) and all rights, duties, claims and obligations of each of Royal Bank and the County thereunder shall be released and discharged on that date.
3. For greater certainty, the parties agree that the payment to be made under Section 1 hereof shall be deemed to be a payment specified in a Confirmation for the purposes of Section 2(a)(i) and 5(a)(i) of the Agreement.
4. The Agreement shall remain in full force and effect and the parties agree that any existing and subsequent interest rate swap and currency exchange transactions together with confirmations exchanged between the parties confirming such transactions shall be governed by and form part of the Agreement.
5. This Termination Agreement may be executed in two or more counterparts, each of which shall be deemed to be one and the same instrument.
6. This Termination Agreement shall be governed by, and construed in accordance with the same law governing the Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Termination Agreement to be duly executed as of the date first written above.

Please confirm that the above correctly sets forth the terms of our agreement for termination of the above referenced Swap Transaction by signing in the space provided below and returning to us by return facsimile transmission, facsimile number: 416 842-4902.

ROYAL BANK OF CANADA

**COUNTY OF YORK,
PENNSYLVANIA**

By: [SIGNATURE1]

By: _____

Name:

Name:

Title:

Title:

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. 2016-04 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 May 11, 2016; 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:

Susan Byrnes	-
Doug Hoke	-
Christopher B. Reilly	-

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 11th day of May, 2016.



Chief Clerk of the Board
of County Commissioners

(SEAL)