COUNTY OF YORK, PENNSYLVANIA

ORDINANCE NO. 2010-02

OF THE COUNTY OF YORK, PENNSYLVANIA, AUTHORIZING AND SECURING A GENERAL OBLIGATION NOTE IN THE MAXIMUM PRINCIPAL AMOUNT OF THREE MILLION TWO HUNDRED NINETY THREE THOUSAND DOLLARS ($3,293,000), PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, TO FINANCE AN AFFORDABLE HOUSING CONSTRUCTION PROJECT KNOWN AS THE KEYSTONE WEAVING MILL REDEVELOPMENT PROJECT, AND TO PAY RELATED COSTS; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS COUNTY IN SUPPORT OF THE GENERAL OBLIGATION NOTE; SETTING FORTH RELATED COVENANTS AND REPRESENTATIONS; AUTHORIZING APPROPRIATE OFFICERS OF THIS COUNTY TO TAKE ACTIONS AND SIGN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE 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 County has determined to undertake a capital project to construct affordable housing known as the Keystone Weaving Mill Redevelopment Project, and to pay related costs (collectively, the "Project"); and

WHEREAS, The County 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 County 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 "Debt Act"), of the Project to be financed will be at least $3,293,000; and

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

WHEREAS, The Board desires to accept the Proposal, to award the general obligation note to the Bank, to authorize the issuance of nonelectoral debt, and to take appropriate action in connection with the Project, and in accordance with the Debt 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 $3,293,000, to be designated generally as the County's "General Obligation Note (Keystone Weaving Mill Project), Series A of 2010 (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. The reasonably estimated useful life of the facilities to be constructed as part of the Project is at least twenty-five (25) years. The first installment of

principal on the Note will not be deferred beyond one year after estimated completion of construction of the Project, which is on or after September 1, 2011.

SECTION 4. The Board of this County shall and does accept the Proposal of the Bank to purchase the Note. The Note shall be and is awarded to the Bank, in accordance with the terms and conditions of the Proposal, at a private sale by negotiation, at a purchase price of $3,293,000 (100% of principal amount), the Bank having submitted the Proposal in accordance with the Debt Act. The Proposal shall be executed in the name of and on behalf of the County by at least two members of the Board, and an executed original of which shall be placed on file with the Chief Clerk of this County.

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

SECTION 6. The Note shall be stated to mature on the date approximately 22 years after the date of issuance. Interest only will be payable monthly on the Note during two-year draw-down period, followed by a 20-year monthly principal and interest amortization period. Interest on the Note shall be payable at the fixed rate of four and one half percent (4.50%), per annum, on an actual number of days in the period over a year of 360 days basis. The annual payment amounts due on the Note shall be substantially as set as Exhibit "A" attached hereto.

The substantial form of the Note is attached hereto as Exhibit "B", with appropriate insertions, omissions and variations. Principal of the Note shall be advanced to this County by the Bank, from time to time, on a draw down basis, during the initial two year draw down period.

SECTION 7. 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, without premium or penalty. 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 such Note so called for redemption or on any part of the principal of such 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 such Note to the redemption date.

SECTION 8. The principal of and interest on the Note shall be payable at any branch office of the Bank, including any office located in the County, in lawful money of the United States of America.

SECTION 9. 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 who shall also sign the Note in attestation thereof.

SECTION 10. 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 11 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 11. There is created, pursuant to the Debt Act, a sinking fund for the Note, known or to be known as the "Affordable Housing Trust Fund" (the "Sinking Fund"), which Sinking Fund shall be administered in accordance with applicable provisions of the Debt Act.

SECTION 12. This County appoints the Bank as the sinking fund depository with respect to the Sinking Fund.

SECTION 13. 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 14. 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 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 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 15. The Note has been sold, as set forth in this Ordinance, at private sale, as permitted by the Debt Act.

SECTION 16. 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 17. 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, which is evidenced by the Note.

SECTION 18. 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 Debt Act.

SECTION 19. 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 20. 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 21. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

SECTION 22. This Ordinance shall be effective in accordance with the Debt Act.