

**COUNTY OF YORK, PENNSYLVANIA**

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**ORDINANCE NO. 2003-04**

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**OF THE BOARD OF COUNTY COMMISSIONERS OF THIS COUNTY AUTHORIZING AND DIRECTING ISSUANCE OF THE COUNTY'S GENERAL OBLIGATION BONDS, SERIES OF 2003, IN THE AGGREGATE PRINCIPAL AMOUNT OF TWENTY-TWO MILLION FIVE HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$22,535,000), PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, TO PROVIDE FUNDS TO (A) ACQUIRE, CONSTRUCT, FURNISH AND EQUIP (1) PRISON WORK RELEASE FACILITIES, (2) EMERGENCY MANAGEMENT AND COMMUNICATION FACILITIES AND EQUIPMENT, AND (3) VARIOUS OTHER FACILITIES OF THE COUNTY, INCLUDING CAPITAL ADDITIONS THERETO, AND (B) PAY RELATED COSTS AND EXPENSES, INCLUDING THE COSTS OF ISSUING AND INSURING SUCH GENERAL OBLIGATION BONDS; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS COUNTY IN SUPPORT OF THE GENERAL OBLIGATION BONDS; APPOINTING A PAYING AGENT AND A SINKING FUND DEPOSITARY; SETTING FORTH CERTAIN COVENANTS AND REPRESENTATIONS RELATING TO THE FEDERAL INCOME TAX STATUS OF THE INTEREST TO BE PAID ON THE GENERAL OBLIGATION BONDS; AUTHORIZING APPROPRIATE OFFICERS OF THE BOARD OF COUNTY COMMISSIONERS OF THIS COUNTY TO TAKE CERTAIN ACTIONS AND TO SIGN CERTAIN DOCUMENTS IN CONNECTION WITH ISSUANCE OF THE GENERAL OBLIGATION BONDS; AND REPEALING ALL INCONSISTENT ORDINANCES.**

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**WHEREAS,** The County of York, Pennsylvania (the "County") is a county of the Commonwealth of Pennsylvania (the "Commonwealth") and is governed by its Board of County Commissioners; and

**WHEREAS,** The Board of County Commissioners of this County contemplates the authorization, sale, issuance and delivery of bonds in the aggregate principal amount of Twenty-two Million Five Hundred Thirty-five Thousand Dollars (\$22,535,000), to be designated generally as the "General Obligation Bonds, Series of 2003" (the "Bonds"), to provide funds for and toward capital projects consisting of (a) the acquisition, construction, furnishing and equipping of (i) prison work release facilities, (ii) emergency management and communication facilities and equipment, and (iii) various other facilities of this County, including capital additions thereto, and (b) paying related costs and expenses, including the costs of issuing and insuring the Series of 2003 Bonds (hereinafter defined) (the "Project"), all in accordance with applicable and appropriate provisions of the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Act"), of the Commonwealth; and

**WHEREAS,** The Board of County Commissioners of this County has considered the possible manners of sale provided for in the Act with respect to the sale of the Bonds, such manners of sale being at public sale or private sale by negotiation or upon invitation; and

**WHEREAS,** The Board of County Commissioners of this County, in contemplation of authorization, sale, issuance and delivery of the Bonds, with the proceeds to be used for the aforesaid purposes, has determined that the Bonds: (a) shall be offered at private sale

by negotiation; and (b) shall be offered for sale at a price of not less than 97.0% of principal amount, together with accrued interest, if any, from the date thereof to the date of delivery thereof; and

**WHEREAS**, A proper written proposal, dated October 1, 2003 (the "Proposal"), for purchase of the Bonds has been requested from and has been received from RBC Dain Rauscher, Inc. (the "Purchaser"); and

**WHEREAS**, The Board of County Commissioners of this County duly has opened, read and considered the Proposal; and

**WHEREAS**, The Board of County Commissioners of this County desires to accept the Proposal of the Purchaser, to award the Bonds to the Purchaser, to authorize issuance of nonelectoral debt, and to take appropriate action and to authorize proper things, all in connection with the Project, and all in accordance with and pursuant to provisions of the Act; and

**WHEREAS**, The Board of County Commissioners of this County has determined to appoint Manufacturers and Traders Trust Company (the "Paying Agent") as paying agent and sinking fund depositary with respect to the Bonds.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of County Commissioners of this County, as follows:

**SECTION 1.** The Board of County Commissioners of this County does authorize and direct the issuance of the Bonds, pursuant to this Ordinance, in accordance with the Act, for purposes of the Project.

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

**SECTION 3.** A brief description of the Project is set forth in the preamble; the Project varies between a useful life of at least five (5) years and an useful life of at least thirty (30) years, with the aggregate principal amount of Bonds equal to the separate cost of each project being stated to mature prior to the end of such useful life.

It is hereby determined and declared that the first maturity of principal of the Bonds is not being deferred beyond two years from the date of issue or one (1) year after estimated completion of construction.

**SECTION 4.** The Board of County Commissioners of this County shall and does accept the Proposal of the Purchaser for purchase of the Bonds; and the Bonds shall be and are awarded to the Purchaser, in accordance with terms and conditions of the Proposal, at a dollar price of \$22,354,720 (99.20% of principal amount), plus net original issue premium of \$539,845, together with accrued interest, if any, from the date thereof to the date of delivery thereof, the Purchaser having submitted the Proposal in accordance with provisions of the Act. The bid security, if any, accompanying the Proposal shall be held and shall be applied as provided by the Act; Provided, however, that no allowance for interest shall be made by this County with respect to such bid security, except as provided by the Act.

**SECTION 5.** The Bonds, when issued, will be general obligation bonds of this County.

**SECTION 6.** The Bonds shall be issuable as fully registered bonds, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof, and shall be dated as of November 1, 2003. Each of the Bonds shall bear interest from the interest payment date next preceding the date of registration and authentication of such bond, unless: (a) such bond is registered and authenticated as of an interest payment date, in which event such bond shall bear interest from said interest payment date; or (b) such bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such bond shall bear interest from such interest payment date; or (c) such bond is registered and authenticated on or prior to the Record Date next preceding June 1, 2004, in which event such bond shall bear interest from November 1, 2003; or (d) as shown by the records of the Paying Agent, interest on such bond shall be in default, in which event such bond shall bear interest from the date to which interest was last paid on such bond. Interest on each of the Bonds shall be payable initially on June 1, 2004, and thereafter semiannually on June 1 and December 1 of each year, until the principal sum thereof is paid. Except as to distinguishing numbers, denominations, interest rates and maturity dates, the Bonds and the Paying Agent's certificates of authentication shall be substantially in the forms and shall be of the tenor and purport hereinafter set forth, with insertions and variations (including CUSIP numbers) approved by the Paying Agent, as may be appropriate for different denominations and maturity dates. Principal, premium, if any, and interest

with respect to the Bonds shall be payable in lawful money of the United States of America. The principal of and premium, if any, on the Bonds shall be payable to the registered owners thereof or their transferees, upon presentation and surrender of the Bonds at the place or places set forth in the Bonds. Payment of interest on the Bonds shall be made by check mailed to the registered owners thereof whose names and addresses appear at the close of business on the fifteenth (15th) day next preceding each interest payment date (the "Record Date") on the registration books maintained by the Paying Agent on behalf of this County, irrespective of any transfer or exchange of any Bonds subsequent to the Record Date and prior to such interest payment date, unless this County shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent on behalf of this County to the registered owners of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day that is not a Saturday, Sunday, legal holiday or a day on which

such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

**SECTION 7.** Registration of the transfer of ownership of Bonds shall be made upon surrender of any of the Bonds to the Paying Agent, at its corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of any of the Bonds in the registration books and shall authenticate and deliver, at the earliest practicable time, in the name of the transferee or transferees, a new fully registered bond or bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount that the registered owner is entitled to receive. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

**SECTION 8.** This County and the Paying Agent shall not be required to register the transfer of or exchange any of the Bonds then considered for redemption during the period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day of mailing of the notice of redemption, as hereinafter provided, or to register the transfer of or exchange any portion of any of the Bonds selected for redemption in whole or in part until after the redemption date.

**SECTION 9.** This County and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of, premium, if any, and interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but registration of a transfer of ownership may be made as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon Bonds, to the extent of the sum or sums so paid, and neither this County nor the Paying Agent shall be affected by any notice to the contrary.

**SECTION 10.** This County shall cause to be kept, and the Paying Agent shall keep, at its designated corporate trust office, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as Bonds shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

**SECTION 11.** The Bonds shall be numbered consecutively, as issued, without regard to denomination or maturity, and shall bear interest at the rates per annum and shall mature on the dates and in the amounts as set forth in Exhibit "A", which is attached hereto and made part hereof.

**SECTION 12.** The Bonds stated to mature on and after June 1, 2014, shall be subject to redemption prior to maturity, at the option of this County, as a whole, on June 1, 2013, or

on any date thereafter, upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

The Bonds stated to mature on and after June 1, 2014, shall be subject to redemption prior to maturity, at the option of this County, from time to time, in part, in any order of maturity, on June 1, 2013, or on any date thereafter. If less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The Bonds stated to mature on June 1, 2023, on June 1, 2028, and on June 1, 2033 (such stated maturities being referred to as the "Term Bonds"), are subject to mandatory redemption prior to stated maturity, on June 1 of the years and in the principal amounts as set forth in the following schedules, as drawn by lot by the Paying Agent:

Bonds Stated to Mature June 1, 2023:

<u>Year</u>	<u>Amount</u>
2022	\$1,535,000;

Bonds Stated to Mature June 1, 2028:

<u>Year</u>	<u>Amount</u>
2026	\$400,000
2027	\$420,000; and

Bonds Stated to Mature June 1, 2033:

<u>Year</u>	<u>Amount</u>
2029	\$465,000
2030	\$485,000
2031	\$510,000
2032	\$540,000.

Any such redemption shall be upon application of money available for the purpose in the Mandatory Sinking Fund established in Section 18 and shall be upon payment of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption. In lieu of such mandatory redemption, the Paying Agent, in behalf of this County, may purchase from money in the Sinking Fund, at a price not to exceed the principal amount plus accrued interest, or this County may tender to the Paying Agent, all or part of the Term Bonds of the appropriate maturity subject to being drawn for redemption on any such date.

If any of the Bonds is of a denomination larger than \$5,000, a portion of such bond may be redeemed, but such bond shall be redeemed only in \$5,000 principal amount or any integral multiple thereof. For the purpose of selecting any of the Bonds for redemption, each of the Bonds subject to redemption shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion thereof being subject to redemption. In the case of partial redemption of any of the Bonds, payment of the redemption price will be made only upon surrender of such bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Notice of redemption shall be deposited in first class mail not less than thirty (30) days prior to the date fixed for redemption and shall be addressed to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent as of the day such Bonds are selected for redemption. Such notice shall specify: (1) the series, maturity and numbers of the Bonds or portions thereof so called for redemption; (2) the date fixed for redemption; (3) the redemption price or prices applicable to the Bonds or portions thereof to be redeemed; and (4) that on the date fixed for redemption the principal amount to be redeemed will be payable at the corporate trust office of the Paying Agent and that after such date interest thereon shall cease to accrue. Failure to mail any such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal, premium, if any, and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under this Ordinance, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption, together with the redemption premium, if any.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then the date for payment of the principal, premium, if any, and interest upon such redemption shall be the next succeeding day that is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

**SECTION 13.** This County appoints the Paying Agent as the paying agent with respect to the Bonds and directs that the principal of, premium, if any, and interest on the Bonds shall be payable at the corporate trust office of the Paying Agent in lawful money of the United States of America.

**SECTION 14.** The form of the Bonds, including the form of Assignment and the form of the Paying Agent's Certificate, shall be substantially as set forth in Exhibit "B", which is attached hereto and made part hereof, with appropriate insertions, omissions and variations.

**SECTION 15.** The Bonds shall be executed in the name of and on behalf of this County by at least two members of the Board of County Commissioners of this County, and a facsimile of the official seal of this County shall be affixed thereto and the facsimile signature of the Chief Clerk of the Board of County Commissioners of the County shall be affixed thereto in attestation thereof.

**SECTION 16.** No bond constituting one of the Bonds shall be entitled to any benefit under this Ordinance nor shall it be valid, obligatory or enforceable for any purpose until

such bond shall have been registered and authenticated by the Certificate of Authentication endorsed thereon duly signed by the Paying Agent; and the Paying Agent is authorized to register and authenticate the Bonds, in accordance with the provisions hereof.

**SECTION 17.** This County covenants to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to this Ordinance, that this County: (i) shall include the amount of the debt service on the Bonds, for each fiscal year of this County in which such sums are payable, in its budget for that year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the Sinking Fund (hereinafter identified) or any other of its revenues or funds the principal of and interest on each of the Bonds 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 Act, the foregoing covenant of this County shall be specifically enforceable.

**SECTION 18.** A. There is created, pursuant to Section 8241 of the Act, a sinking fund for the Bonds, to be known as "Sinking Fund - General Obligation Bonds, Series of 2003" (the "Sinking Fund"), which Sinking Fund shall be administered in accordance with applicable provisions of the Act.

B. There is created, within and as a part of the Sinking Fund, a separate fund or account, designated as the "Mandatory Sinking Fund", which shall consist

of deposits made therein by the Paying Agent, as the sinking fund depository, from the Sinking Fund, as provided in the next succeeding paragraph of this Section, for application to the payment upon stated maturity of the Term Bonds that shall be outstanding, if any, on their stated maturity dates, and to mandatory redemption prior to stated maturity of the Term Bonds as provided in this Section.

The Paying Agent, as the sinking fund depository, shall deposit into the Mandatory Sinking Fund, for the benefit of the Term Bonds and from money deposited in the Sinking Fund by this County, the following amounts at the following times:

Bonds Stated to Mature on June 1, 2023:

<u>Amount</u>	<u>Time of Deposit (On or Before June 1)</u>
\$1,535,000	2022
\$1,570,000	2023;

Bonds Stated to Mature on June 1, 2028:

<u>Amount</u>	<u>Time of Deposit (On or Before June 1)</u>
\$400,000	2026
\$420,000	2027
\$440,000	2028; and

Bonds Stated to Mature on June 1, 2033:

<u>Amount</u>	<u>Time of Deposit (On or Before June 1)</u>
\$465,000	2029
\$485,000	2030
\$510,000	2031
\$540,000	2032
\$565,000	2033,

or such lesser amount as on the appropriate date shall be equal to the principal amount of all Term Bonds of such maturity then outstanding.

This County and the Paying Agent covenant that the Paying Agent, on April 15 of each year that the Term Bonds are scheduled to be called for mandatory redemption prior to their stated maturity dates, or as soon thereafter as shall suit the convenience of the Paying Agent and shall allow sufficient time for mailing of the requisite notice of redemption, as provided for in Section 12, shall select or draw, by lot, in a fair and equitable manner, for redemption on the following June 1, a principal amount of the appropriate Term Bonds equal to the amount then required to be deposited into the Mandatory Sinking Fund for such maturity as set forth in this Section. The Paying Agent shall, upon selection of Term Bonds so to be called for redemption prior to maturity, mail the requisite notice of redemption in behalf of this County. This County covenants to assume and to pay all costs and expenses related to the mandatory redemption of Term Bonds.

The amount required to be deposited in the Mandatory Sinking Fund hereunder, on any given date, shall be reduced by the principal amount of any Term Bonds of the appropriate

maturity that shall have been purchased or tendered in lieu of mandatory redemption in the immediately preceding period, as provided in Section 12 hereof.

The principal amount of Term Bonds to be retired from money available in the Mandatory Sinking Fund shall be paid by the Paying Agent, as the sinking fund depository, in the usual and customary manner, from such money available in the Mandatory Sinking Fund.

**SECTION 19.** This County appoints the Paying Agent as the sinking fund depository with respect to the Sinking Fund.

**SECTION 20.** 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 Bonds when due.

**SECTION 21.** The President or Vice President and the Chief Clerk of the Board of County Commissioners, respectively, of this County, which shall include their duly qualified successors in office, if applicable, are authorized and directed, as required, necessary and/or appropriate: (a) to prepare, to certify and to file with the Department of Community and Economic Development of the Commonwealth (the "Department") the debt statement required by Section 8110 of the Act; (b) to prepare and to file with the Department any statements required by Chapter 80, Subchapter B of the Act that are necessary to qualify all or any portion of the debt of this County that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit of this County as self-liquidating or subsidized debt; (c) to prepare and to file the application with the Department, together with a complete and accurate transcript of the

proceedings for the required approval relating to the debt of which the Bonds, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to pay or to cause to be paid to the Department all proper filing fees required in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action.

The Board of County Commissioners of this County authorizes and directs that an appropriate borrowing base certificate be prepared for filing with the Department as required by the Act. The President or Vice President and the Chief Clerk, respectively, of the Board of County Commissioners of this County are hereby authorized to prepare and to execute, or to authorize the auditors of this County to prepare and to execute, such borrowing base certificate.

**SECTION 22.** If applicable, as determined from the Proposal, the Board of County Commissioners of this County authorizes and directs the purchase of municipal bond guaranty insurance with respect to the Bonds. Proper officers of this County are authorized and directed to take all required, necessary and/or appropriate action with respect to such insurance, as contemplated in the Proposal of the Purchaser, including the payment of the premium for such insurance.

**SECTION 23.** The President or Vice President and the Chief Clerk, respectively, of the Board of County Commissioners of this County are authorized and directed to contract with the Paying Agent for its services as paying agent with respect to the Bonds and as sinking fund depositary in connection with the Sinking Fund.

**SECTION 24.** It is declared that the debt to be incurred hereby, together with any other indebtedness of this County, is not in excess of any limitation imposed by the Act upon the incurring of debt by this County.

**SECTION 25.** Proper officials of this County are authorized and directed to deliver the Bonds and to authorize payment of all costs and expenses associated with issuance of the Bonds as provided for in the Proposal, but only after the Department has certified its approval pursuant to Section 8204 of the Act or at such time when the filing authorized to be submitted to the Department pursuant to Section 8111 of the Act shall be deemed to have been approved pursuant to Section 8206 of the Act.

**SECTION 26.** This County covenants to and with purchasers of the Bonds that it will make no use of the proceeds of the Bonds, or of any other obligations deemed to be part of the same issue as the Bonds under applicable federal tax regulations, that will cause the Bonds 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 Bonds.

**SECTION 27.** This County shall enter into and hereby authorizes and directs the President or Vice President of this Board of County Commissioners to execute a Continuing

Disclosure Certificate (the "Certificate") on behalf of this County on or before the date of issuance and delivery of the Bonds to the Purchaser. Such Certificate shall be executed and delivered to satisfy the terms and conditions of the accepted Proposal for sale of the Bonds and Securities and Exchange Commission Rule 15c2-12, and shall be substantially in the form presented to this meeting, which is hereby approved, together with any changes therein made and approved, whose execution and delivery shall constitute conclusive evidence of such approval. A copy of the Certificate shall be filed with the Chief Clerk of the Board of County Commissioners of this County and shall be and hereby is made part of this Ordinance.

This County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Certificate. Notwithstanding any other provision of this Ordinance, failure of this County to comply with the Certificate shall not be considered an event of default with respect to the Bonds; however, any registered owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause this County to comply with its obligations under this Section and such Certificate.

**SECTION 28.** There is hereby established as part of the Sinking Fund a construction fund for the capital projects to be known as the "Construction Fund – Series of 2003" (the "Construction Fund"), into which the net proceeds of the Bonds shall be deposited at the written direction of the Board of County Commissioners, and from which money may be withdrawn or disbursed from time to time for payment of costs of the capital projects or for any other lawful purpose, upon written authorization of the Board of County Commissioners of this

County. Any money in the Construction Fund not required for prompt expenditure may be deposited or invested at the written direction of the Board of County Commissioners in deposits or investments permitted by Section 8224 of the Act or other applicable provisions of law.

**SECTION 29.** The Bonds shall be made available for purchase under a book-entry only system available through The Depository Trust Company, a New York corporation (“DTC”). If applicable, at or prior to settlement for the Bonds, this County and the Paying Agent shall execute or signify their approval of a Representation Letter in substantially the form on file with the Chief Clerk of the County (the “Representation Letter”). The appropriate officers of this County and the Paying Agent shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter, and any successor paying agent for the Bonds, in its written acceptance of its duties under this Ordinance, shall agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

**SECTION 30.** Notwithstanding the foregoing provisions of this Ordinance, the Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Bonds of each maturity, and the following provisions shall apply with respect to the registration, transfer and payment of the Bonds:

- (a) Except as provided in subparagraph (g) below, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the

Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds of the same series, interest rate and maturity registered in the name of such nominee or nominees of DTC.

(b) No person other than DTC or its nominee shall be entitled to receive from this County or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books (the "Register") maintained by the Paying Agent in connection with discontinuing the book-entry system as provided in subparagraph (g) below or otherwise.

(c) So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of this County or the Paying Agent with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds outstanding of any maturity, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such

Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(d) This County and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to holders of Bonds under this Ordinance, registering the transfer of Bonds, obtaining any consent or other action to be taken by holders of Bonds and for all other purposes whatsoever; and neither this County nor the Paying Agent shall be affected by any notice to the contrary. Neither this County nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the Register as being a registered owner of Bonds, with respect to (1) the Bonds, (2) the accuracy of any records maintained by DTC or any such participant, (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (4) any notice which is permitted or required to be given

to holders of the Bonds under this Ordinance, (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds, and (6) any consent given or other action taken by DTC as holder of the Bonds.

(e) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the holders of such Bonds under this Ordinance shall be given to DTC as provided in the Representation Letter.

(f) In connection with any notice or other communication to be provided to holders of Bonds pursuant to this Ordinance by this County or the Paying Agent with respect to any consent or other action to be taken by holders of Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that this County or the Paying Agent may establish a special record date for such consent or other action. This County or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) The book-entry only system for registration of the ownership of the Bonds may be discontinued at any time if either (1) after notice to this County and the Paying Agent, DTC determines to resign as securities depository for the Bonds,

or (2) after notice to DTC and the Paying Agent, this County determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of this County. In either of such events (unless in the case described in clause (2) above, this County appoints a successor securities depository), the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of this County or the Paying Agent for the accuracy of such designation. Whenever DTC requests this County and the Paying Agent to do so, this County and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

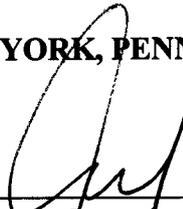
**SECTION 31.** This Ordinance shall be effective in accordance with the Act.

**SECTION 32.** 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 33.** All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

**DULY ENACTED AND ORDAINED**, this 1<sup>st</sup> day of October, 2003, by the Board  
of County Commissioners of the County of York, Pennsylvania, in lawful session duly assembled.

**COUNTY OF YORK, PENNSYLVANIA**

By:   
County Commissioner

By:   
County Commissioner

By:   
County Commissioner

ATTEST:

  
Chief Clerk

(SEAL)

**EXHIBIT "A"**

**COUNTY OF YORK, PENNSYLVANIA**

\$22,535,000 Aggregate Principal Amount  
General Obligation Bonds, Series of 2003  
Dated as of November 1, 2003

<b><u>Yield to Maturity</u></b>	<b><u>Interest Rate Per Annum</u></b>	<b><u>Aggregate Principal Amount</u></b>	<b><u>Maturity Date</u></b>
1.500%	1.500%	\$ 5,000	June 1, 2006
1.900%	1.900%	\$ 5,000	June 1, 2007
2.250%	2.250%	\$ 5,000	June 1, 2008
2.600%	2.600%	\$ 5,000	June 1, 2009
3.000%	3.500%	\$1,055,000	June 1, 2010
3.270%	3.200%	\$1,075,000	June 1, 2011
3.500%	3.750%	\$1,095,000	June 1, 2012
3.640%	4.000%	\$1,130,000	June 1, 2013
3.810%	4.000%	\$1,160,000	June 1, 2014
3.920%	5.000%	\$1,195,000	June 1, 2015
4.020%	5.000%	\$1,235,000	June 1, 2016
4.110%	5.000%	\$1,280,000	June 1, 2017
4.200%	5.000%	\$1,330,000	June 1, 2018
4.300%	5.000%	\$1,380,000	June 1, 2019
4.390%	5.000%	\$1,425,000	June 1, 2020
4.490%	5.000%	\$1,485,000	June 1, 2021
4.675%	4.550%	\$3,105,000	June 1, 2023
4.740%	4.650%	\$ 360,000	June 1, 2024
4.770%	4.700%	\$ 380,000	June 1, 2025
4.820%	4.700%	\$1,260,000	June 1, 2028
4.870%	4.750%	\$2,565,000	June 1, 2033

**EXHIBIT "B"**

**(FORM OF BOND)**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York, corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** in as much as the registered owner hereof, Cede & Co., has an interest herein.

Number \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF YORK, PENNSYLVANIA  
GENERAL OBLIGATION BOND, SERIES OF 2003

INTEREST  
RATE \_\_\_\_\_

%

MATURITY  
DATE \_\_\_\_\_

DATED DATE  
OF SERIES \_\_\_\_\_

November 1, 2003

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \_\_\_\_\_ (\$ \_\_\_\_\_)

The COUNTY OF YORK, Pennsylvania (the "Issuer"), a county existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, promises

EXHIBIT "B"

Page 1 of 13

to pay to the order of the registered owner named hereon, or registered assigns, on the maturity date stated hereon, upon presentation and surrender hereof, the principal sum stated hereon, unless this General Obligation Bond, Series of 2003 (the "Bond"), shall be redeemable and duly shall have been called for earlier redemption and payment of the redemption price shall have been made or provided for, and to pay semiannually on June 1 and December 1 of each year, beginning June 1, 2004, to the registered owner hereof, interest on said principal sum, at the rate per annum stated hereon, until said principal sum is paid. Interest on this Bond shall be payable from the interest payment date next preceding the date of registration and authentication of this Bond, unless:

(a) this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date; or (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event this Bond shall bear interest from such interest payment date; or (c) this Bond is registered and authenticated on or prior to the Record Date next preceding June 1, 2004, in which event this Bond shall bear interest from November 1, 2003; or (d), as shown by the records of the Paying Agent (hereinafter defined), interest on this Bond shall be in default, in which event this Bond shall bear interest from the date on which interest was last paid on this Bond. The interest on this Bond is payable by check drawn on Manufacturers and Traders Trust Company (the "Paying Agent"), as paying agent, or its successor. The principal of and premium, if any, on this Bond, when due, are payable at the designated corporate trust office of the Paying Agent. Payment

EXHIBIT "B"

Page 2 of 13

of the interest hereon shall be made to the registered owner hereof whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of this Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name this Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing. Principal, premium, if any, and interest with respect to this Bond are payable in lawful money of the United States of America.

This Bond is one of a series of bonds of the Issuer, known generally as "General Obligation Bonds, Series of 2003" (the "Bonds"), all of like date and tenor, except as to numbers, denominations, dates of maturity, rates of interest, and provisions for redemption, in the aggregate principal amount of Twenty-Two Million Five Hundred Thirty-five Thousand Dollars (\$22,535,000).

The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 (the "Act") of the Commonwealth, and

by virtue of a duly adopted ordinance (the "Ordinance") of the Issuer. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds.

The Issuer has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to the Ordinance, that the Issuer: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall 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 each of the Bonds 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, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

This Bond shall not be entitled to any benefit under the Ordinance nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Paying Agent.

The Bonds are issuable only in the form of registered bonds, without coupons, in the denominations of \$5,000 principal amount or any integral multiple thereof. The Issuer and the Paying Agent shall not be required to issue or to register the transfer of or exchange any Bonds then

considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day of mailing of the applicable notice of redemption, as hereinafter provided, or to register the transfer of or exchange any portion of any bond selected for redemption until after the redemption date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

This Bond may be transferred or exchanged by the registered owner hereof upon surrender of this Bond to the Paying Agent, at its corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The Issuer and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds stated to mature on and after June 1, 2014, shall be subject to redemption prior to maturity, at the option of the Issuer, as a whole, on June 1, 2013, or on any date thereafter, in any order of maturities, upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

The Bonds stated to mature on and after June 1, 2014, shall be subject to redemption prior to maturity, at the option of the Issuer, from time to time, in part, on June 1, 2013, or on any date thereafter, in any order of maturities. If less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The Bonds stated to mature on June 1, 2023, June 1, 2028, and June 1, 2033, are subject to mandatory redemption prior to maturity, in the amounts and on June 1 of the years set forth in the following schedules as drawn by lot by the Paying Agent in behalf of the Issuer:

Bonds Stated to Mature June 1, 2023:

<u>Year</u>	<u>Amount</u>
2022	\$1,535,000;

Bonds Stated to Mature June 1, 2028:

<u>Year</u>	<u>Amount</u>
2026	\$400,000
2027	\$420,000; and

Bonds Stated to Mature June 1, 2033:

<u>Year</u>	<u>Amount</u>
2029	\$465,000
2030	\$485,000
2031	\$510,000
2032	\$540,000.

Any such redemption shall be upon application of money available for the purpose in the Mandatory Sinking Fund established under the Ordinance and shall be upon payment of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption. In lieu of such mandatory redemption, the Paying Agent, as sinking fund depository, in behalf of the Issuer, may purchase, from money available for the purpose in the Sinking Fund established under the Ordinance, at a price not to exceed the principal amount plus accrued interest, or the Issuer may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption in any such year.

If this Bond is of a denomination larger than \$5,000, a portion of this Bond may be redeemed. For the purposes of redemption, this Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount hereof by \$5,000, each \$5,000 portion of this Bond being subject to redemption. In the case of partial redemption of this Bond, payment of the redemption price shall be made only upon surrender of this Bond in exchange for Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount hereof; Provided, however, that should this Bond be registered in the name of The Depository Trust Company ("DTC") or Cede & Co., as nominee for DTC, or any other nominee of

DTC, or any other successor securities depository or its nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed.

Notice of redemption shall be deposited in first class mail not less than thirty (30) days prior to the date fixed for redemption and addressed to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent as of the day such Bonds are selected for redemption. Failure to mail any notice of redemption or any defect therein or in the mailing thereof shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal, premium, if any, and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption, together with the redemption premium, if any.

The Issuer, in the Ordinance, has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal of and the interest

on the Bonds shall be deposited not later than the date fixed for the disbursement thereof. The Issuer has covenanted, in the Ordinance, to make payments from such sinking fund or from 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 this Bond.

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 Bond or in creation of the debt of which this Bond 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 Bond, together with any other indebtedness of the Issuer, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the members of the Board of County Commissioners of the Issuer, and the seal to be affixed hereto and the manual or facsimile signature of the Chief Clerk of the Board of County Commissioners of the Issuer to be affixed hereto in attestation thereof, all as of November 1, 2003.

COUNTY OF YORK, PENNSYLVANIA

By: \_\_\_\_\_  
President of the Board  
of County Commissioners

By: \_\_\_\_\_  
Commissioner

By: \_\_\_\_\_  
Commissioner

ATTEST:

\_\_\_\_\_  
Chief Clerk of the Board  
of County Commissioners

(SEAL)

CERTIFICATE OF AUTHENTICATION,  
CERTIFICATE AS TO OPINION AND  
CERTIFICATE AS TO INSURANCE

It is certified that:

- (i) This Bond is one of the Bonds described in the within-mentioned Ordinance;
- (ii) An original Opinion issued by Rhoads & Sinon LLP, dated and delivered on the date of the original delivery of, and payment for, such Bonds that is on file at our corporate trust office where the same may be inspected; and
- (iii) Ambac Assurance Corporation has issued its municipal bond insurance policy, a copy of which policy is on file at our corporate trust office where the same may be inspected.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Paying Agent

By: \_\_\_\_\_  
Authorized Representative

Date of Registration and Authentication:

\_\_\_\_\_

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_, the undersigned, hereby sells, assigns and transfers unto

\_\_\_\_\_ (the "Transferee")  
Name

\_\_\_\_\_  
Address

Social Security or Federal Employer Identification No. \_\_\_\_\_ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Date:

\_\_\_\_\_  
\_\_\_\_\_

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution that is a participant in a signature guarantee program recognized by the Securities Transfer Association.

NOTICE: No transfer will be made in the name of the Transferee unless the signature(s) to this assignment correspond(s) with the name(s) appearing upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust and the name of the trustee must be supplied.

## **STATEMENT OF INSURANCE**

Financial Guaranty Insurance Policy No. \_\_\_\_\_ (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

**CERTIFICATE**

I, the undersigned, Chief Clerk of the County of York, Pennsylvania (the "County"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Board of County Commissioners (the "Board") of the County, in accordance with law, at a meeting duly held on October 1, 2003, at which meeting a quorum was present; said Ordinance has been certified and recorded by me, as Chief Clerk of the County, in the book provided for the purpose of such recording; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. 2003-04; the total number of members of the Board is three (3); the vote of the members of the Board, upon enactment of said Ordinance, the yeas and nays having been called, duly was recorded by me, as Chief Clerk, as follows:

Christopher B. Reilly	-
James F. Donahue	-
Shirley L. Glass	-

said Ordinance has been advertised, as required by law, in a newspaper of general circulation in the County; and said Ordinance has not been amended, altered or repealed, as of the date of this Certificate.

I further certify that the Board met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. Ch. 7, by advertising said meeting, by posting prominently a notice of said meeting at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Sunshine Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 1<sup>st</sup> day of October, 2003.

\_\_\_\_\_  
Chief Clerk

(SEAL)