

COUNTY OF YORK, PENNSYLVANIA

ORDINANCE NO. 2008-06

OF THE COUNTY OF YORK AUTHORIZING AND SECURING ONE OR MORE GENERAL OBLIGATION NOTES IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF SEVENTEEN MILLION DOLLARS (\$17,000,000), PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT TO: (1) ACQUIRE AND CONSTRUCT DISTRICT JUSTICE OFFICES AND FACILITIES, (2) RETIRE THIS COUNTY'S \$6,000,000 GENERAL OBLIGATION NOTE, SERIES OF 2005, (3) ACQUIRE LAND AND CONSTRUCT RECREATIONAL FACILITIES; (4) RETIRE THIS COUNTY'S \$11,000,000 GENERAL OBLIGATION NOTE, SERIES A OF 2005, AND (5) PAY RELATED COSTS AND EXPENSES; ACCEPTING A LOAN PROPOSAL, AT PRIVATE SALE BY NEGOTIATION; FIXING THE SUBSTANTIAL FORM AND TERMS OF THE NOTES; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS COUNTY IN SUPPORT OF THE NOTES; SETTING FORTH RELATED COVENANTS AND REPRESENTATIONS; AUTHORIZING APPROPRIATE OFFICERS OF THIS COUNTY TO TAKE ACTIONS AND TO EXECUTE DOCUMENTS IN CONNECTION WITH ISSUANCE OF THE NOTES; AND CONTAINING RELATED PROVISIONS.

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 Board previously determined to undertake capital projects consisting of (1) acquiring and constructing district justice offices and facilities, and (2) acquiring land and constructing recreational facilities (collectively, the “Capital Projects”)

WHEREAS, The Board, by Ordinance No. 2005-06 duly enacted, on September 7, 2005 (the “2005 Note Enabling Ordinance”), authorized and secured the issuance of its General Obligation Note, Series of 2005, in the original maximum principal amount of \$6,000,000 (the “2005 Note”), to undertake portions of the Capital Projects; and

WHEREAS, The Department of Community and Economic Development, of the Commonwealth (the “Department”), approved nonelectoral debt proceedings of this County under the Debt Act related to the 2005 Note, which approval of the Department was evidenced by Certificate of Approval No. GON-11941, dated September 30, 2005; and

WHEREAS, This County issued and delivered the 2005 Note on September 30, 2005; and

WHEREAS, The 2005 Note was stated to mature on August 1, 2008, but has not yet been repaid; and

WHEREAS, The Board, by Ordinance No. 2005-09 duly enacted on November 16, 2005 (the “2005A Note Enabling Ordinance”), authorized and secured the issuance of its General Obligation Note, Series A of 2005, in the original maximum principal amount of \$11,000,000 (the “2005A Note”), to undertake portions of the Capital Projects; and

WHEREAS, The Department approved nonelectoral debt proceedings of this County under the Debt Act related to the 2005A Note, which approval of the Department was evidenced by Certificate of Approval No. GON-12000, dated December 8, 2005; and

WHEREAS, This County issued and delivered the 2005A Note on December 14, 2005; and

WHEREAS, The 2005 Note is stated to mature on December 1, 2008; and

WHEREAS, Construction of the Capital Projects is not complete, which is expected to occur on or after December 1, 2009, and the Board has determined to retire the outstanding principal balances of the 2005 Note and the 2005A Note (the "Refunding Project"), and to complete the Capital Projects, with the proceeds of the Notes (hereinafter defined); and

WHEREAS, The Board has obtained realistic cost estimates through actual bids (or otherwise) and has determined the remaining costs to complete the Capital Projects, as such costs are defined in the Debt Act; and

WHEREAS, The Board has determined to issue one or more General Obligation Notes, in the maximum aggregate principal amount of \$17,000,000 (the "Notes"), which: (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 thereof, together with accrued interest, if any, from the date thereof to the date of delivery thereof; and

WHEREAS, A written loan proposal, dated November 5, 2008 (the "Proposal"), to purchase the Notes has been requested and received from Commerce Bank/Harrisburg, N.A. (the "Bank"), having an office in York, Pennsylvania, containing terms and conditions applicable to the Notes; and

WHEREAS, The Board has duly read and considered the Proposal; and

WHEREAS, The Board desires to accept such proposal of the Bank, to award the Notes to the Bank, to authorize the issuance of nonelectoral debt represented by the Notes, 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. The Board hereby authorizes and secures the issuance of one or more General Obligation Notes of this County, pursuant to this Ordinance, in the maximum aggregate principal amount of \$17,000,000, in accordance with the Debt Act, to undertake the Refunding Project and complete the Capital Projects (the Capital Projects and the Refunding Project are collectively referred to herein as the "Project").

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

SECTION 3. The estimated useful lives of the facilities constituting the Capital Projects, including the remaining useful life of the facilities financed with the proceeds of the 2005 Note and the 2005A Note, are at least twenty-five (25) years.

The Refunding Project is authorized and permitted under and pursuant to Section 8241(b)(4) of the Debt Act (extending for the first time balloon maturity notes). The Board hereby determines to combine the Capital Projects and the Refunding Project as a single "project" for purposes of financing under the Debt Act. The stated maturity date of the Notes is not beyond one (1) year after the estimated date of completion of construction of the Capital Projects.

SECTION 4. The Board of this County accepts the proposal of the Bank to purchase the Notes, which are awarded to the Bank in accordance with terms and conditions of the its proposal the original shall be placed on file with the Chief Clerk of this County, at private sale, at a net purchase price of \$17,000,000 (100% of principal amount), the Bank having submitted such proposal in accordance with the Debt Act.

SECTION 5. The Notes, when issued, will be a general obligation notes of this County.

SECTION 6. The Notes shall be registered in form, shall be in dollar denominations not exceeding, in the aggregate, \$17,000,000, shall be dated as of the date of delivery thereof to the Bank, and shall bear interest from the date of delivery thereof to the Bank, at rates calculated in the manner described in the form of the Notes attached hereto as Exhibit "A" and made a part hereof, not to exceed at any time 6.0%, per annum. Interest only shall be payable on the outstanding principal balance of the Notes, quarterly, until maturity or until any earlier date upon which the principal amount of the Notes is paid or redeemed in full. The outstanding principal balance of the Notes shall be payable in full upon maturity on December 1, 2010. A schedule illustrating the maximum annual debt service due on the Notes is attached hereto as Exhibit "B" and made a part hereof.

SECTION 7. Principal of the Notes shall be advanced to this County by the Bank, from time to time, on a non-revolving, line of credit basis, until the maturity date of the Notes.

SECTION 8. The Notes shall be subject to redemption prior to maturity, at the option of this County, as a whole or in part, on any date. Any such redemption, as a whole, shall be

upon written notice addressed to the registered owner thereof at the time of such redemption, as such registered owner and address shall appear on the books of this County to be kept by the Bank, as paying agent, for such purpose, by deposit of such written notice in the United States mail at least ten (10) days prior to the date designated for redemption. 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 the Notes so called for redemption or on any part of the principal of the Notes selected for redemption shall cease to accrue. If the principal of the Notes has been called for redemption in full, the Notes shall cease to be entitled to any benefit or security under this Ordinance, and the registered owner of the Notes shall have no rights with respect to the Notes, except to receive payment of the principal of and accrued interest on the Notes to the redemption date.

SECTION 9. The principal of and interest on the Notes shall be payable at any branch office of the Bank, in lawful money of the United States of America.

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

SECTION 11. This County covenants to and with the registered owner, from time to time, of the Notes outstanding pursuant to this Ordinance, that this County shall do the following: (i) include the amount of the debt service for the Notes, 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 12 hereof or any other of its revenues or funds the principal of the Notes 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 Notes, to be known as the “Sinking Fund - General Obligation Notes, Series of 2008” (the “Sinking Fund”), which Sinking Fund shall be administered in accordance with applicable provisions of the Debt Act.

This County appoints the Bank 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 Notes when due.

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 Notes.

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 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 Notes, 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 14. The Notes have been sold, as set forth in this Ordinance, at private sale, as permitted by the Debt Act.

SECTION 15. 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 Notes.

SECTION 16. The Chief Clerk of the Board of this County is authorized and directed to deliver the Notes, after execution and attestation thereof as provided for herein, to the Bank, as provided in the proposal for the purchase of the Notes, but only after the Department has certified its approval pursuant to the Debt Act.

SECTION 17. This County covenants to and with purchasers of the issue that constitutes the Notes that it will make no use of the proceeds of such issue that will cause any of the Notes 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 interest on the Notes.

SECTION 18. 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 19. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

SECTION 20. 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 5th day of November,
2008.

COUNTY OF YORK, PENNSYLVANIA

By: 
Commissioner

By: _____
Commissioner

By: 
Commissioner

ATTEST:


Chief Clerk of the Board
of County Commissioners

(SEAL)

EXHIBIT "A"

\$ _____

COUNTY OF YORK, PENNSYLVANIA

GENERAL OBLIGATION NOTE, SERIES ___ OF 2008

The COUNTY OF YORK, Pennsylvania (the "County"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), promises to pay to the order of COMMERCE BANK/HARRISBURG, N.A. (the "Bank"), or registered assigns, on December 1, 2010, unless this General Obligation Note, Series ___ of 2008 (the "Note"), shall have been duly called for previous redemption and payment of the redemption price shall have been made or provided for, the maximum principal amount of _____ Dollars (\$ _____), or such lesser particular sum as shall represent the unpaid balance of such maximum principal amount advanced, from time to time, on a non-revolving, line of credit basis, and to pay interest on the principal sum hereof which, from time to time, shall be outstanding and shall remain unpaid, calculated as described below, from the date hereof. Interest only payments on the outstanding principal balance shall be due quarterly, beginning on March 1, 2009, until and upon maturity, or until any earlier date upon which the principal amount of this Note is paid in full. The principal of this Note shall be payable in full, upon maturity, on December 1, 2010.

The interest rate payable on this Note shall be subject to adjustment at any time to equal 80% of the Wall Street Prime Rate (defined below), but shall not to exceed at any time 6.0% or be less than 3.60%, per annum (collectively, the "Tax-exempt Rate"). The Wall Street Prime Rate shall mean the per annum interest rate published from time to time in the "Money Rates"

section of The Wall Street Journal as the "Prime Rate". If The Wall Street Journal ceases to be published, or if it no longer publishes such "Prime Rate," the phrase "Wall Street Prime Rate" shall mean such other national index of the rates charged by large money-center commercial banks to their best customers for unsecured loans, as published by any successor to The Wall Street Journal or by such other publicly available source as may be designated by the Bank in good faith.

So long as no Determination of Taxability (defined below) has occurred, interest upon the principal hereof shall be paid at the Tax-exempt Rate. However, upon the occurrence of a Determination of Taxability (defined below), while this Note is outstanding, the County promises to pay interest on the unpaid principal balance of this Note equal to 100% of the Wall Street Prime Rate, not to exceed at any time 10.0%, per annum. The term "Determination of Taxability" means (a) the issuance by the Internal Revenue Service to the Bank or other holder of this Note of a letter proposing to assess a deficiency with respect to the interest on this Note, the receipt of which shall establish that an Event of Taxability (defined below) with respect to this Note has occurred; or (b) the delivery of written notice to the County by the Bank or other holder of this Note declaring that an Event of Taxability has occurred on a specified date (other than by reason of the event described in (a) above). The term "Event of Taxability" shall mean (i) a change in law or fact (or the interpretation thereof), (ii) the occurrence or recognition of a fact, circumstance or situation, (iii) a determination, regulation, ruling or decision issued or made in regard to Sections 103 and/or 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), by any court or judicial or quasi-judicial body or by the commissioner or any district director of the Internal Revenue Service, or (iv) the enactment of any legislation,

which, with respect to any of the foregoing causes, nationally recognized bond counsel selected by the Bank (which counsel may be the Bank's counsel), is of the opinion that requires the interest payable on this Note to be includable in the gross income of the Bank.

The principal of and interest on this Note shall be payable at the principal office or at any branch office of the Bank, in lawful money of the United States of America.

The County, at its option, on any date, may prepay in whole or, from time to time, in part the principal of this Note, by paying the amount selected for such prepayment. If this Note is prepaid in whole, the outstanding principal amount shall be paid together with accrued interest to the prepayment date. Any prepayment, as hereinbefore authorized, in whole, shall be upon written notice addressed to the registered owner hereof at the time of such redemption, as such registered owner and address shall appear upon books of the County to be kept by the Bank for such purpose, by deposit of such written notice in the United States mail at least ten (10) days prior to the date designated for prepayment. If the principal of this Note shall have been prepaid in full, this Note shall cease to be entitled to any benefit or security under the Ordinance (hereinafter defined) authorizing issuance of this Note, and the registered owner of this Note shall have no rights with respect to this Note except to receive payment of the principal of and accrued interest to the prepayment date.

This Note is issued in accordance with provisions of 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. 2008-06 (the "Ordinance") duly enacted by the Board of County Commissioners of the County. 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 Bank, 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.

This Note is transferable by the Bank, or by any subsequent registered owner in person or by his attorney duly authorized, in writing, at the principal office or at any branch office of the Bank, but only upon notation of such registration hereon and on the records of the County to be kept for that purpose at the principal office or at any branch office of the Bank by a duly authorized representative of the Bank acting in behalf of the County. The County and the Bank may deem and treat the person, from time to time, in whose name this Note shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of redemption hereof prior to maturity and for all other purposes.

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF COMMERCE BANK/HARRISBURG, N.A., THE PAYING AGENT, OR OF ANY SUCCESSOR PAYING AGENT, ACTING AS REGISTRAR, ON BEHALF OF THE COUNTY OF YORK, PENNSYLVANIA

Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)
, 2008	Commerce Bank/Harrisburg, N.A.	Commerce Bank/Harrisburg, N.A.

EXHIBIT "B"

Maximum Debt Service Payments on the Notes

COUNTY OF YORK, PENNSYLVANIA
\$17,000,000 Maximum Aggregate Principal Amount
General Obligation Notes, Series of 2008

<u>Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
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SEE ATTACHED SHEET¹

¹Assumes the following: (a) the Notes are issued by the County to the Bank on December 1, 2008, and the maximum principal amount of the Notes is drawn down entirely on that date. Quarterly interest only payments are due beginning on March 1, 2009, at the maximum interest rate of 6.00%, per annum, until the principal amount of the Notes is paid in full upon maturity on December 1, 2010.

County of York - General Obligation Notes, Series of 2008

Compound Period: Quarterly

Nominal Annual Rate: 6.000 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/01/2008	17,000,000.00	1		
2	Payment	03/01/2009	Interest Only	7	Quarterly	09/01/2010
3	Payment	12/01/2010	17,255,000.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	12/01/2008				17,000,000.00
2008 Totals		0.00	0.00	0.00	
1	03/01/2009	255,000.00	255,000.00	0.00	17,000,000.00
2	06/01/2009	255,000.00	255,000.00	0.00	17,000,000.00
3	09/01/2009	255,000.00	255,000.00	0.00	17,000,000.00
4	12/01/2009	255,000.00	255,000.00	0.00	17,000,000.00
2009 Totals		1,020,000.00	1,020,000.00	0.00	
5	03/01/2010	255,000.00	255,000.00	0.00	17,000,000.00
6	06/01/2010	255,000.00	255,000.00	0.00	17,000,000.00
7	09/01/2010	255,000.00	255,000.00	0.00	17,000,000.00
8	12/01/2010	17,255,000.00	255,000.00	17,000,000.00	0.00
2010 Totals		18,020,000.00	1,020,000.00	17,000,000.00	
Grand Totals		19,040,000.00	2,040,000.00	17,000,000.00	

CERTIFICATE

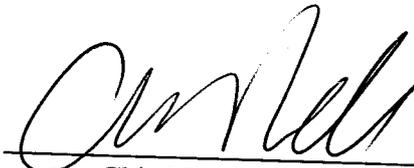
I, the undersigned, Chief Clerk of the Board of County Commissioners of the County of York, Pennsylvania (the "County"), certify that: the foregoing is a true and correct copy of Ordinance No. 2008-06 that was duly enacted by affirmative vote of a majority of all members of the Board of County Commissioners of the County present at a meeting duly held on November 5, 2008; said Ordinance duly has been recorded in the ordinance book of the County and assigned Ordinance No. 2008-06; 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	-
Christopher B. Reilly	-
Doug Hoke	-

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 5th day of November, 2008.



Chief Clerk of the Board
of County Commissioners

(SEAL)