

Council of the City of York, Pennsylvania

Session 2011

Bill No. \_\_\_\_\_

Ordinance No. \_\_\_\_\_

Introduced by: **Henry Hay Nixon**

Date: November 15, 2011

**CITY OF YORK**  
**York County, Pennsylvania**

**ORDINANCE**

AN ORDINANCE OF THE CITY OF YORK, YORK COUNTY, PENNSYLVANIA AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 2011, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$29,985,000 FOR THE PURPOSE OF (1) FINANCING VARIOUS CAPITAL PROJECTS OF THE CITY; (2) CURRENTLY REFUNDING THE CITY OF YORK'S GENERAL OBLIGATION NOTE, SERIES A OF 2010; AND (3) PAYING ALL COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; FIXING THE FORMS, NUMBER, DATE, AMOUNTS AND MATURITIES THEREOF; PROVIDING FOR THE SALE THEREOF AT A PRIVATE SALE BY NEGOTIATION; PROVIDING FOR THE PAYMENT OF DEBT SERVICE THEREON; MAKING DETERMINATION OF THE USEFUL LIFE OF THE CAPITAL PROJECTS; DESIGNATING A PAYING AGENT FOR THE BONDS; AUTHORIZING THE PURCHASE OF BOND INSURANCE; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AGREEMENTS; DESIGNATING BOND COUNSEL AND A FINANCIAL ADVISOR; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT; AUTHORIZING AND PROVIDING FOR COMPLIANCE WITH THE SECURITIES AND EXCHANGE COMMISSION CONTINUING DISCLOSURE REQUIREMENTS; AND AUTHORIZING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of York, York County, Pennsylvania (the “City”) is granted the power by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pennsylvania Consolidated Statutes, Section 8001, et seq. (the “Act”) to incur indebtedness by the issuance of general obligation bonds; and

WHEREAS, the City has determined to undertake, as a project (the “Project” or “Projects”), (1) the acquisition of certain assets owned by the York City Recreation Corporation; (2) the acquisition of certain assets owned by the City of York General Authority; (3) the acquisition of certain assets owned by the Redevelopment Authority of the City of York; (4) the planning, design and construction of, improvements and renovations to certain City infrastructure; (5) the planning, design and construction of additions, improvements and renovations for certain energy efficiency projects; together with related architects’, engineers’, attorneys’ and consultants’ fees for the Projects; and

WHEREAS, the City by resolution adopted on December 7, 2010, authorized and directed issuance of its General Obligation Note, Series A of 2010, dated as of December 29, 2010, in the original aggregate principal amount of \$13,460,000 (the “2010 A Note”); and

WHEREAS, The Department of Community and Economic Development (the “Department”), of the Commonwealth approved the proceedings of this City related to the increase of bonded indebtedness evidenced in part by the 2010 A Note, which approval of the Department was evidenced by Certificate of Approval No. GON-13297, dated December 28, 2010; and

WHEREAS, the City has determined to incur general obligation debt in order to currently refund the outstanding 2010A Note (the “Refunding Project”) thereby substituting notes for bonds; and

WHEREAS, the City has determined to issue a series of general obligation bonds to be designated as the City of York General Obligation Bonds, Series of 2011 (the “Bonds”), to be issued in the aggregate amount of \$29,985,000 (specific Bonds being sometimes referred to as a “Bond”), to fund the costs of the Refunding Project and the Projects and to pay the costs related to the issuance

and sale of the Bonds. The City shall apply the proceeds of the Bonds towards the Refunding Project and the Projects. The City will proceed with due diligence to complete the Projects; and

WHEREAS, the City has determined that a private negotiated sale of the Bonds is in the best interest of the City. The City has received a proposal from Wells Fargo Bank, N.A., as a representative of itself and M&T Securities, Inc., their successors and/or assigns, for the initial purchase of the Bonds; and

WHEREAS, each of the Members of the Council of the City of York wishes to authorize the Preliminary Official Statement and the Official Statement prepared in connection with the issuance and sale of the Bonds; and

WHEREAS, notice of the following ordinance has been duly advertised in accordance with Section 8003 of the Act;

NOW, THEREFORE, BE AND IT HEREBY IS, Ordained that:

1. The City shall incur indebtedness pursuant to the Act, in an aggregate principal amount not to exceed \$29,985,000 by the issuance of its General Obligation Bonds, Series of 2011 for the purposes above recited, which recital of purposes is fully incorporated herein. The indebtedness authorized by this Ordinance is nonelectoral debt and the Bonds when issued will be general obligation bonds of the City.

2. The Mayor, Controller and the Clerk, respectively, of the City, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to certify and to file with the Department of Community and Economic Development (the “Department”) of the Commonwealth the Debt Statement required by the Act; (b) to prepare and to file the application with the Department together with an accurate transcript of the proceedings relating to the incurring of debt of which debt the Bonds, upon issue, will be evidence, as required by the Act; (c) to prepare and to file, if applicable, any statements required by the Act that are necessary to qualify all or any portion of non-electoral and/or lease rental debt of the City 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 Act in connection with the foregoing; and (e) to take other required necessary and/or appropriate action.

3. The City hereby covenants with the holders from time to time of the Bonds outstanding pursuant to this Ordinance that the City (i) shall include the amount of the debt service for each fiscal year 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 its sinking fund the principal of and interest on every such Bond at the dates and places and in the manner stated in the Bonds, and for such budgeting, appropriation and payment in respect of the Bonds, the City hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

4. Interest on each of the Bonds shall be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless (a) such Bond is registered and authenticated as of an interest payment date, in which event the Bond shall bear interest from said interest payment date, or (b) the Bond is registered and authenticated after a Record Date (defined in the form of the Bonds) and before the next succeeding interest payment date, in which event the Bond shall bear interest from such interest payment date, or (c) the Bond is registered and authenticated on or prior to the Record Date preceding the first interest payment, in which event the Bond shall bear interest from the Dated Date of the Bonds, or (d) unless, as shown by the records of the Paying Agent, interest on the Bond shall be in default, in which event the Bond shall bear interest from the date on which interest was last paid on the Bond, semi-annually on May 15 and November 15 of each year, beginning May 15, 2012, until such principal sum is paid. Interest on each Bond shall be payable by check drawn on

the Paying Agent, which shall be mailed to the registered owner 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 the 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 the 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 Bonds not less than ten (10) 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.

5. The Bonds shall be issued in Book-Entry form as follows:

(a). Notwithstanding the foregoing provisions, the Bonds shall be issued initially in the form of one or more fully-registered bonds, which may be typewritten or lithographed, for the aggregate principal amount of the Bonds of each maturity and shall be registered in the name of Cede & Co., as nominee of DTC. Except as provided in subsection (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 any Bonds be registered in the name of a different nominee, the Bond Registrar shall exchange such Bonds for an equal aggregate principal amount of Bonds of like tenor registered in the name of such nominee. No person other than DTC or its nominee shall be entitled to receive from the City or the Paying Agent either a Bond or any other evidence of ownership of 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 Bond Register in connection with discontinuing the book-entry system as provided in subsection (g) below or otherwise.

(b). So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal, premium, if any, 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 the City and the Paying Agent with respect to the principal, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. In the event of any redemption of less than all of the Bonds outstanding of any particular 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.

(c). The City 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, premium, if any, 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 under this Ordinance, registering the transfer of ownership of Bonds, obtaining any consent or other action to be taken by Holders and for all other purposes whatsoever; and neither the City nor the Paying Agent shall be affected by any notice to the contrary. Neither the City 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 Bonds Register as being a Holder, 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, premium, if any, or interest on the Bonds, (4)

any notice which is permitted or required to be given to Holders 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.

(d). 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.

(e). In connection with any notice or other communication to be provided to Holders pursuant to this Ordinance by the City or the Paying Agent with respect to any consent or other action to be taken by Holders, 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 the City or the Paying Agent, as appropriate, may establish a special record date for such consent or other action. The City or the Paying Agent, as appropriate, shall give DTC notice of such special record date not less than 15 calendar days in current of such special record date to the extent possible.

(f). At or prior to settlement for the Bonds, the City and the Paying Agent shall execute or signify their approval of the Representation Letter in substantially the form on file with the Clerk of the City and the Mayor, Controller and the Clerk of the City are hereby authorized and directed to execute, to attest, if appropriate, and to deliver such representation Letter on behalf of the City. Any successor paying agent, remarketing agent or tender agent for the Bonds shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

(g). The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either (1) after notice to the City and the Paying Agent, DTC determines to resign as securities depository for the Bonds, or (2) after notice to DTC, the City 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 the City. In either of such events (unless in the case described in clause (2) above, the City 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 the City or the Paying Agent for the accuracy of such designation. Whenever DTC requests the City or the Paying Agent to do so, the City or 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.

The form of the Bonds shall be substantially as follows:

**Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City 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.**

(FORM OF BOND)

Registered

Number \_\_\_\_\_

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

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA

CITY OF YORK  
(York County, Pennsylvania)

GENERAL OBLIGATION BOND, SERIES OF 2011

|               |               |             |       |
|---------------|---------------|-------------|-------|
| Interest Rate | Maturity Date | Dated Date  | CUSIP |
| _____         | _____         | _____, 2011 | _____ |

Registered Owner \_\_\_\_\_

Principal Amount \_\_\_\_\_ Dollars

City of York, York County, Pennsylvania (the “City”), a city of the third class existing under laws of the Commonwealth of Pennsylvania (the “Commonwealth”) for value received, promises to pay to the order of the registered owner named hereon, or registered assigns, on the maturity date shown above, unless this Bond shall be redeemable and shall have been called for redemption or payment of the redemption price shall have been made or provided for, upon presentation and surrender hereof, the principal amount shown above, and to pay semi-annually on May 15 and November 15, beginning May 15, 2012, interest on said principal sum at the annual rate shown above 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 said interest payment date, or (b) unless this Bond is registered and authenticated after a Record Date (hereinafter defined) and

before the next succeeding interest payment date, in which event the Bond shall bear interest from such interest payment date, or (c) the Bond is registered and authenticated on or prior to the Record Date preceding May 15, 2012, in which event this Bond shall bear interest from \_\_\_\_\_, 2011, or (d) unless as shown by the records of the Paying Agent, 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 until such principal sum is paid in full.

Principal and interest will be payable in such coin or currency of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts at the corporate trust office of Fulton Bank, N.A., as Paying Agent, Authenticating Agent, Bond Registrar and Sinking Fund Depository (the "Paying Agent") in York, Pennsylvania. Interest on this Bond shall be payable by check drawn on the Paying Agent which shall be mailed to the registered owner hereof, whose name and address shall appear, at the close of business on the fifteenth (15<sup>th</sup>) day next preceding such interest payment date (the "Record Date") on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the City 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 the 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 Bond not less than ten (10) days preceding such special record date. Such notice shall be mailed to the person in whose name the Bond is registered at the close of business on the fifth (5<sup>th</sup>) day preceding the date of mailing.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday or legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which 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 stated date of payment.

This Bond is one of a series, which series has been approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania, of bonds of like date, known generally as City of York General Obligation Bonds, Series of 2011 (the “Bonds”), stated to mature in each of the years 2013 through 2041, inclusive, in the aggregate principal amount of \$29,985,000, issued in accordance with the Local Government Unit Debt Act, 53 Pennsylvania Consolidated Statutes, Section 8001 et seq., and by virtue of an Ordinance of the Council (the “Ordinance”) of the City of York duly adopted, and other certificates and sworn statements of the duly authorized officers of the City filed with the Department of Community and Economic Development.

The Bonds are issued for the purposes of providing funds for and towards (1) the current refunding of the City of York General Obligation Note, Series A of 2010; (2) the acquisition of certain assets owned by the York City Recreation Corporation; (3) the acquisition of certain assets owned by the City of York General Authority; (4) the acquisition of certain assets owned by the Redevelopment Authority of the City of York; (5) the planning, design and construction of, improvements and renovations to certain City infrastructure; (6) the planning, design and construction of additions, improvements and renovations for certain energy efficiency projects, together with related architects’, engineers’, attorneys’ and consultants’ fees for the Projects; and (7) paying all costs and expenses of issuance of the Bonds.

The Bonds maturing on or after November 15, 20\_\_ shall be subject to redemption prior to maturity, at the option of the City, as a whole on November 15, 20\_\_, or any date thereafter, or in part, chosen by lot within a maturity by the Paying Agent, on November 15, 20\_\_, or on any date thereafter, in either case at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date.

If a Bond is of a denomination larger than \$5,000, such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing that number of Bonds which is obtained by dividing the denomination thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations, of like form, in aggregate amount equal to the unredeemed portion; Provided, however, that if this Bond is 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.

Each redemption shall be made by mailing a copy of the redemption notice by first class mail, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to the registered owners of Bonds to be redeemed in whole or in part at the address shown on the registration books. Such notice shall specify the maturities and, if less than all then outstanding Bonds are to be redeemed, the numbers of the Bonds to be redeemed which may be expressed in designated blocks of numbers. Such notice shall also state the date fixed for redemption, that on such date the Bonds called for redemption will be due and become payable at the designated corporate trust office of the Paying Agent mentioned in the Bonds called for redemption, and that from and after such date interest thereon shall cease to accrue. Any defect in or failure to give such notice with respect to any particular Bond shall not affect the validity of any such redemption of other Bonds.

If the City shall have mailed notice of redemption, as above stated, and shall have provided funds for the payment of the principal of the Bonds so called for redemption and interest thereon to the date of redemption, interest on the principal amount so called for redemption shall cease to

accrue after said redemption date. In connection with any such notice of redemption, the CUSIP numbers assigned to the Bonds may be used, but reliance may be placed only on the identification number printed thereon.

It is hereby certified that all acts, conditions and things required to be done, happen or be performed precedent to and in the issuance of this Bond or in the creation of the debt of which this is evidence, have been done, happened and been performed, that the debt represented by this Bond is not in excess of any constitutional or statutory limitation, and that the full faith, credit and taxing power of the City, are hereby irrevocably pledged for the prompt payment of the principal and interest on this Bond.

The Bonds are issuable without coupons in the denomination \$5,000 or any integral multiple thereof.

This Bond will be transferred or exchanged for an equal aggregate principal amount of Bonds, in any authorized denomination, of the same maturity and form, only by presentation and surrender of this Bond to the Paying Agent at the designated corporate trust office accompanied by a written instrument or instruments in form, with instructions, and with guarantee of signature satisfactory to the Paying Agent, duly executed by the registered owner hereof or his attorney-in-fact or legal representative. Neither the City nor the Paying Agent shall be required (a) to issue or register the transfer of or exchange any certificated 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 on which the applicable notice of redemption is given or (b) to register the transfer of or exchange any portion of any certificated Bond selected for redemption, in whole or in part, until after the date fixed for redemption.

The City and any agent thereof may treat the registered owner or registered assigns of this Bond as the absolute owner hereof, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

This Bond shall not be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Paying Agent of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, the City of York has caused this Bond to be executed in its name and on its behalf by the signature of the Mayor and Controller of the City, and its corporate seal to be hereunto affixed, duly attested by the signature of the Clerk of the City all as of \_\_\_\_\_, 2011.

CITY OF YORK

PAYING AGENT'S CERTIFICATE OF

AUTHENTICATION

BY \_\_\_\_\_  
Mayor

This Bond is one of the General Obligation Bonds, Series of 2011 described in the within-mentioned Ordinance.

BY \_\_\_\_\_  
Controller

The statement of insurance printed herein refers to an original policy of insurance issued \_\_\_\_\_ by \_\_\_\_\_ which is on file at the corporate trust office of the Paying Agent, located in \_\_\_\_\_, Pennsylvania.

ATTEST:  
\_\_\_\_\_  
Clerk

(SEAL)

The text of opinion printed herein is the text of the opinion of Messrs. Stock and Leader, Bond Counsel, of York, Pennsylvania, an executed counterpart of which, dated the date of delivery of and payment for the series of bonds of which this Bond is one, is on file at the corporate trust office of the Paying Agent, located in York, Pennsylvania.

Date of Authentication:

FULTON BANK, N.A., Paying Agent

BY \_\_\_\_\_  
Authorized Representative

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Bond issued by CITY OF YORK and all rights thereunder and hereby irrevocably constitutes and appoints Attorney to transfer said Bond on the books kept for the registration thereof with the full power of substitution in the premises.

Dated \_\_\_\_\_

Social Security or Federal Employer Identification Number of Transferee

\_\_\_\_\_

SIGNATURE GUARANTEED:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution who is a member of or a participant in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, attach the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries, the date of the trust and the name of the trustee.

The Council of the City finds that a private sale by negotiation is in the best financial interest of the City and the Bonds are hereby awarded at such sale to Wells Fargo Bank, N.A., as a representative of itself and M&T Securities, Inc., their successors and/or assigns (the "Purchaser") in accordance with the purchase bid (the "Purchase Contract") with the Purchaser for the purchase of the Bonds, as presented and read at this meeting, which Purchase Contract is hereby accepted. The proper officers of the City are authorized and directed to sign a copy of the Purchase Contract and to return it to the Purchaser. A copy of the Purchase Contract is attached hereto as Exhibit "A". The City shall be authorized to proceed with the execution of a final confirmation ("Confirmation") as provided in the Purchase Agreement, provided that, such terms and conditions meet or exceed the following: (1) the principal amount of the Bonds to be purchased thereunder shall not exceed \$29,985,000; (2) the purchase price for the Bonds, including underwriting discount and net original issue discount or original issue premium shall not be less than 95.0% or more than 115.0% of the aggregate principal amount of the Bonds to be issued and delivered by the City. The Mayor or the Director of Finance of the City is hereby authorized and directed to execute on behalf of the City the Confirmation along with such instruments and documents as may be necessary or appropriate to establish the final maturity schedule, interest rate and purchase price for the Bonds upon receipt of information and finding that said information and related documentation is consistent with and authorized by the Purchase Contract and this Ordinance. The maximum aggregate principal amount of the Bonds to be issued, the maximum annual principal maturity or mandatory sinking fund payment amounts, and the maximum interest rates per annum authorized hereunder are set forth on Schedule I of the Purchase Agreement. The bonds may be issued in one or more series with such series being taxable and/or tax exempt as hereinafter determined to be in the best financial interest of the City after consultation with and advice

from the City's Financial Advisor. The authorization herein set forth shall terminate at 11:59 p.m. on February 28, 2012, but may be extended at any time prior to the termination date by ordinance of the Council of the City.

6. The Bonds will be in registered form without coupons. The Bonds shall be issued in denominations of Five Thousand (\$5,000.00) Dollars or any integral multiple thereof and will bear interest payable semi-annually on May 15 and November 15 of each year beginning with the May 15, 2012. The Bonds shall be dated and bear interest from the date of issuance, at such rates as are set forth in the Confirmation. The Bonds shall be subject to prior redemption at the times, in the manner, on the dates and upon the terms and conditions set forth in the Confirmation. The City may purchase Bonds at a price of no more than par in lieu of scheduled redemptions.

7. The City hereby covenants to establish a Sinking Fund for the payment of the Bonds hereby authorized, in accordance with the Act. The Sinking Fund shall be known as the "Sinking Fund, City of York, General Obligation Bonds, Series of 2011."

8. It is hereby determined and stated that realistic estimated useful life for the Projects and those capital projects financed with the 2010 A Note vary between a remaining useful life of fifteen (15) years and thirty (30) years, with the aggregate principal amount of the Bonds equal to the separate cost of each capital project or facility being stated to mature prior to the end of such useful life. The first maturity of principal of the Bonds has not been deferred beyond two years from date of issue of the Bonds. The City has obtained realistic estimates of the total cost of the Projects based upon actual bids and professional cost estimates.

9. It is hereby determined and stated that the realistic estimated useful life for the capital projects or facilities originally financed by the 2010 A Bond have a remaining useful life of not less

than thirty (30) years. The Refunding Project is authorized and permitted pursuant to Section 8241(b) (5) of the Act.

10. If applicable, as determined from the Purchase Contract and Confirmation, the City hereby authorizes the purchase and acceptance of an insurance policy insuring the Bonds and directs that all necessary actions be taken to issue a policy of insurance on the Bonds. The appropriate premium shall be promptly paid at the closing for the Bonds.

11. Fulton Bank, N.A., York, Pennsylvania, is hereby designated as the paying agent, authenticating agent, bond registrar and sinking fund depositary (the "Paying Agent") for the Bonds and the proper officers of the City are hereby authorized and directed to contract with said bank for such services.

12. The Bonds may be executed by facsimile or original signature of the Mayor and Controller and a facsimile or original of the corporate seal of the City shall be imprinted thereon, attested by the facsimile or original signature of the Clerk of the City. The Bonds shall be authenticated by the Paying Agent. The Mayor or Clerk is hereby authorized and directed to deliver said Bonds to the Purchaser and to receive payment therefor on behalf of the City after sale of said Bonds in the manner required by law and this Ordinance and to take all further necessary or desirable action to effect the sale and delivery of the Bonds.

13. The City hereby covenants with the Holders from time to time of the Bonds that it will make no use of the portion of the proceeds of the Bonds issued as tax exempt debt which, if such use had been reasonably expected on the date of such Bonds, would have caused such Bonds to be "arbitrage bonds" within the meaning of Sections 103 and 148 of the Code and the regulations thereunder. It will also comply with the requirements of said Sections and said

regulations throughout the term of the Bonds, including, but not limited to, the prohibition against intentionally using any portion of the proceeds in a manner which would cause such Bonds to be “arbitrage bonds.”

14. The City, in order to enable the Purchaser to comply with the continuing Disclosure Requirements of the Securities and Exchange Commission Rule 15c2-12 (the “Rule”), will undertake in an appropriate written agreement or contract (the “Agreement”) for the benefit of the Holders and/or Registered Owners from time to time of the Bonds to provide, directly or indirectly, to the Electronic Municipal Market Access System (“EMMA”) and to the appropriate State information depository (“SID”), if any, within such time period or periods as the Rule shall require of the end of each fiscal year of the City annual financial information and operating data generally consistent with the information contained or cross-referenced in the Official Statement for the Bonds including audited financial statements of the City prepared in conformity with generally accepted accounting principles, as applied to governmental units. The Agreement will also provide that the City will in a timely manner file or cause to be filed notice with the Municipal Securities Rulemaking Board (the “MSRB”) and the SID of: (i) a failure to provide required annual financial information on or before such time period or periods as the Rule shall require within which period or periods the City has undertaken to comply or (ii) the occurrence of any of the following events with respect to the Bonds, if material: (1) principal and interest payment delinquencies, (2) non-payment related defaults, if material, (3) unscheduled draws on debt service reserves reflecting financial difficulties, (4) unscheduled draws on credit enhancements reflecting financial difficulties, (5) substitution of credit or liquidity providers, or their failure to perform, (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds, (7) modifications to rights of holders of the Bonds, if material, (8) bond calls, if material, and tender

offers, (9) defeasances, (10) release, substitution, or sale of property securing repayment of the Bonds, if material, (11) rating changes, (12) bankruptcy, insolvency, receivership or similar event of the City, (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material, and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. The proper officers of the City are hereby authorized and directed to take all appropriate action to effectuate compliance with the Continuing Disclosure Requirements of the Rule, which action may, in the discretion of such officers, include without limiting the foregoing generality, entering into a separate written agreement with the Purchaser or other third party to whom Rule compliance can be properly delegated or modifying the form of the Bonds approved herein to include a covenant for the benefit of the holders and/or registered owners of the Bonds.

15. The form of the Preliminary Official Statement presented to this meeting is hereby approved, with such changes as counsel to the City may advise. The Mayor is hereby authorized to make public and to distribute or cause to be distributed an Official Statement substantially in the form presented to the City at this meeting with such changes, omissions, insertions and revisions as such officer shall deem advisable, and the Mayor and Controller are hereby authorized to sign and deliver or cause to be delivered such Official Statement to the Purchaser within seven (7) business days hereof. The City hereby authorizes and directs the Purchaser to file the Official Statement with EMMA immediately upon receipt by the Purchaser of the Official Statement. The City further authorizes the Purchaser to file the Official Statement with the MSRB.

16. The City hereby appoints Public Financial Management, Inc., Harrisburg, Pennsylvania as Financial Advisor and Stock and Leader, York, Pennsylvania, as Bond Counsel with respect to the Bonds.

17. The proper officers of the City are hereby authorized and directed to take all other action and enter into any additional agreements required by the Act or this Ordinance in connection with the issuance of the Bonds and to pay, on behalf of the City, the costs of issuance of the Bonds.

18. All ordinances or parts of ordinances insofar as they conflict with this Ordinance are hereby repealed.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_ 2011.

Attest:

CITY OF YORK

BY \_\_\_\_\_  
City Clerk

BY \_\_\_\_\_  
President Of Council

PASSED FINALLY: \_\_\_\_\_, 2011 BY THE FOLLOWING VOTE:

YEAS: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

NAYS: \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk