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COUNTY OF DAUPHIN,
Commonwealth of Pennsylvania

ORDINANCE NO. #7-2010

AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DAUPHIN, PENNSYLVANIA DETERMINING TO INCUR DEBT IN THE AMOUNT NOT TO EXCEED \$1,900,000; DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTEED MORTGAGE REVENUE NOTE (FEDERALLY TAXABLE), TO BE AUTHORIZED AND TO BE ISSUED BY DAUPHIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY; BRIEFLY DESCRIBING THE PROJECT FOR WHICH SAID DEBT IS TO BE INCURRED AND SPECIFYING THE REALISTIC USEFUL LIFE OF SAID PROJECT; AUTHORIZING AND DIRECTING PROPER OFFICERS OF THE COUNTY TO EXECUTE, ATTEST, SEAL AND DELIVER, AS APPROPRIATE, A GUARANTY AGREEMENT WITH RESPECT TO AFORESAID GUARANTEED MORTGAGE REVENUE; APPROVING THE FORM OF SAID GUARANTY AGREEMENT; AUTHORIZING AND DIRECTING THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF COMMISSIONERS AND THE CHIEF CLERK OF THE COUNTY TO PREPARE, VERIFY AND FILE, AS APPLICABLE, THE DEBT STATEMENT, THE BORROWING BASE CERTIFICATE TO BE APPENDED TO THE DEBT STATEMENT, AND OTHER APPROPRIATE DOCUMENTS REQUIRED BY THE LOCAL GOVERNMENT UNIT DEBT ACT [53 Pa. C.S. § 8001 ET SEQ.]; SPECIFYING THE MAXIMUM LEASE RENTALS TO BE PAID BY THE COUNTY PURSUANT TO SAID GUARANTY AGREEMENT; GUARANTEEING PAYMENT OF THE PRINCIPAL OF AND INTEREST ON AFORESAID GUARANTEED MORTGAGE REVENUE AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO; SPECIFYING THE MAXIMUM AMOUNT OF THE GUARANTY OBLIGATIONS OF THE COUNTY PURSUANT TO SUCH GUARANTY AGREEMENT; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY WITH RESPECT TO THE GUARANTY AGREEMENT; AUTHORIZING PROPER OFFICERS OF THE COUNTY TO EXECUTE ALL REQUIRED, NECESSARY OR DESIRABLE CERTIFICATES AND DOCUMENTS IN CONNECTION WITH SAID LEASE RENTAL DEBT AND THE PROJECT; AUTHORIZING PROPER OFFICERS OF THE COUNTY TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE ACTION IN CONNECTION WITH SUCH PROJECT AND THE EXECUTION, DELIVERY OR ACCEPTANCE OF SAID GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENT ORDINANCES OR RESOLUTIONS OR PARTS OF ORDINANCES OR RESOLUTIONS.

WHEREAS, the County of Dauphin, Pennsylvania (the “**County**”) exists under laws of the Commonwealth of Pennsylvania (the “**Commonwealth**”) and is a “local government unit,” as such term is defined under the Local Government Unit Debt Act [53 Pa. C.S. § 8001 *et seq.*] (the “**Debt Act**”); and

WHEREAS, Dauphin County Industrial Development Authority (the “**Authority**”) is a public instrumentality and a body politic and corporate organized and existing under the laws of the Commonwealth of Pennsylvania, having been duly organized by the County pursuant to the provisions of the Act of August 23, 1967, P.L. 251, of the Commonwealth of Pennsylvania, as amended and supplemented, known as the Economic Development Financing Law (the “**Act**”); and

WHEREAS, the Authority, in furtherance of its statutory purpose and with the consent of the County, heretofore purchased in 2005 a certain eight (8) story building located at 112 Market Street in the City of Harrisburg and known generally as the “Veterans Building” (the “**Building**”), which undertaking is referred to herein as the “**Acquisition Project**”, and (ii) immediately undertook and completed certain initial renovations, additions and improvements to thereto (the “**2005 Renovation Project**”); and

WHEREAS, the Acquisition Project and the Renovation Project are sometimes referred to collectively herein as the “**2005 Project**”; and

WHEREAS, in order to finance the costs of the 2005 Project, the Authority heretofore issued its Guaranteed Lease Revenue Note, Series of 2005 (Veterans Building Project), dated June 1, 2005 (the “**2005 Note**”), in the principal amount of \$900,000, a portion of which 2005 Note in the amount of \$785,978 remains outstanding; and

WHEREAS, the Authority heretofore undertook and completed additional renovations to the Building in connection with certain leases, which renovations were initiated in March 2006 (the “**2006 Renovation Project**”); and

WHEREAS, in order to finance the costs of the 2006 Renovation Project, the Authority heretofore issued its Revenue Note (Veterans Building Project), Series of 2006 (Taxable), dated March 13, 2006 (the “**2006 Note**”), in the principal amount of \$200,000, a portion of which 2006 Note in the amount of \$174,931 remains outstanding; and

WHEREAS, the Authority heretofore undertook and completed additional renovations and repairs to the Building, consisting primarily of certain replacements and improvements to the heating, ventilation and air conditioning system and repair of certain interior improvements, which replacements and repairs were initiated in June 2008 (the “**2008 Renovation Project**”); and

WHEREAS, in order to finance the costs of the 2008 Renovation, the Authority heretofore entered into a short term credit facility, evidenced by its Guaranteed Construction Note (Veterans Building Project), Series of 2008 (Taxable), dated June 17, 2008 (the “**2008 Note**”), in the principal amount of \$1,000,000, a portion of which 2006 Note in the amount of \$734,691 remains outstanding; and

WHEREAS, the Authority has determined to undertake to refinance and consolidate the 2005 Note, the 2006 Note and the 2008 Note, which undertaking herein is referred to as the “**Refunding Project**”; and

WHEREAS, the Authority desires to undertake a project consisting of construction of certain renovations, additions and improvements to the Building, consisting primarily of additional replacement and improvements to the heating, ventilation and air conditioning system (the “**2010 Renovation Project**”); and

WHEREAS, the Authority, based upon bids received and estimates from qualified professionals, has determined that the estimated costs and expenses of the 2010 Renovation Project is approximately \$130,000, and has provided the estimated costs to the Board of County Commissioners; and

WHEREAS, the Refunding Project and the 2010 Renovation Project are sometimes referred to collectively herein as the “Project”; and

WHEREAS, the Authority, based upon bids received and estimates from qualified professionals, has determined that the estimated costs and expenses of the Project will not exceed \$1,900,000, and has provided the estimated costs to the Board of County Commissioners; and

WHEREAS, the Authority desires to enter into a long term credit facility, in the principal sum not to exceed \$1,900,000, with Graystone Bank (the “Bank”) pursuant to which the Bank has agreed, upon certain terms and conditions, to loan said sum to the Authority to be applied for and toward payment of costs of the Project; and

WHEREAS, the Authority’s obligation to repay said loan will be evidenced by its Guaranteed Mortgage Revenue Note (Veterans Building), Series of 2010 (Federally Taxable), to be dated as of the date of delivery thereof (the “Series 2010 Note”), to be issued and delivered under and pursuant to a loan agreement by and between the Bank and the Authority; and

WHEREAS, the Board of Commissioners of the County has determined that the Project is in the best interests of the County and its residents; and

WHEREAS, the County desires the Authority to undertake the Project, and as inducement to the Authority to undertake the Project and to issue its Series 2010 Note, the County is willing to guarantee the full payment of the principal of and the interest on the Series 2010 Note, when due, pursuant to the authority set forth in the Debt Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board of Commissioners of the County of Dauphin, Pennsylvania, as follows:

1. The Board of Commissioners of the County hereby approves the Project as described in the recitals hereof and requests and authorizes the Authority to proceed to undertake the Project, the financing thereof and the payment of all “costs” related thereto.

2. The Board of Commissioners of the County authorizes and approves the Authority ‘s issuance of the Series 2010 Note and its undertakings with respect to the loan, as aforesaid, in accordance with a proposal submitted to the Authority by the Bank.

3. The Board of Commissioners of the County hereby determines to incur “debt,” as such term is defined in the Debt Act, as “lease rental debt,” as such term is defined in the Debt Act, for the purpose of assisting in the financing of the Project.

4. The debt to be incurred, as lease rental debt, as set forth in Section 3 hereof, shall be evidenced by the County’s execution and delivery of the Guaranty Agreement in the maximum principal amount of \$1,900,000, pursuant to which the County agrees to guarantee the payment of principal of and interest on the Series 2010 Note, when due. The Series 2010 Note, to be issued in the principal amount not to exceed \$1,900,000, shall be secured by the Guaranty Agreement executed and delivered by the

County, substantially in the form referred to in Section 6 hereof. The County hereby finds and determines that the useful life of the Project is at least twenty-five (25) years.

5. The County shall enter into a Guaranty Agreement, substantially in the form referred to in Section 6 hereof (the "**Guaranty Agreement**"), with respect to the Series 2010 Note to be issued by the Authority.

6. The Guaranty Agreement shall be substantially in the form presented to this meeting, which form is approved; and a copy of the Guaranty Agreement, in the form so presented to this meeting and so approved, shall be filed with the Chief Clerk of the County for inspection, at reasonable times, by interested persons requesting such inspection. A copy of the form of the Guaranty Agreement is attached hereto as Exhibit A.

7. The Chairman or Vice Chairman of the Board of Commissioners and the Chief Clerk of the County are hereby authorized and directed to execute, attest, seal and deliver the Guaranty Agreement, with such insertions, deletions and amendments as the officers of the County executing the Guaranty Agreement and the Solicitor to the County shall deem necessary. The execution, attestation and delivery of the Guaranty Agreement by appropriate officers of the County shall constitute conclusive evidence of such approval; Provided, however, that such execution and delivery of the Guaranty Agreement shall be subject to compliance by the County with applicable provisions of the Debt Act. Said officers of the County are authorized to take all other required, necessary or desirable action in connection with the Project and with the execution and delivery of the Guaranty Agreement.

The County authorizes delivery of the Guaranty Agreement to the Bank for the purposes set forth in the Guaranty Agreement.

8. The Chairman or Vice Chairman of the Board of Commissioners and the Chief Clerk of the County are authorized and directed to make application to the Pennsylvania Department of Community and Economic Development (the "**Department**") for approval with respect to said lease rental debt, as required by the Debt Act, and to pay or cause to be paid to the Department all proper filing fees required by the Debt Act and to take all other required and appropriate action.

Accordingly, the Chairman or Vice Chairman of the Board of Commissioners and Chief Clerk of the County are authorized and directed: (a) to prepare, verify and file with the Department, a debt statement as required by the Debt Act; (b) to prepare, execute and file with the Department the borrowing base certificate to be appended to the debt statement referred to in subparagraph (a) of this Section; (c) to prepare, execute and file the application with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Series 2010 Note, upon issue, and the Guaranty, upon execution and delivery, will be evidence, as required by the Debt Act; (d) to pay or to cause to be paid to the Department all filing fees required by the Debt Act in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action, and further, the same proper officers are authorized, at their discretion, hereafter to prepare and file, as required, with the Department, appropriate statements required by the Debt Act which are necessary to qualify all or a portion of lease rental debt of the County, if any shall be subject to exclusion as self liquidating debt, for exclusion from the appropriate debt limit of the County as such self liquidating debt.

9. Proper officers and officials of the County are hereby authorized and directed to execute, attest and deliver any and all necessary or appropriate certificates, instruments, agreements or documents and to do any and all necessary or appropriate things in connection with the transactions hereby contemplated, including, without limitation, fulfilling the requirements of the terms and conditions approved by the Authority with respect to the Series 2010 Note.

10. The County hereby guarantees the full payment of the principal of and interest on the Series 2010 Note and in furtherance thereof covenants and agrees with the holders from time to time of the Series 2010 Note that if the Authority shall fail to pay the full amount of the principal of and interest on the Series 2010 Note when the same becomes due and payable, at the times and places, under the terms and conditions, and in the manner prescribed in the Series 2010 Note, the County will pay the full amount of such principal and interest to the holders of the Series 2010 Note.

The County agrees and hereby covenants with the holders of the Series 2010 Note that the County shall include the amount of debt service on the Series 2010 Note, including interest thereon, for each fiscal year of the County in which such sums are payable in its budget for that fiscal year, shall appropriate and shall duly and punctually pay or cause to be paid the full amount of such principal of and interest on the dates and at the places and in the manner stated in the Series 2010 Note. For such budgeting, appropriation and payment the County hereby does pledge its full faith, credit and taxing power and hereby does agree that this covenant shall be specifically enforceable in accordance with the Debt Act.

The County agrees that maximum debt service in each of its fiscal years with respect to the Series 2010 Note to which the foregoing guaranty shall apply is as set forth in Exhibit B attached hereto.

11. Proper officers of the County are authorized and directed to execute all documents and to take such other action as may be necessary to carry out the intent and purposes of this Ordinance and the undertakings of the County under the Guaranty.

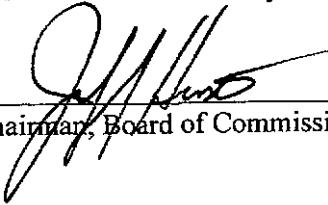
12. This Ordinance shall become effective in accordance with the provisions of the Debt Act.

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

14. All ordinances and resolutions or parts thereof, insofar as the same are inconsistent herewith, are repealed hereby.

DULY ENACTED AND ORDAINED this 10 day of November, 2010, by the Board of Commissioners of the County of Dauphin, Pennsylvania, in lawful session duly assembled.

COUNTY OF DAUPHIN
Commonwealth of Pennsylvania



Chairman, Board of Commissioners

ATTEST:



Chief Clerk

(SEAL)



Vice Chairman, Board of Commissioners



Secretary, Board of Commissioners

EXHIBIT A

GUARANTY AGREEMENT

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated for convenience as of November 10, 2010, but effective as provided herein, made and executed by the **COUNTY OF DAUPHIN, PENNSYLVANIA** (the "**County**"), a Pennsylvania municipality organized and existing under the laws of the Commonwealth of Pennsylvania, and delivered to **GRAYSTONE BANK** (the "**Bank**"), with an office in the City of Harrisburg, Dauphin County, Pennsylvania.

WITNESSETH:

WHEREAS, the County is a Local Government Unit, as defined in the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 *et seq.*, as amended and supplemented (the "**Debt Act**"); and

WHEREAS, Dauphin County Industrial Development Authority (the "**Authority**") is a public instrumentality and a body politic and corporate organized and existing under the laws of the Commonwealth of Pennsylvania, having been duly organized by the County pursuant to the provisions of the Act of August 23, 1967, P.L. 251, of the Commonwealth of Pennsylvania, as amended and supplemented, known as the Economic Development Financing Law; and

WHEREAS, the Authority, in furtherance of its statutory purpose and with the consent of the County, heretofore purchased in 2005 a certain eight (8) story building located at 112 Market Street in the City of Harrisburg and known generally as the "**Veterans Building**" (the "**Building**"), which undertaking is referred to herein as the "**Acquisition Project**", and (ii) immediately undertook and completed certain initial renovations, additions and improvements to thereto (the "**2005 Renovation Project**"); and

WHEREAS, the Acquisition Project and the Renovation Project are sometimes collectively referred to herein as the "**2005 Project**"; and

WHEREAS, in order to finance the costs of the 2005 Project, the Authority heretofore issued its Guaranteed Lease Revenue Note, Series of 2005 (Veterans Building Project), dated June 1, 2005 (the "**2005 Note**"), in the principal amount of \$900,000; and

WHEREAS, the Authority heretofore undertook and completed additional renovations to the Building in connection with certain leases, which renovations were initiated in March 2006 (the "**2006 Renovation Project**"); and

WHEREAS, in order to finance the costs of the 2006 Renovation Project, the Authority heretofore issued its Revenue Note (Veterans Building Project), Series of 2006 (Taxable), dated March 13, 2006 (the "**2006 Note**"), in the principal amount not to exceed \$200,000; and

WHEREAS, the Authority heretofore undertook and completed additional renovations and repairs to the Building, which renovations and repairs were initiated in June 2008 (the "**2008 Renovation Project**"); and

WHEREAS, in order to finance the costs of the 2008 Renovation, the Authority heretofore issued its Guaranteed Construction Note (Veterans Building Project), Series of 2008 (Taxable), dated June 17, 2008 (the "**2008 Note**"), in the principal amount not to exceed \$1,000,000; and

WHEREAS, the Authority has determined to undertake to refinance the 2005 Note, the 2006 Note and the 2008 Note, which undertaking herein is referred to as the "**Refunding Project**"; and

WHEREAS, the Authority has determined to undertake construction of certain renovations, additions and improvements to the Building, consisting primarily of replacement and upgrades of portions of the HVAC system and related improvements, at an estimated cost of \$_____ (the "2010 Renovation Project"); and

WHEREAS, the Refunding Project and the 2010 Renovation Project are sometimes referred to collectively herein as the "Project"; and

WHEREAS, in order to finance the costs of the Project, the Authority has determined to issue its Guaranteed Mortgage Revenue Note (Veterans Building Project), Series 2010 (Federally Taxable), dated [Issue date], 2010 (the "Series 2010 Note"), in the principal amount not to exceed \$1,900,000; and

WHEREAS, the Bank is willing to purchase the Series 2010 Note subject to the terms and conditions set forth therein, provided that the County guarantee payment of the principal of and the interest on the Series 2010 Note; and

WHEREAS, the County heretofore has determined to guarantee the full payment of the principal of and interest on the Series 2010 Note, pursuant to the authority set forth in the Debt Act.

NOW, THEREFORE, the County, intending to be legally bound, hereby covenants and agrees as follows:

1. The County hereby guarantees the full and prompt payment of the principal of and interest on the Series 2010 Note and in furtherance thereof covenants and agrees with the holders of the Series 2010 Note that if the Authority shall fail to pay the full amount of the principal of and interest on the Series 2010 Note when the same becomes due and payable, at the times and place, under the terms and conditions, and in the manner prescribed in the Series 2010 Note, the County will pay the full amount of such principal and interest to the holders of the Series 2010 Note.

The County agrees and hereby covenants with the holders of the Series 2010 Note that the County shall include the amount of debt service on the Series 2010 Note, including interest thereon, for each Fiscal Year (which term shall mean the fiscal year of the County, from time to time designated by law) in which such sums are payable in its budget for that Fiscal Year, and that the County, in the event the Authority shall fail to pay the full amount of the principal of and interest on the Series 2010 Note when due and payable, at the times and place, under terms and conditions and in the manner prescribed in the Series 2010 Note, shall appropriate from its general revenues and duly and punctually pay or cause to be paid from its sinking fund established therefor or any other of its funds or revenues the full amount of such principal and interest on the dates and at the place and in the manner stated in the Series 2010 Note according to the true intent and meaning hereof. For such budgeting, appropriation and payment the County hereby does pledge its full faith, credit and taxing power and hereby does agree that this covenant shall be specifically enforceable.

The County agrees that the maximum annual debt service in each fiscal year with respect to the Series 2010 Note, to which the foregoing guarantee shall apply, is set forth in Exhibit A attached hereto and hereby incorporated herein as if set forth in full in this Section I.

2. This Guaranty Agreement may not be assigned by the County nor may its obligations arising hereunder be in any manner whatsoever alienated by the County. This Guaranty Agreement shall inure to the benefit of the Bank and other holders, if any, from time to time of the Series 2010 Note. The County acknowledges that such holders from time to time of the Series 2010 Note shall materially rely on the existence of this Guaranty Agreement and the County's due performance of its obligations hereunder.

3. The invalidity or unenforceability of any one or more phrases, sentences, clauses or Sections in this Guaranty Agreement contained, shall not affect the validity or enforceability of the remaining portions of this Guaranty Agreement, or any part thereof.

4. This Guaranty Agreement shall be construed in accordance with and governed by the laws of the Commonwealth.

5. This Guaranty Agreement shall be effective upon issuance of the Series 2010 Note and acceptance of delivery of this Guaranty Agreement by the Bank.

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IN WITNESS WHEREOF, County of Dauphin, Pennsylvania, has caused this Guaranty Agreement to be executed on its behalf by the Board of Commissioners and its official seal to be hereunto affixed and attested by the Chief Clerk of the County and delivered to Graystone Bank, as initial holder of the Series 2010 Note.

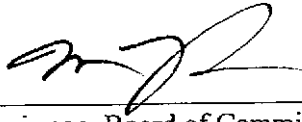
COUNTY OF DAUPHIN,
Commonwealth of Pennsylvania

Chairman, Board of Commissioners

ATTEST:

Chief Clerk

(SEAL)



Vice Chairman, Board of Commissioners

Secretary, Board of Commissioners

ACCEPTANCE AND ACKNOWLEDGMENT

Graystone Bank, Harrisburg, Pennsylvania, hereby accepts the foregoing Guaranty Agreement and acknowledges receipt of an executed counterpart thereof.

GRAYSTONE BANK

By: _____
Authorized Officer

Dated: November 15, 2010

EXHIBIT B

MAXIMUM ANNUAL
DEBT SERVICE SCHEDULE

County of Dauphin
Commonwealth of Pennsylvania
Guaranty of
Dauphin County Industrial Development Authority
Guaranteed Mortgage Revenue Note (Veterans Building), Series of 2010
(Federally Taxable)
\$1,900,000.00

<u>Fiscal Year Ending December 31</u>	<u>Maximum Annual Amount</u>
2010	\$ 13,285.41
2011	\$ 159,424.92
2012	\$ 159,424.92
2013	\$ 159,424.92
2014	\$ 159,424.92
2015	\$ 163,477.14
2016	\$ 159,424.92
2017	\$ 208,051.56
2018	\$ 208,051.56
2019	\$ 208,051.56
2020	\$ 1,516,965.50

CERTIFICATE

I, the undersigned officer of the County of Dauphin, Pennsylvania (the "County"), hereby certify that: (a) attached to this Certificate is a true, correct and complete copy of an Ordinance (the "Ordinance") which was duly enacted at a meeting of the Board of Commissioners of the County on November 10, 2010, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the Ordinance was duly recorded in the County's Ordinance Book, and a summary of the Ordinance was published as required by law in a newspaper of general circulation in the County; (c) the County met the advance notice requirements of the Sunshine Act, 65 Pa. C.S. § 701 *et seq.*, as amended, by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the Board of Commissioners; (d) the total number of members of the Board of Commissioners is three; and (e) the vote upon the Ordinance was called and duly recorded upon the minutes and that the members voted in the following manner:

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Jeffrey T. Haste	<u>✓</u>	_____	_____	_____
Mike Pries	<u>✓</u>	_____	_____	_____
George P. Hartwick, III	<u>✓</u>	_____	_____	_____

WITNESS my hand and seal of the County this 10 day of November, 2010.



Chief Clerk

(SEAL)

**COUNTY OF DAUPHIN
COMMONWEALTH OF PENNSYLVANIA**

DEBT STATEMENT

TO: THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMONWEALTH OF PENNSYLVANIA

RE: COUNTY OF DAUPHIN, PENNSYLVANIA

We, the undersigned, Chairman of the Board of Commissioners and Chief Clerk of the County of Dauphin, Pennsylvania (the "County"), make this Debt Statement, under oath or affirmation, in compliance with provisions of Section 8110 of the Local Government Unit Debt Act, 53 Pa. C.S. §8001 *et seq.*, as amended and supplemented (the "Act"), as follows:

1. This Debt Statement is made as of October 1, 2010, such date being less than sixty (60) days before the filing thereof.

2. The existing gross indebtedness of the County after giving prospective effect to Section 8250(b) of the Act and the incurrence of the new debt is:

a.	Electoral Debt:		\$	-0-
b.	Nonelectoral Debt:		\$	136,075,000
	(i)	General Obligation Bonds, Series A of 2010	\$	19,770,000 ¹
	(ii)	General Obligation Bonds, Series B of 2010	\$	4,635,000 ¹
	(iii)	General Obligation Bonds, Series C of 2010	\$	1,945,000 ¹
	(iv)	General Obligation Bonds, Series D of 2010	\$	16,800,000 ¹
	(v)	General Obligation Bonds, Series of 2009	\$	21,965,000 ²
	(vi)	General Obligation Bonds, Series of 2006	\$	16,435,000 ³
	(vii)	General Obligation Bonds, Series A of 2005	\$	3,490,000 ⁴

¹ Approved by the Department on April 15, 2010 (Approval No. GOB-17432).

² Approved by the Department on October 14, 2010 (Approval No. GOB-17210).

³ Approved by the Department on July 5, 2006 (Approval No. GOB-16325).

⁴ Approved by the Department on July 29, 2005 (Approval No. GOB-16008).

(viii)	General Obligation Bonds, Series B of 2005	\$ 6,600,000 ⁴	
(ix)	General Obligation Bonds, Series C of 2005	\$ 16,975,000 ⁴	
(x)	General Obligation Bonds, Series D of 2005	\$ 3,205,000 ⁵	
(xi)	General Obligation Bonds, Series of 2004	\$ 1,055,000 ⁶	
(xii)	General Obligation Notes, Series C of 2004	\$ 10,140,000 ⁷	
(xiii)	General Obligation Notes, Series D of 2004	\$ 13,060,000 ⁷	
c.	Lease Rental Debt:		\$ 177,953,987.43
(i)	County Guaranty of Dauphin County Industrial Development Authority's Guaranteed Lease Revenue Note (Veterans Building), Series of 2010 (Federally Taxable)	\$ 1,900,000 ⁸	
(ii)	County Guaranty of Dauphin County Industrial Development Authority's Guaranteed Lease Revenue Note, Series of 2010 (Hoffman Street Project)	\$ 350,000 ⁹	
(iii)	County Guaranty of Dauphin County General Authority's Guaranty Series C and D of 2009	\$ 7,255,000 ¹⁰	
(iv)	County Guaranty of The Harrisburg Authority's Guaranteed Resource Recovery Limited Obligation Notes, Series C & D of 2007	\$ 30,000,000 ¹¹	

⁵ Approved by the Department on December 16, 2005 (Approval No. GOB-16111).

⁶ Approved by the Department on May 18, 2004 (Approval No. GOB-15534).

⁷ Approved by the Department on May 18, 2004 (Approval No. GON-11578).

⁸ Lease rental debt for which this Debt Statement is a part of the Application for Approval by the Department, pursuant to the Act.

⁹ Lease rental debt for which Application for Approval by the Department is pending.

¹⁰ Approved by the Department on October 30, 2009 (Approval No. LRA-4938).

¹¹ Approved by the Department on December 18, 2007 (Approval No. LRA-4696).

(v)	County Guaranty of Dauphin County Industrial Development Authority's Guaranteed Lease Revenue Note, Series of 2007 (5925 Stevenson Avenue Project)	\$	772,500 ¹²
(vi)	County Guaranty of Dauphin County Industrial Development Authority's Guaranteed Lease Revenue Note, Series of 2007 (2125 Paxton Church Road Project)	\$	355,250 ¹³
(vii)	County Guaranty of The Harrisburg Authority's University Revenue Bonds, Series of 2007 (The Harrisburg University of Science and Technology Project)	\$	15,000,000 ¹⁴
(viii)	County Guaranty of Dauphin County Industrial Development Authority's Guaranteed Lease Revenue Note, Series of 2006 (1300 Rolleston Street Project)	\$	701,250 ¹⁵
(ix)	County Guaranty of Dauphin County General Authority's Guaranteed Revenue Bonds, Series A & B of 2005	\$	10,710,000 ¹⁶
(x)	County Guaranty of Dauphin County Industrial Development Authority's Guaranteed Lease Revenue Note, Series of 2004	\$	224,987.43 ¹⁷
(xi)	County Guaranty of Dauphin County Economic Development Corporation's Guaranteed Parking Revenue Note, Series of 2004	\$	2,005,000 ¹⁸
(xii)	County Guaranty of The Harrisburg Authority's Resource Recovery Facility Revenue Bonds, Series D and E of 2003	\$	109,655,000 ¹⁹

¹² Approved by the Department on November 27, 2007 (Approval No. LRA-4692).

¹³ Approved by the Department on August 14, 2007 (Approval No. LRA-4658).

¹⁴ Approved by the Department on November 17, 2006 (Approval No. LRA-4570).

¹⁵ Approved by the Department on March 24, 2006 (Approval No. LRA-4481).

¹⁶ Approved by the Department on December 30, 2004 (Approval No. LRA-4290).

¹⁷ Approved by the Department on November 3, 2004 (Approval No. LRA-4258).

¹⁸ Approved by the Department on March 5, 2004 (Approval No. LRA-4140).

¹⁹ Approved by the Department on December 9, 2003 (Approval No. LRA-4096).

(xiii) County Guaranty of Dauphin County Industrial Development Authority's Guaranteed Revenue Bonds, Series of 2002	\$ 1,275,000 ²⁰
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Total Debt	<u>\$ 314,028,987.43</u>
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3. The County claims, in this Debt Statement, credits and exclusions from or against the total gross indebtedness, as such is set forth in Paragraph 2, in determining the net debt of the County, as follows:

a. Nonelectoral Debt:	\$ -0-
b. Lease Rental Debt:	\$ 135,365,000
(i) County Guaranty of The Harrisburg Authority's University Revenue Bonds, Series of 2007 (The Harrisburg University of Science and Technology Project)	\$ 15,000,000 ²¹
(i) County Guaranty of Dauphin County General Authority's Guaranteed Revenue Bonds, Series A & B of 2005	\$ 10,710,000 ²²
(ii) County Guaranty of The Harrisburg Authority's Resource Recovery Facility Revenue Bonds, Series D and E of 2003	\$ 109,655,000 ²³

Total Credits and Exclusions	<u>\$ 135,365,000</u>
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4. The County reserves the right to claim additional credits and exclusions, including exclusions for subsidized or self-liquidating debt, in any future Debt Statement filed by the County in connection with any future debt incurred by the County.

Pursuant to Section 8110(b) of the Act, it is hereby certified with respect to the debt of the County previously excluded as self-liquidating, credited or as subsidized, that no decrease in the amount of debt excluded is required by any change in circumstances other than decreases resulting from the payment of bonds and notes upon maturity or mandatory redemption, as applicable.

5. The principal amount of the bonds or notes being issued as lease rental debt is \$1,900,000 and will be evidenced by said Guaranteed Mortgage Revenue Note (Veterans Building), Series of 2010 (Federally Taxable) to be issued by Dauphin County Industrial Development Authority, as set forth in paragraph 2(c)(i) of this Debt Statement (the "2010 Note").

²⁰ Approved by the Department on August 15, 2002 (Approval No. LRA-3822).

²¹ Approved by the Department on November 17, 2006 (Approval No. E-4037).

²² Approved by the Department on February 15, 2005 (Approval No. E-3702).

²³ Approved by the Department on December 9, 2003 (Approval No. E-3449).

6. The total debt of this County after taking into account the exclusions claimed as set forth in Paragraph 3 hereof, if any, and after issuance of the 2010 Note is \$178,663,987.43.

7. The borrowing base of the County as shown on the appended Borrowing Base Certificate attached hereto and made a part hereof is \$355,954,201.

8. The applicable net nonelectoral debt limit and net nonelectoral debt plus net lease rental debt limit, computed as provided in the Act, is:

Net nonelectoral debt limit -- $\$355,954,201 \times 300\% = \$1,067,862,603$

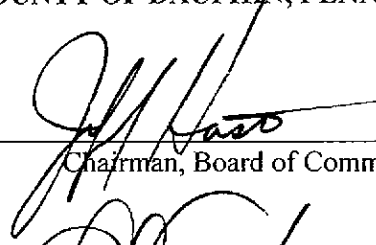
Net nonelectoral debt plus
net lease rental debt limit -- $\$355,954,201 \times 400\% = \$1,423,816,804$

9. The 2010 Note to be issued as set forth in Paragraph 5 hereof is a refunding obligation, and the aggregate principal amount of lease rental debt which will no longer be deemed to be outstanding is \$1,705,000, consisting of lease rental debt approved by the Department on April 7, 2005 (Approval No. LRA-4326) and on June 16, 2008 (Approval No. LRA-4762), being all of the principal of said lease rental debt presently outstanding.


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IN WITNESS WHEREOF, we, the Chairman of the Board of Commissioners and the Chief Clerk of the County of Dauphin, Pennsylvania, being duly authorized to prepare, verify and file this Debt Statement, hereunto set our hands this 10 day of November, 2010.

COUNTY OF DAUPHIN, PENNSYLVANIA



Chairman, Board of Commissioners

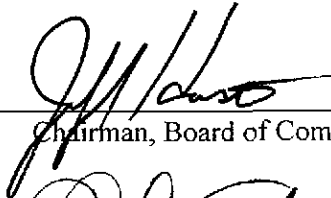



Chief Clerk

(SEAL)

COMMONWEALTH OF PENNSYLVANIA :
 : SS
COUNTY OF DAUPHIN :

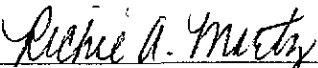
We, Jeffrey T. Haste and Chad Saylor, being duly sworn according to law, depose and say: that we are Chairman of the Board of Commissioners and Chief Clerk of the County of Dauphin, Pennsylvania; respectively; that we prepared and executed the foregoing Debt Statement; and that the facts contained in the foregoing Debt Statement are true and correct.



Chairman, Board of Commissioners


Chief Clerk

SWORN TO AND SUBSCRIBED
before me, a Notary Public,
this 16 day of November, 2010.



Notary Public

My Commission Expires:

(SEAL)

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL
RICHIE A. MARTZ, Notary Public
City of Harrisburg, Dauphin County
My Commission Expires May 13, 2011

BORROWING BASE CERTIFICATE

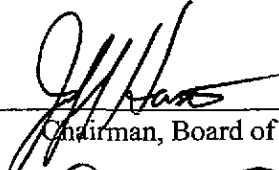
COUNTY OF DAUPHIN, PENNSYLVANIA


Prepared as of October 1, 2010

The borrowing base is the arithmetic average of total revenues received for the three preceding fiscal years as set forth in a certificate stating the total revenues for each year and stating the average. The computation of the borrowing base must be done in accordance with the definition of revenues in Section 8002(c) of the Local Government Unit Debt Act. The Total Revenues, as such term is defined in the Act for each of the three fiscal years immediately preceding this Certificate are, as follows:

	FISCAL YEAR (ending June 30)		
	<u>2007</u>	<u>2008</u>	<u>2009¹</u>
Total Net Revenues	\$ 339,646,353	\$ 361,385,555	\$ 366,830,696
TOTAL NET REVENUES			<u>\$ 1,067,862,604</u>
BORROWING BASE (Total Net Revenues divided by 3)			<u>\$ 355,954,201</u>

COUNTY OF DAUPHIN, PENNSYLVANIA

By:  _____
Chairman, Board of Commissioners

Attest:  _____
Chief Clerk

(SEAL)

¹ Estimate; unaudited.