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COUNTY OF DAUPHIN
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE
NO. 4 - 2015

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DAUPHIN, PENNSYLVANIA (THE "COUNTY") AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT EVIDENCED BY ITS LIQUID FUELS REVENUE NOTE, SERIES OF 2015-1 (DAUPHIN COUNTY INFRASTRUCTURE BANK) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$1,279,250 (THE "2015-1 NOTE"), AS PERMITTED BY AND PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA.C.S. § 8001 *ET SEQ.*, FOR THE PURPOSE OF PROVIDING FUNDS TO BE APPLIED FOR AND TOWARD (A) FUNDING ALL OR A PORTION OF THE COSTS OF CERTAIN TRANSPORTATION RELATED CAPITAL PROJECTS, INCLUDING, AS MAY BE APPLICABLE, THE ENGINEERING, PRELIMINARY AND ENVIRONMENTAL STUDIES, SURVEYING, TESTING AND DESIGN WORK RELATING THERETO, AND (B) TO PAY ALL OR A PORTION OF THE COSTS OF ISSUANCE OF THE 2015-1 NOTE (COLLECTIVELY, THE "PROJECTS"); FINDING A PRIVATE SALE BY NEGOTIATION IN THE BEST INTEREST OF THE COUNTY; ACCEPTING A PROPOSAL FOR PURCHASE OF THE 2015-1 NOTE, AT PRIVATE SALE, AND AWARDING THE 2015-1 NOTE AND SETTING FORTH RELATED PROVISIONS; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; PROVIDING FOR THE TERMS OF SAID 2015-1 NOTE INCLUDING DENOMINATION, DATE, AND DEBT SERVICE PAYMENT DATES; PROVIDING FOR THE REGISTRATION AND TRANSFER OF SAID 2015-1 NOTE; AUTHORIZING THE EXECUTION AND AUTHENTICATION OF SAID 2015-1 NOTE; PROVIDING THAT THE 2015-1 NOTE, WHEN ISSUED, SHALL BE A REVENUE NOTE OF THE COUNTY; PROVIDING A PLEDGE OF THE REVENUES TO SECURE THE PROMPT AND FULL PAYMENT OF THE 2015-1 NOTE WHEN DUE; SETTING FORTH PREPAYMENT PROVISIONS; ESTABLISHING A SINKING FUND FOR THE 2015-1 NOTE; APPROPRIATING PROCEEDS DERIVED FROM THE SALE OF SAID 2015-1 NOTE TO THE 2015-1 COUNTY PROJECT ACCOUNT; SPECIFYING REASONABLE ESTIMATES OF THE USEFUL LIVES OF SAID PROJECTS; RATIFYING A PRIOR ADVERTISEMENT AND DIRECTING A FURTHER ADVERTISEMENT; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND FILING OF A TRANSCRIPT OF PROCEEDINGS, INCLUDING THE DEBT STATEMENT AND BORROWING BASE CERTIFICATE, WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING AND DIRECTING PROPER OFFICERS AND OFFICIALS OF THIS COUNTY TO EXECUTE AND DELIVER DOCUMENTS AND TO TAKE ACTION AS MAY BE NECESSARY RELATING TO THE ISSUANCE OF SAID 2015-1 NOTE; APPROVING AND AUTHORIZING THE COUNTY TO ENTER INTO A LOAN AGREEMENT, BETWEEN THE COUNTY AND THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF TRANSPORTATION; CREATING PROJECT ACCOUNTS; AUTHORIZING THE

COUNTY TO PURCHASE A NOTE FROM MIDDLE PAXTON TOWNSHIP AND APPROVING AND AUTHORIZING THE COUNTY TO ENTER INTO A LOAN AGREEMENT, BETWEEN THE COUNTY AND MIDDLE PAXTON TOWNSHIP; AUTHORIZING THE PAYMENT OF EXPENSES; PROVIDING GUIDELINES FOR PERMITTED INVESTMENTS; PROVIDING FOR THE AUTHORIZATION OF PROPER OFFICERS; ADOPTING THE FORM OF 2015-1 NOTE; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING INCONSISTENT RESOLUTIONS; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

ENACTED NOVEMBER 4, 2015

WHEREAS, the County of Dauphin, Commonwealth of Pennsylvania (the “**County**”), is a county of the third class existing under the laws of the Commonwealth of Pennsylvania (the “**Commonwealth**”) and 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, the County desires to assist municipalities located in the County in financing the costs of construction, reconstruction, maintenance and repair of public roads, streets or bridges as well as other permitted projects under the Liquid Fuels Tax Act of 1931, 75 Pa. C.S.A. § 9001 *et seq.*, as amended and supplemented (the “**Liquid Fuels Tax Act**”), through the creation and establishment of the Dauphin County Infrastructure Bank; and

WHEREAS, the County is empowered under Section 1997 of the Act of August 9, 1955, P.L. 323, No. 130, as amended by the Act of September 20, 1961, P.L. 1536 [16 P.S. §1997], known as the County Code to enter into contracts with state and local government agencies for the improvement of transportation operations and facilities within the County; and

WHEREAS, the Board of Commissioners of the County desires to undertake a project (the “**Transportation Project**”) consisting of providing funds to be applied toward (A) the planning, design, permitting, purchase, acquisition, construction, inspection, installation and equipping of certain transportation related improvements, including, but not limited to, the replacement of Potato Valley Road Bridge located in the Township of Middle Paxton, Dauphin County, Pennsylvania (“**Middle Paxton Township**”, and as a project, the “**Middle Paxton Township Project**”); (B) the engineering, preliminary and environmental studies, surveying, testing, pre-construction, construction and post construction inspections, and engineering and design work relating thereto; and (C) the costs of issuance of the Bank Loan (hereinafter defined); and

WHEREAS, the County, with assistance of the Middle Paxton Township, has obtained an estimate of the Transportation Project from consultants or other persons qualified by experience and has determined that the estimated cost of the Transportation Project is at least \$1,279,250; and

WHEREAS, in order to fund a portion of the costs of the Transportation Project, the County heretofore submitted a loan application (the “**Application**”) to the Pennsylvania Infrastructure Bank (the “**Bank**”), an agency of the Commonwealth administered and operated by the Pennsylvania Department of Transportation (the “**Department**”), for a loan in the principal amount of \$1,279,250 (the “**Bank Loan**”); and

WHEREAS, the Bank Loan has been approved by the Department pursuant to its letter dated October 7, 2015 (the “**Approval Letter**”), in the principal amount of \$1,279,250; and

WHEREAS, the Loan will be made available by the Department, through the Bank, pursuant to an Infrastructure Bank Loan Agreement (the “**County Loan Agreement**”), between the County and the Department; and

WHEREAS, the Application, the Approval Letter and the County Loan Agreement collectively constitute the Department's commitment to make the Loan, through the Bank, to the County to finance the Transportation Project and are referred to collectively herein as the “**Purchase Agreement**”; and

WHEREAS, the proceeds of the Bank Loan will be applied by the County to pay all or a portion of the costs of the Transportation Project; and

WHEREAS, the Transportation Project is a “project” as such term is defined by the Debt Act; and

WHEREAS, the County has determined to secure the Bank Loan by issuance, pursuant to this Ordinance and the Debt Act, of its revenue note in a maximum principal amount estimated not to exceed \$1,279,250 to finance the costs of the Transportation Project (the “**2015-1 Note**”), including the payment of costs associated with issuance of the 2015-1 Note, all in accordance with the terms of this Ordinance and the Debt Act; and

WHEREAS, the County will make the proceeds of the 2015-1 Note available to Middle Paxton Township pursuant to a Loan Agreement (the “**Municipal Loan Agreement**”), in order to finance the Transportation Project; and

WHEREAS, Middle Paxton Township will issue a general obligation note, liquid fuels revenue note or guaranteed revenue note (the “**Municipal Note**”) to the County, in order to secure the debt service payments on Middle Paxton Township's portion of the of the Transportation Project; and

WHEREAS, the County desires to approve and authorize the Transportation Project, issuance of the 2015-1 Note, the acceptance of the Purchase Agreement for the sale and purchase of the 2015-1 Note, the form of the 2015-1 Note, and to authorize such further action by its proper officers consistent with this Ordinance, the Debt Act, and all other applicable law.

NOW, THEREFORE, BE AND IT HEREBY IS ORDAINED by the Board of Commissioners of the County of Dauphin that:

SECTION 1. The Transportation Project.

The County hereby approves and undertakes as a project the Transportation Project. The foregoing recitals to this Ordinance, including the description of the Transportation Project, and the defined terms therein, are hereby incorporated into this Section by reference and are used herein and hereafter throughout this Ordinance as if such description and definitions are here set out at length.

SECTION 2. Incurrence of Indebtedness.

For the purpose of providing funds for and toward the payment of costs, as such term is used in the Debt Act, of the Transportation Project, the incurring of nonelectoral debt by the County in the principal amount of \$1,279,250 is hereby authorized. Such debt shall be evidenced by issuance of a revenue note of the County in the principal amount of \$1,279,250 designated “County of Dauphin, Commonwealth of Pennsylvania, Liquid Fuels Revenue Note, Series of 2015-1 (Dauphin County Infrastructure Bank)” (the “**2015-1 Note**”).

SECTION 3. Approval of Private Sale By Negotiation.

After considering the advantages and disadvantages of the various manners of sale of the 2015-1 Note permitted by the Debt Act and of current market conditions, including the interest rate and other terms and conditions of the Bank Loan, the Board of Commissioners hereby determines that a private sale by negotiation is in the best financial interest of the County.

SECTION 4. Acceptance of Purchase Agreement.

The Board of Commissioners of the County accepts the Purchase Agreement of the Bank to purchase the 2015-1 Note; and the 2015-1 Note is awarded and sold to the Bank at a negotiated sale at a dollar price of \$1,279,250 (100% of the principal amount of the 2015-1 Note). The Chairman or the Vice Chairman of the Board of Commissioners and the Chief Clerk or the deputy or assistant Chief Clerk of the County, each being a proper officer of the County (collectively, the “**Proper Officers**”) are authorized and directed to execute and deliver the accepted Purchase Agreement to the Bank. One counterpart of the Purchase Agreement shall be filed with the records of the County.

SECTION 5. Interest Rate and Payment Installments.

The 2015-1 Note shall bear interest at the fixed rate of 1.625% per annum for the entire term of the 2015-1 Note. The 2015-1 Note shall be payable in equal annual installments of principal and interest in the amounts set forth in Exhibit A attached hereto and incorporated herein from the date of issuance of the 2015-1 Note to and including the final maturity date thereof which maturity date shall not be later than January 1, 2026 (the “**Maturity Date**”), unless prepaid as provided herein.

SECTION 6. Appointment of Paying Agent, Registrar, Sinking Fund Depository.

First National Bank of Pennsylvania is hereby appointed Paying Agent (the “**Paying Agent**”), Registrar (the “**Registrar**”) for the 2015-1 Note and Sinking Fund Depository (the “**Sinking Fund Depository**”) for the sinking fund created hereby. Proper Officers of the County are hereby authorized and directed to contract with First National Bank of Pennsylvania, having a corporate trust office in Harrisburg, Pennsylvania, for its services as Sinking Fund Depository, Paying Agent, and Registrar at such initial and annual charges as shall be appropriate and reasonable for such services. The County may, by resolution, from time to time appoint a successor Paying Agent, Sinking Fund Depository or Registrar to fill a vacancy or for any other reason.

So long as First National Bank of Pennsylvania, or its successor, serves as Paying Agent, use of the term “Paying Agent” herein shall include, as applicable, its responsibilities as the Registrar and the Sinking Fund Depository.

SECTION 7. Denomination and Payment Dates.

The 2015-1 Note shall be fully registerable as to principal and interest, and shall be dated as of the date of issuance and delivery thereof to the Bank. The 2015-1 Note shall be issued in the denomination of \$1,279,250. The 2015-1 Note shall bear interest from the date of issuance hereof at the applicable rate of interest specified in Section 5 hereof, payable annually commencing on the same date of the immediately succeeding year, and thereafter on the same date of each year to and including the Maturity Date (each a “**Debt Service Payment Date**”).

The principal of and interest on the 2015-1 Note shall be payable in lawful moneys of the United States of America to the registered owner at the office of First National Bank of Pennsylvania, Harrisburg, Pennsylvania, or such other office from time to time designated by written notice to the then registered owner (the “**Office of the Paying Agent**”).

If the date for payment of the principal of or interest on the 2015-1 Note shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the municipality where the Office of the

Paying Agent is located are authorized by law or executive order to close, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or on a day on which such banking institutions are authorized to close (a “**Business Day**”), and payment on such subsequent Business Day shall have the same force and effect as if made on the date fixed for such payment.

SECTION 8. Note Register, Registrations and Transfer.

The County shall cause to be kept at the Office of the Paying Agent a register (the “**Note Register**”) in which, subject to such reasonable regulations as it may prescribe, the County shall provide for the registration of the 2015-1 Note and the registration of transfers and exchanges of the 2015-1 Note. No transfer or exchange of the 2015-1 Note shall be valid unless made at such office and registered in the Note Register.

Whenever the 2015-1 Note is presented or surrendered for registration of transfer it shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the Registrar, duly executed by the registered owner thereof or his duly authorized agent or legal representative. Rights of any registered owner hereof, subsequent to the initial registered owner hereof, shall not exceed rights of the predecessor registered owner hereof.

No service charge shall be made for any transfer of the 2015-1 Note, but the County may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the 2015-1 Note, provided that no such charge may be made against the Department.

SECTION 9. Execution and Authentication.

The 2015-1 Note shall be executed on behalf of the County by the manual signature of the Chairman or the Vice Chairman of the Board of Commissioners of the County and, if desired, by any other member of the Board of Commissioners, and shall have the imprint of the corporate seal of the County affixed thereto, duly attested by the Chief Clerk, or the deputy or assistant Chief Clerk, and said Proper Officers, as well as any other member of the Board of Commissioners, are hereby authorized and directed to execute, seal and attest the 2015-1 Note. The Board of Commissioners or Chief Clerk or any of such officers is hereby authorized and directed to deliver the 2015-1 Note to the Department and receive payment therefor on behalf of the County after sale of the same in the manner required by law and this Ordinance.

SECTION 10. Revenue Pledge.

The 2015-1 Note is hereby declared to be a revenue note of the County payable solely from and secured solely by the County’s Liquid Fuels Tax Fund and the payments made by Middle Paxton Township in accordance with the Municipal Loan Agreement and the Municipal Note. The County covenants to and with the registered owners, from time to time, of the 2015-1 Note, pursuant to this Ordinance, that the County shall (i) include the amount of the debt service for each fiscal year of the County in which the sums are payable in its budget for that fiscal year, (ii) appropriate those amounts from the County Liquid Fuels Tax Fund or from such other funds established under the Municipal Loan Agreement for the payment of the debt service, and (iii) duly and punctually pay or cause to be paid from its sinking fund or other funds established under the Municipal Loan Agreement the principal or redemption price of, and the interest on, the 2015-1 Note at the dates and places and in the manner stated in the 2015-1 Note, according to the true intent and meaning thereof. As provided in the Debt Act, the foregoing covenant of the County shall be enforceable specifically.

As security for its obligations under the 2015-1 Note, the County does hereby irrevocably assign and pledge to the Bank, on behalf of the Department, and any subsequent registered owners from time to time of the 2015-1 Note outstanding pursuant to this Ordinance, all right, title and interest of the County in and to (1) all receipts and revenues to be received by the County and deposited into a special fund known

as the County Liquid Fuels Tax Fund, designated under Section 9010(b) of the Liquid Fuels Tax Act, and (2) the Municipal Loan Agreement, including all loan payments and other payments payable or which may become payable thereunder and all security therefor, including, without limitation, the Municipal Note.

The maximum amount of the debt service for each fiscal year of the County in which such sums are payable are set forth in Exhibit A, attached hereto and incorporated herein.

SECTION 11. Prepayment.

(a) Optional Prepayment. The 2015-1 Note is subject to prepayment prior to maturity, at the option of the County, as a whole, or, from time to time, in part, on any date, in each case upon payment of the principal amount thereof, together with accrued interest to the date fixed for prepayment. Any partial prepayment shall be in the aggregate principal amount of \$1,000 or an integral multiple thereof.

If less than all of the outstanding principal amount of the 2015-1 Note is prepaid, such prepayment shall be applied to the installment of principal last to become due and shall not affect the obligation of the County to pay the remaining installments of principal and interest as scheduled under the 2015-1 Note; provided, however, if the County makes any prepayment of \$25,000 or more of principal, the County shall have the option to have the 2015-1 Note reamortized based on the outstanding principal remaining at that time.

(b) Mandatory Prepayment. The 2015-1 Note is not subject to mandatory prepayment prior to maturity.

(c) Other Mechanics of Prepayment. Notice, election and other mechanics of prepayment of the 2015-1 Note are set forth in the form of 2015-1 Note in Section 24 hereof.

(d) Payment. On any date designated for optional prepayment prior to maturity, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by the Paying Agent, interest on the 2015-1 Note or portions thereof so called for prepayment shall cease to accrue and such 2015-1 Note or portions thereof so called for prepayment shall cease to be entitled to any benefit or security under this Ordinance, and the Department, or subsequent registered owners, of the 2015-1 Note shall have no rights with respect to the 2015-1 Note, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for prepayment.

SECTION 12. Sinking Fund.

(a) Deposit. There is hereby established with the Sinking Fund Depository a sinking fund to be known as County of Dauphin, 2015-1 Note Sinking Fund (the “**2015-1 Note Sinking Fund**”) into which the County covenants to deposit, and into which Proper Officers of the County are hereby authorized and directed to deposit (i) amounts sufficient to pay the interest due thereon on each Debt Service Payment Date, and (ii) amounts sufficient to pay the principal of the 2015-1 Note due on each Debt Service Payment Date. Should the amounts covenanted to be paid into the 2015-1 Note Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of interest and principal, whether by reason of funds already on deposit in the 2015-1 Note Sinking Fund or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) Application of Funds. All sums in the 2015-1 Note Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted to be paid in Section 10 hereof on the 2015-1 Note as the same from time to time becomes due. The 2015-1 Note Sinking Fund shall be kept as a separate account at the designated corporate trust office of the Sinking Fund Depository. The Sinking Fund

Depository, without further authorization other than as herein contained, shall pay from the moneys in the 2015-1 Note Sinking Fund, the interest on the 2015-1 Note as and when due to the Department, or subsequent registered owners, on the Maturity Date and principal of the 2015-1 Note, as and when the same shall become due on the Maturity Date, or optional prepayment, to the Department, or subsequent registered owners thereof, upon presentment of such 2015-1 Note at the designated corporate trust office of the Paying Agent.

(c) Optional Deposits. Notwithstanding the foregoing, in the case of optional prepayment of any or all of the principal amount of the 2015-1 Note as permitted by Section 11 hereof, Proper Officers of the County are hereby authorized and directed to deposit from time to time before the appropriate optional prepayment date funds which shall be sufficient when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the 2015-1 Note so called for prepayment and the interest thereon to the date fixed for prepayment.

SECTION 13. Disposition of Proceeds.

All moneys derived from the sale of the 2015-1 Note shall be deposited in the 2015-1 County Project Account created pursuant to Section 19(a) hereof and shall be and hereby are appropriated substantially to payment of the cost of the Transportation Project, including but not limited to payment of the costs and expenses of preparing and issuing the 2015-1 Note, and shall not be used for any other purposes, except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining moneys shall promptly upon their determination be deposited in the 2015-1 Note Sinking Fund and used for the payment of interest on the 2015-1 Note.

SECTION 14. Cost and Realistic Useful Life; Approximately Level Debt Service.

Reasonable cost estimates have been obtained for each component of the Transportation Project with the assistance of engineers, highway planners and constructors, and other persons qualified by experience, training and education, as set forth in the Recitals hereto, are incorporated herein. The overall cost of the Transportation Project is estimated to be at least \$1,279,250.

The Board of Commissioners of the County hereby determines that the useful life of the Transportation Project is at least thirty (30) years. Therefore, the principal installments of the 2015-1 Note are in accordance with § 8142(a)(2) of the Debt Act.

In accordance with Section 8142(b)(1) of the Debt Act, the principal installments of the 2015-1 Note have been fixed so as to amortize the 2015-1 Note on at least an approximately level annual debt service plan during the term of the 2015-1 Note.

SECTION 15. Advertising.

The action of Proper Officers of the County in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. Proper Officers of the County or any of them, are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in the County within 15 days after final enactment. The Chief Clerk is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

Section 16. Filing with Department of Community and Economic Development.

Proper Officers of the County are hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a transcript of the proceedings relating to the issuance of the 2015-1 Note including the Debt Statement and Borrowing Base Certificate required by Section 8110 of the Debt Act, and to take other necessary action, and to prepare and file all necessary documents with the Department of Community and Economic Development

including, if necessary or desirable, any statements required to exclude any portion of the debt evidenced by the 2015-1 Note from the appropriate debt limit as self-liquidating or subsidized debt.

It is declared that the debt to be incurred hereby is within the limitation imposed by the Debt Act upon the incurring of such debt by the County.

SECTION 17. General Authorization.

Proper Officers and other officials of the County are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the 2015-1 Note, all in accordance with this Ordinance.

SECTION 18. County Loan Agreement.

Proper Officers of the County are authorized and directed to execute, attest and deliver, on behalf of the County, the County Loan Agreement, between the County and the Department, in the form hereinafter approved, providing for, *inter alia*, the loan of the proceeds of the 2015-1 Note by the Department to the County at the times and in the amounts as provided therein to be applied for and toward the costs and expenses of the Transportation Project. The County Loan Agreement shall contain such provisions as shall be in substance and form satisfactory to Note Counsel, to the County Solicitor and the Proper Officers of the County executing the same and such form is hereby approved.

SECTION 19. 2015-1 County Project Account; Middle Paxton Project Account.

(a) 2015-1 County Project Account. The County covenants to establish, and does hereby establish, a separate account in the name of the County to be known as the "County of Dauphin 2015-1 County Project Account" (referred to herein as the "**2015-1 County Project Account**"), with one or more banks or financial or investment institutions designated from time to time by the Board of Commissioners, or otherwise as established by law, as depositories of the 2015-1 County Project Account. The County shall deposit the net proceeds (including accrued interest, if any) derived from the sale of the 2015-1 Note to the 2015-1 County Project Account. Upon proper authorization, duly signed by Proper Officers of the County, the County or its designee shall pay, out of the 2015-1 County Project Account, the costs and expenses of the issuance of the 2015-1 Note, and, from time to time, the costs of the Transportation Project, and shall transfer and deposit the specified amounts to the Middle Paxton Project Account as described in subsection (b) below. The written direction from the County shall state the names of the respective payees, the purpose for which the expenditure has been incurred, or the purpose of the transfer, whichever is applicable, and shall contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer which is requested is in accordance with the provisions of this Ordinance.

(b) Middle Paxton Project Account. The County hereby authorizes the transfer of a portion of the 2015-1 Note proceeds from the 2015-1 County Project Account to the Middle Paxton Project Account created hereinafter in the amounts necessary to undertake the Middle Paxton Project in accordance with the Debt Act and as set forth in this Ordinance.

Proper Officers of the County are authorized and directed to execute, attest and deliver, on behalf of the County a Municipal Loan Agreement with Middle Paxton Township, in the form hereinafter approved (the "**Municipal Loan Agreement**") providing for, *inter alia*, the establishment of a special account to be known as the Middle Paxton Project Account (the "**Middle Paxton Project Account**") and the investment and application of moneys to be deposited therein and such other provisions as are necessary and appropriate in connection with the Middle Paxton Project as contemplated by this Ordinance. The Municipal Loan Agreement shall contain such provisions as shall be in substance and form satisfactory to

Note Counsel, to the County Solicitor and the Proper Officers of the County executing the same and such form is hereby approved.

SECTION 20. Purchase of Municipal Note.

As security for the repayment of their allocable portion of the debt service due on the 2015-1 Note, Middle Paxton Township will issue a general obligation note, liquid fuels revenue note or guaranteed revenue note to the County pursuant to which Middle Paxton Township will pledge their full faith, credit and taxing power, their Liquid Fuels Tax or both, as required by the County and in accordance with the provisions of the Debt Act. Proper Officers of the County are authorized and directed to execute and deliver, on behalf of the County, a Loan Purchase Commitment in the form hereinafter approved, to provide for the purchase of the Municipal Note at a price of 100%. The Loan Purchase Commitment shall contain such provisions as shall be in substance and form satisfactory to Note Counsel, to the County Solicitor and the Proper Officers of the County executing the same and such form is hereby approved. The Municipal Note will bear interest at such rates and pay principal on such dates as provided in the Loan Purchase Commitment, which shall be sufficient to pay Middle Paxton Township's portion of debt service on the 2015-1 Note.

SECTION 21. Payment of Expenses.

All expenses incurred in connection with issuance of the 2015-1 Note shall be paid out of the proceeds derived from the issuance of the 2015-1 Note and deposited in the 2015-1 County Project Account in accordance with Section 19(a) hereof and the Proper Officers are authorized to sign and deliver requests for payment of such expenses.

SECTION 22. Investment.

Any moneys in the 2015-1 County Project Account and the Middle Paxton Project Account may be invested or deposited as permitted by applicable law for funds of the County or as permitted under the Debt Act. As to the 2015-1 County Project Account and the Middle Paxton Project Account, Proper Officers or authorized representatives of the County shall designate such investments in writing in such combination as to provide safety of principal, liquidity to any Transportation Project draws and maximum investment income.

Any moneys in the 2015-1 Note Sinking Fund not required for prompt expenditure may, at the written direction of the County, be invested in notes or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds in accordance with the Debt Act. Any such investments or deposits shall mature or be subject to redemption at the option of the holder, or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the registered owners of the 2015-1 Note.

SECTION 23. Authorization of Officers.

Any authorization granted to, power conferred on, or direction given to the Chairman or Chief Clerk, shall be deemed to run to the Vice Chairman or Deputy Chief Clerk, respectively, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction. Each of the foregoing officers shall constitute a Proper Officer of the County.

SECTION 24. Form of the 2015-1 Note. The form of the 2015-1 Note shall be substantially in the form attached hereto as Exhibit B, with such changes thereto as shall hereafter be made upon the advice of

the County Solicitor and Note Counsel, approval of such changes being evidenced by the execution and attestation of the 2015-1 Note by Proper Officers of the County.

SECTION 25. Ratification.

The County hereby ratifies and confirms authorization to officials of the County, the Solicitor to the County, and Note Counsel to the County, Eckert Seamans Cherin & Mellott, LLC for action taken prior to enactment of this Ordinance and authorizes and directs the same parties to undertake the necessary action required by and relating to the issuance and delivery of the 2015-1 Note.

SECTION 26. Severability.

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 such remainder shall be and shall remain in full force and effect.

SECTION 27. Repealer.


Any ordinances or parts thereof not in accordance with this Ordinance are hereby repealed insofar as they conflict with this Ordinance.

SECTION 28. Effective Date. This Ordinance shall become effective in accordance with Section 8003 of the Debt Act.

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ENACTED by the Board of Commissioners of the County of Dauphin, in lawful session assembled,
on the 4th day of November, 2015.

COUNTY OF DAUPHIN
Commonwealth of Pennsylvania

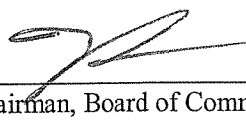


Chairman, Board of Commissioners

ATTEST:



Chief Clerk



Vice Chairman, Board of Commissioners

(SEAL)



Member, Board of Commissioners