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COUNTY OF DAUPHIN,  
Commonwealth of Pennsylvania

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ORDINANCE NO. 4-2008

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AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DAUPHIN, PENNSYLVANIA DETERMINING TO INCUR DEBT IN THE AMOUNT NOT TO EXCEED \$1,000,000; DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTEED CONSTRUCTION NOTE (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 CONSTRUCTION NOTE; 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; GUARANTYING PAYMENT OF THE PRINCIPAL OF AND INTEREST ON AFORESAID GUARANTEED CONSTRUCTION NOTE 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 owns a certain eight (8) story building located at 112 Market Street in the City of Harrisburg and known generally as the “Veterans Building”; and

WHEREAS, the Authority desires to undertake a project consisting of construction of certain renovations, additions and improvements to the Veterans Building, consisting primarily of certain replacements and improvements to the heating, ventilation and air conditioning system and build-out of certain interior improvements (the “**Project**”); and

WHEREAS, the Authority has determined that the estimated costs and expenses of the Project is approximately \$1,000,000; and

WHEREAS, in order to finance the costs of the Project during construction, the Authority desires to enter into a two-year credit facility, in the principal sum not to exceed \$1,000,000, with Citizens 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 Construction Note (Veterans Building Project), Series of 2008 (Taxable), to be dated as of the date of delivery thereof (the “**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 Note, the County is willing to guarantee the full payment of the principal of and the interest on the 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 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 \$1,000,000, pursuant to which the County agrees to guarantee the payment of principal of and interest on the Note, when due. The Note, to be issued in the principal amount not to exceed \$1,000,000, 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 (20) 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 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 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 Note.

10. The County hereby guarantees the full payment of the principal of and interest on the Note and in furtherance thereof covenants and agrees with the holders from time to time of the Note that if the Authority shall fail to pay the full amount of the principal of and interest on the 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 Note, the County will pay the full amount of such principal and interest to the holders of the Note.

The County agrees and hereby covenants with the holders of the Note that the County shall include the amount of debt service on the 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 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 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.

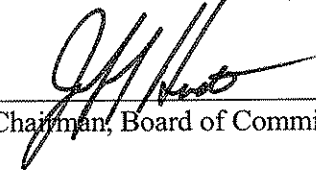
12. This Ordinance shall become effective in accordance with the provisions of the Debt Act.

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 30th day of April, 2008, 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

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GUARANTY AGREEMENT

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## GUARANTY AGREEMENT

**THIS GUARANTY AGREEMENT**, dated [Date of issuance, 2008], 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 **CITIZENS 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 owns a certain eight (8) story building located at 112 Market Street in the City of Harrisburg and known generally as the "**Veterans Building**"; and

WHEREAS, the Authority desires to undertake a project consisting of construction of certain renovations, additions and improvements to the Veterans Building, consisting primarily of certain replacements and improvements to the heating, ventilation and air conditioning system and build-out of certain interior improvements (the "**Project**"); and

WHEREAS, the Authority has determined that the estimated costs and expenses of the Project is approximately \$1,000,000; and

WHEREAS, in order to finance the costs of the Project during construction, the Authority desires to enter into a two-year credit facility, in the principal sum not to exceed \$1,000,000, with Citizens 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, in order to finance the Project, has determined to enter into a credit facility, in the principal sum of \$1,000,000, with 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 obligations to repay said loan will be evidenced by its Guaranteed Construction Note (Veterans Building Project), Series of 2008 (Taxable), to be dated as of the date of delivery thereof (the "**Note**"), to be issued and delivered to the Bank; and

WHEREAS, the Bank is willing to purchase the 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 Note; and

WHEREAS, the County heretofore has determined to guarantee the full payment of the principal of and interest on the 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 Note and in furtherance thereof covenants and agrees with the holders of the Note that if the Authority shall fail to pay the full amount of the principal of and interest on the 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 Note, the County will pay the full amount of such principal and interest to the holders of the Note.

The County agrees and hereby covenants with the holders of the Note that the County shall include the amount of debt service on the 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 Note when due and payable, at the times and place, under terms and conditions and in the manner prescribed in the 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 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 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 1.

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 Note. The County acknowledges that such holders from time to time of the 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 Note and acceptance of delivery of this Guaranty Agreement by the Bank.

*[The remainder of this page left blank intentionally.]*



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 Citizens Bank, as initial holder of the Note, all as of the \_\_\_\_ day of May, 2008.

COUNTY OF DAUPHIN,  
Commonwealth of Pennsylvania

\_\_\_\_\_  
Chairman, Board of Commissioners

ATTEST:

\_\_\_\_\_  
Chief Clerk  
(SEAL)

\_\_\_\_\_  
Vice Chairman, Board of Commissioners

\_\_\_\_\_  
Secretary, Board of Commissioners

**DRAFT**

ACCEPTANCE AND ACKNOWLEDGMENT

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

**CITIZENS BANK**

By: \_\_\_\_\_  
Authorized Officer

Dated: [Date of issuance, 2008]

**DRAFT**

EXHIBIT B

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MAXIMUM ANNUAL  
DEBT SERVICE SCHEDULE

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EXHIBIT B

*County of Dauphin  
Commonwealth of Pennsylvania*

*Guaranty of*

*Dauphin County Industrial Development Authority  
4.00% Guaranteed Construction Note (Veterans Building), Series of 2008 (Taxable)*

*Maximum Annual Debt Service Schedule*


<b>Fiscal Year</b>	<b>Maximum Debt Service</b>
2008	23,333.33
2009	40,000.00
2010	16,666.67
<i>Totals</i>	80,000.00

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 April 30, 2008, 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>X</u>	<u>          </u>	<u>          </u>	<u>          </u>
Dominic DiFrancesco, II	<u>          </u>	<u>          </u>	<u>          </u>	<u>X</u>
George P. Hartwick, III	<u>X</u>	<u>          </u>	<u>          </u>	<u>          </u>

WITNESS my hand and seal of the County this 30<sup>th</sup> day of April, 2008.

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

(SEAL)