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COUNTY OF DAUPHIN, PENNSYLVANIA

RESOLUTION NO. 2 OF 2005

OF THE GOVERNING BODY OF THIS LOCAL GOVERNMENT UNIT AUTHORIZING AND DIRECTING ISSUANCE OF A NON-REVOLVING LINE OF CREDIT TO BE EVIDENCED BY A TAX AND REVENUE ANTICIPATION NOTE OF THIS LOCAL GOVERNMENT UNIT PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT OF THE COMMONWEALTH OF PENNSYLVANIA.

WHEREAS, The Board of County Commissioners (the "Governing Body") of the County of Dauphin, Pennsylvania (the "Local Government Unit"), has determined to open a line of credit to be drawn and repaid from time to time that will be evidenced by a note in anticipation of current taxes, revenues, subsidies, and reimbursements to be collected and received in the fiscal year ending December 31, 2005, in accordance with provisions of the Act of the General Assembly of the Commonwealth of Pennsylvania known as the Local Government Unit Debt Act (the "Act"), as amended and supplemented, to provide funds for and toward proper public purposes; and

WHEREAS, The Governing Body of this Local Government Unit has determined to issue such note in the maximum principal amount of Ten Million Dollars (\$10,000,000), and has determined that such note: (a) should be offered for sale at private sale upon invitation, and (b) should be offered for sale at a price not less than the principal amount thereof, as provided in the Act; and

WHEREAS, A proper written proposal for purchase of such note was received from PNC Bank, National Association (the "Purchaser"), of Camp Hill, Pennsylvania (the "Proposal"), which proposal is attached hereto and made part hereof as Exhibit A; and

WHEREAS, The Governing Body of this Local Government Unit desires to accept the Proposal, to issue the Note (hereinafter defined), to award the Note to the Purchaser at private sale by negotiation, and to do, to take and to authorize other appropriate or necessary action.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of this Local Government Unit, as follows:

Section 1. The Governing Body of this Local Government Unit does authorize and direct the issuance of a tax and revenue anticipation obligation of this Local Government Unit, pursuant to this Resolution, in the maximum principal amount of Ten Million Dollars (\$10,000,000), to be evidenced by a note to be designated generally as the "Tax and Revenue Anticipation Note, Series of 2005" (hereinafter referred to as the "Note"), in accordance with the Act, and pursuant to the Proposal.

Section 2. The Note shall be issued to provide funds for and toward current expenses of this Local Government Unit payable in its fiscal year ending December 31, 2005, which is a proper public purpose.

Section 3. A brief description of the "project" for which the Note shall be issued is set forth in Section 2 hereof.

Section 4. This Local Government Unit shall and does accept the Proposal of the Purchaser for purchase of the Note; and the Note shall be and is awarded to the Purchaser, in accordance with terms and conditions set forth in the Proposal, at private sale upon invitation, at a price of 100% of principal amount, the Purchaser having submitted the Proposal in accordance with provisions of the Act.

Section 5. The Note shall be a tax and revenue anticipation note of this Local Government Unit, and shall constitute a general obligation of this Local Government Unit, as provided in the Act.

Section 6. The Note shall be in the maximum principal amount of Ten Million Dollars (\$10,000,000); shall be numbered 1; shall be dated as of the date of delivery thereof; shall bear interest on the principal amount thereof outstanding from time to time at a variable rate of interest equal to the London Interbank Offered Rate ("LIBOR"), as more particularly defined in the form of the Note attached hereto, in effect from time to time plus Sixty-two Hundredths of One Per Cent (0.62%); *provided, that,* such rate as so calculated shall not exceed in any event Ten Per Cent (10%) per annum.

The loan to be evidenced by the Note shall be construed as a non-revolving, draw down, line of credit the outstanding balance of which shall not exceed Ten Million Dollars (\$10,000,000). The Purchaser shall make advances of the proceeds of the Note to the Local Government Unit, from time to time, but not later than December 30, 2005, upon written request of this Local Government Unit signed by the Treasurer of the Local Government Unit and submitted to the Purchaser in the manner provided in the Proposal; provided, however, that the Purchaser shall not be obligated to advance funds against the Note to the extent that aggregate amount of advances made exceed Ten Million Dollars (\$10,000,000). Interest shall accrue on the amount of each advance from the actual date of such advance and shall be payable as set forth in the Note.

Section 7. The Note shall mature on December 31, 2005, which date is not beyond the last day of the fiscal year of this Local Government Unit in which the Note is issued.

Section 8. All or any portion of the unpaid principal balance of the Note outstanding may be prepaid by the Local Government Unit at any time and from time to time, without premium or penalty. Each prepayment of principal shall be accompanied by payment of the interest accrued and unpaid on the principal amount being prepaid.

Section 9. The principal of and interest on the Note shall be payable at the principal office of PNC Bank, National Association (the "Paying Agent"), in Camp Hill, Pennsylvania, in lawful money of the United States of America.

Section 10. The form of the Note shall be substantially as set forth in Exhibit B which is attached hereto, together with such modifications in such form as shall be approved by the Solicitor and Bond Counsel of this Local Government Unit, and by the members of the Board of County Commissioners who shall execute the Note, the execution and delivery of which Note by such members shall be deemed to constitute approval thereof. This Local Government Unit will bear any costs of preparing and printing the Note.

Section 11. The Note shall be executed by the manual or facsimile signatures of any two (2) or more members of the Board of County Commissioners of this Local Government Unit, and the official seal of this Local Government Unit shall be affixed thereto and the manual or facsimile signature of the Chief Clerk of the Board of County Commissioners of this Local Government Unit shall be affixed thereto in attestation thereof; and said officers are authorized to execute, to seal, to attest and to authenticate, as applicable, the Note, as aforesaid.

Section 12. This Local Government Unit does hereby declare that the Note shall be and is equally and ratably secured with any and all other tax and revenue anticipation notes issued or to be issued by this Local Government Unit in the same fiscal year, by an irrevocable

pledge of, security interest in, and a lien and charge on, both the taxes and revenues of this Local Government Unit to be received during the period when such Note shall be outstanding, such taxes and revenues being all taxes presently levied and assessed, and all revenues including, without limitation, subsidies or reimbursements to be received.

This Local Government Unit does hereby make such pledge and create such security interest in and lien and charge upon its taxes and revenues to and for the benefit of the holders or registered owners, as applicable and appropriate, of the Note, from time to time.

The Chief Clerk or Controller of this Local Government Unit is hereby authorized and directed to execute, in behalf of this Local Government Unit, a financing statement or statements in accordance with the Uniform Commercial Code, as contemplated by Section 8125 of the Act.

Section 13. There is created, as permitted by Section 8125 of the Act, a sinking fund for the Note, to be known as "Sinking Fund - Tax and Revenue Anticipation Note, Series of 2005," which sinking fund shall be administered in accordance with applicable provisions of the Act.

This Local Government Unit shall deposit into such sinking fund, from time to time, from the taxes, revenues, or other funds pledged hereunder as security for the Note and any other tax and revenue anticipation notes issued in the same fiscal year, sums sufficient to make payments of principal and interest upon the Note on or before the date when the same shall become due and payable.

Section 14. This Local Government Unit shall and does appoint the Paying Agent as the sinking fund depository with respect to the sinking fund created pursuant to Section 13.

Section 15. This Local Government unit covenants to make payments out of the sinking fund created pursuant to Section 13 or out of any other of its tax receipts, revenues, or funds, at such times and in such amounts, as shall be sufficient for prompt and full payment of all obligations of the Note when due.

Section 16. The Controller of this Local Government Unit, which shall include duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to certify and to file with the Department of Community and Economic Development (the "Department") the Certificate as to Taxes and Revenues to be Collected, as required by Section 8126 of the Act; (b) to file a certified copy of the proceedings for issuance of the Note, including a certified copy of this Resolution and of the accepted Proposal of the Purchaser, with the Department, as required by Section 8128 of the Act; (c) to pay or cause to be paid to the Department any and all proper filing fees required by the Act, if any, in connection with the foregoing; and (d) to take all other required, necessary or appropriate action.

Section 17. The Note has been sold, as set forth in this Resolution, at private sale upon invitation, as permitted by the Act.

Section 18. Proper officers of this Local Government Unit are authorized and directed to contract with the sinking fund depository appointed in Section 14 for its services as sinking fund depository in connection with the sinking fund created pursuant to Section 13.

Section 19. Proper officers of this Local Government Unit are authorized and directed to prepare, to certify and to execute such certificates, instruments and documents as shall be required under terms of the accepted Proposal of the Purchaser.

Section 20. It is declared that the debt to be incurred hereby, together with any other indebtedness of this Local Government Unit, is not in excess of any limitation imposed by the Act upon the incurring of debt by this Local Government Unit.

Section 21. The Controller of this Local Government Unit, or, if he or she shall be unavailable, the presiding officer of the Governing Body of this Local Government Unit, is authorized and directed, (1) to pay any and all costs related to issuance of the Note, upon settlement for the Note, and (ii) to deliver the Note to the Purchaser upon execution and attestation thereof as provided for herein, but only after the filing with the Department required under Section 8128 of the Act has been made.

Section 22. In the event any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Resolution, it being the intent of this Local Government Unit that such remainder shall be and shall remain in full force and effect.

Section 23. All resolutions or parts of resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 24. This Resolution shall be effective in accordance with the Act.


DULY ADOPTED, by the Board of County Commissioners of the County of Dauphin, Pennsylvania, in lawful session duly assembled, this 2nd day of February, 2005.

COUNTY OF DAUPHIN, PENNSYLVANIA

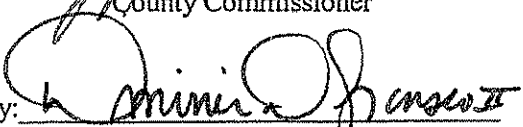
ATTEST:



Chief Clerk

By: 

County Commissioner

By: 

County Commissioner

By: 

County Commissioner