

*Workshop/Comm mtg.  
7/21/04/jer*

COUNTY OF DAUPHIN,

*Rep*

Commonwealth of Pennsylvania

RESOLUTION NO.  
20-2004

**OF THE BOARD OF COMMISSIONERS  
AUTHORIZING EXECUTION AND DELIVERY OF  
SUPPLEMENTAL BOND RETIREMENT  
AGREEMENTS TO REFLECT SUBSTITUTION OF  
ESCROW SECURITIES CONSISTENT WITH THE  
SLGS TRADING PROGRAM HERETOFORE  
APPROVED FOR ESCROWS ACCOUNTS FOR THIS  
COUNTY'S GENERAL OBLIGATION BONDS, SERIES  
OF 1998, GENERAL OBLIGATION BONDS, SERIES  
OF 1999, GENERAL OBLIGATION BONDS, SECOND  
SERIES OF 2001, AND GENERAL OBLIGATION  
NOTES, SERIES A OF 2003.**

WHEREAS, The County heretofore authorized and issued its General Obligation Bonds, Series of 1998, its General Obligation Bonds, Series of 1999, its General Obligation Bonds, Second Series of 2001, and its General Obligation Notes, Series A 2003 (the "2004 Refunded Obligations"); and

WHEREAS, The County has authorized and issued its General Obligation Bonds, Series of 2004, its General Obligation Notes, Series C of 2004, and its General Obligation Notes, Series D of 2004 (the "2004 Refunding Obligations"), for the purposes of refunding all or portions of the 2004 Refunded Obligations; and

WHEREAS, The County, simultaneously with the execution and delivery the 2004 Refunding Obligations to the purchasers thereof, entered into the Bond Retirement Agreements (the "Original Agreements") with the paying agents for the each series of 2004 Refunded Obligations pursuant to which the County deposited in escrow with said paying

agents acting as escrow agents under and pursuant to each of the Original Agreements, the net proceeds of the 2004 Refunding Obligations and directed that such proceeds be invested in the "Initial Escrow Investments," as defined in each of the Original Agreements; and

WHEREAS, Section 8 of each of the Original Agreement provides, in part, that the County may substitute other "Authorized Escrow Investments," as defined therein, for the Initial Escrow Obligations or any Additional Escrow Obligations (such substitute investments being referred to herein as "Substitute Escrow Obligations"); and

WHEREAS, All of the Escrow Obligations now on deposit under the Escrow Agreements are United States of American Treasury certificates of indebtedness, notes, or bonds, of the State and Local Government Series (the "SLG's");

WHEREAS, The County has determined to take advantage of any future increases in interest rates by redeeming SLG's held and substituting other SLG's constituting Authorized Escrow Investments (subject to receipt of the opinion and certificate required by Section 8 of each of the Original Agreements) and has retained Investment Management Advisory Group, Inc. ("IMAGE") to implement such redemptions and substitutions of SLG's as and to the extent, and subject to the limitations, provided the letter agreement dated June 16, 2004, between the County and IMAGE (the "Restructuring Agreement"), a copy of which is attached hereto;

WHEREAS, Any substitution of Authorized Escrow Investments requires an amendment to the respective Original Agreement to reflect the change in Escrow Obligations and to properly to authorize and direct the respective Escrow Agent to sell the Initial Escrow Obligations then being held and to provide for the purchase of Substitute Escrow Obligations for the Initial Escrow Obligations.

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

Section 1. Each time IMAGE shall direct a substitution of Escrow Obligations in accordance with, and subject to the limitations of, the Restructuring Agreement, this County shall enter into a supplement to the Original Agreement or Original Agreements governing the Escrow Obligations that will be substituted.

Each such supplement shall be substantially in the form of the First Supplemental 1999 Bond Retirement Agreement heretofore authorized, executed, and delivered by this County first implementing the Restructuring Agreement and a copy of each such supplement shall be filed with the Chief Clerk of this County and shall be and hereby is made a part of this Resolution.

Section 2. The Chairman or Vice Chairman of the Board of Commissioner and Chief Clerk of this County are authorized and directed, as applicable, to execute, to attest and to deliver the each such supplement to the respective Original Agreement, in the forms approved in paragraph 1.

Section 3. Time permitting, the Budget Director of this County shall report to the Board of Commissioners in lawful session duly assembled the transaction details and fiscal consequence of each proposed substitution prior to its implementation. If no such session of the Board of Commissioners is scheduled to occur prior to the implementation of any proposed substitution and execution and delivery of the related supplement to one or more of the Original Agreements, the Chairman or Vice Chairman and Chief Clerk may execute and deliver one or more such supplements to the Original

Agreements, as necessary and appropriate; *provided that* such officers shall have first determined, in consultation with the Budget Director, that each such substitution is consistent with and fulfills the terms and objectives of the Restructuring Agreement. The Budget Director shall then report to the full Board of Commissioners at its immediately succeeding session the transaction details and fiscal consequence of each such substitution. If the Board shall determine that any transaction undertaken under this authority fails to properly implement the Restructuring Agreement then the Board of Commissioners may act to reverse the transaction to the extent the same may be accomplished without undue financial loss to this County or may recind the authority conferred hereby as to any future transaction.

Section 4. This County hereby ratifies and confirms prior authorization and direction to each of the Escrow Agents to undertake and consummate the purchase and sale of the Initial Escrow Obligations and the Substitute Escrow Obligations, respectively;; as and to the extent necessary to accomplish the purposes of the Restructuring Agreement.

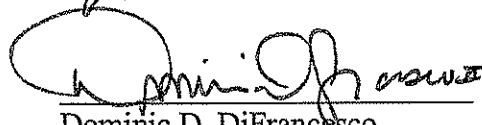
Section 5. In the event any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Resolution, it being the intent of this Local Government Unit that such remainder shall be and shall remain in full force and effect.

Section 6. This Resolution shall be effective immediately

DULY ADOPTED, by the Board of Commissioners of the County of Dauphin, Pennsylvania, in lawful session duly assembled, this 21<sup>st</sup> day of July, 2004.

COUNTY OF DAUPHIN  
Commonwealth of Pennsylvania

By:   
Jeff Haste, Chairman

  
Dominic D. DiFrancesco,  
Vice-Chairman

  
George P. Hartwick, Secretary

ATTEST:

  
Chad Saylor, Chief Clerk/Chief of Staff

(SEAL)

CERTIFICATE

I, the undersigned, Chief Clerk of the County of Dauphin, Commonwealth of Pennsylvania (the "County"), certify that: the foregoing is a true and correct copy of a Resolution that duly was adopted by affirmative vote of a majority of all members of the Board of Commissioners of the County at a meeting duly held on the 21<sup>st</sup> day of July, 2004, said Resolution duly has been recorded in the minute book of the Board of Commissioners of the County; and said Resolution has not been amended, altered, modified, or repealed as of the date of this Certificate.

I further certify that the Board of Commissioners of the County met the advance notice and public comment requirements of Act No. 1986-84 of the General Assembly of the Commonwealth of Pennsylvania, approved July 3, 1986, as amended, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the principal office of the County or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with said Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 21<sup>st</sup> day of July, 2004.

  
Chad Saylor, Chief Clerk/Chief of Staff

(SEAL)