

**ORDINANCE NO. 111
OF THE BOARD OF COMMISSIONERS
OF THE
COUNTY OF LANCASTER, PENNSYLVANIA**

APPROVING A CERTAIN PROJECT BEING UNDERTAKEN BY THE LANCASTER COUNTY CONVENTION CENTER AUTHORITY (THE "AUTHORITY") CONSISTING OF, *INTER ALIA*, THE CURRENT REFUNDING OF THE AUTHORITY'S AMENDED AND RESTATED HOTEL ROOM RENTAL TAX REVENUE BONDS, SERIES OF 2003 (THE "2003 BONDS") AND THE AUTHORITY'S AMENDED AND RESTATED HOTEL ROOM RENTAL TAX REVENUE BONDS, SERIES OF 2007 (THE "2007 BONDS" AND TOGETHER WITH THE 2003 BONDS, THE "PRIOR BONDS"); DESCRIBING THE PROJECTS FOR WHICH SUCH PRIOR BONDS WERE ISSUED, RATIFYING AND CONFIRMING THE ESTIMATED USEFUL LIFE THEREOF AND SETTING FORTH THE ESTIMATED COMPLETION DATE FOR THE PROJECT; AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT BY THE COUNTY EVIDENCED BY THE GUARANTY AGREEMENT, AS SUCH TERM IS DEFINED HEREIN, IN CONNECTION WITH THE HOTEL ROOM RENTAL TAX REVENUE BONDS, SERIES OF 2014 BEING ISSUED BY THE AUTHORITY; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO PREPARE, CERTIFY AND FILE WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, WITH A CERTIFIED COPY OF THIS ORDINANCE AND PROOFS OF PUBLICATION, AS REQUIRED BY THE LOCAL GOVERNMENT UNIT DEBT ACT, AND TO PAY ANY NECESSARY FILING FEES; APPROVING THE FORM OF GUARANTY AGREEMENT AMONG THE COUNTY, THE AUTHORITY AND THE TRUSTEE, AS SUCH TERM IS DEFINED HEREIN, AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF; APPROVING THE FORM OF A BOND PURCHASE PROPOSAL FOR THE BONDS, AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF; STATING THE ANNUAL AMOUNTS OF PRINCIPAL AND INTEREST TO BE PAID UNDER THE GUARANTY AGREEMENT, COVENANTING THE PAYMENT THEREOF AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY THEREFOR; SETTING FORTH CERTAIN CONDITIONS TO THE EXECUTION AND DELIVERY OF THE GUARANTY

AGREEMENT, INCLUDING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A REIMBURSEMENT AGREEMENT WITH THE COUNTY; AUTHORIZING AND DIRECTING THE PREPARATION OF A SELF-LIQUIDATING DEBT REPORT AND THE FILING THEREOF AND THE PREPARATION AND FILING OF ANY OTHER STATEMENTS AND REPORTS REQUIRED TO QUALIFY THE LEASE RENTAL DEBT INCURRED HEREBY OR ANY PORTION THEREOF FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMIT OF THE COUNTY AS SELF-LIQUIDATING; RATIFYING PRIOR ACTION; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO TAKE OTHER APPROPRIATE ACTION; REPEALING ALL ORDINANCES AND RESOLUTIONS INCONSISTENT HERewith; AND STATING THE EFFECTIVE DATE.

WHEREAS, the Lancaster County Convention Center Authority (the "Authority") is a body corporate and politic existing under the Third Class County Convention Center Authority Act, Act of Nov. 3, 1999, P.L. 461, as amended and supplemented, 16 P.S. §2399.1 *et seq.* (the "Authorities Act"); and

WHEREAS, the County of Lancaster (the "County") is a third class county and a duly organized and validly existing political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), and is a "local government unit" under the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S. §8001 *et seq.*, as amended (the "Debt Act")

WHEREAS, the Authority has undertaken to finance a project (the "Project") consisting of, among other things, all or any of the following: (i) the current refunding of the Authority's Amended and Restated Hotel Room Rental Tax Revenue Bonds, Series of 2003 (the "2003 Bonds"); (ii) the current refunding of the Authority's Amended and Restated Hotel Room Rental Tax Revenue Bonds, Series of 2007 (the "2007 Bonds" and together with the 2003 Bonds, the "Prior Bonds"); and (iii) payment of the costs and expenses associated with the issuance of the hereinafter defined Bonds; and

WHEREAS, the Prior Bonds were originally issued by the Authority to finance, among other things, the funding of the design, acquisition, construction, furnishing and equipping of a multi-purpose convention center facility and related and ancillary facilities containing approximately 200,000 square feet (the "Facilities"); and

WHEREAS, the Authority has determined to issue its Hotel Room Rental Tax Revenue Bonds, Series of 2014 in the aggregate principal amount of \$63,590,000 (the "Bonds"), the proceeds of which will be applied to the costs of the Project and which will benefit the County; and

WHEREAS, the Bonds will be issued under and secured by a Trust Indenture (the “Indenture”), from the Authority to Manufacturers and Traders Trust Company (the “Trustee”); and

WHEREAS, in order to further evidence the Authority’s obligation to maintain certain of the reserve funds established under the Indenture (as more fully described in the Indenture), the Authority will issue and deliver to the Trustee its Guaranteed Debt Service Reserve Fund Replenishment Note in the aggregate principal amount of \$4,111,129.58 (the “Note”); and

WHEREAS, the Bonds will be purchased initially by Wells Fargo Municipal Capital Strategies, LLC, a wholly-owned subsidiary of Wells Fargo Bank, N.A.; Wells Fargo Bank N.A., or any other wholly owned subsidiary of Wells Fargo Bank, N.A. (collectively, the “Bank”), pursuant to the terms and conditions of the Lancaster County Convention Center Authority Summary of Terms And Conditions dated May 21, 2014 (the “Bond Purchase Proposal”) as executed by the Authority and the County; and

WHEREAS, the Board of Commissioners (the “Governing Body”) of the County has determined, among other things, that the undertaking of the Project is in the best interests of the County and its residents; and

WHEREAS, the County, as an inducement to the Authority to undertake the Project and to authorize and issue its Bonds and Note, and as an inducement to the initial and all future owners of the Bonds to purchase the Bonds and to thereby achieve interest costs and other savings with respect to the Project, will enter into a guaranty agreement (the “Guaranty Agreement”) with respect to the Bonds and the Note, in the maximum aggregate principal amount of \$63,590,000, providing for the unconditional guarantee by the County of the timely payment of the principal of, and interest on, the Bonds and the pledge by the County of its full faith, credit and taxing power to discharge all of its obligations under the Guaranty Agreement, as permitted by and in accordance with the terms and conditions of the Debt Act; and

WHEREAS, the Authority will enter into a reimbursement agreement with the County (the “Reimbursement Agreement”) defining certain obligations of the Authority in order to induce the County to enter into the Guaranty Agreement; and

WHEREAS, the Authority will cause to be prepared and submitted to the County a report (the “Self-Liquidating Debt Report”) in accordance with Section 8026(a) of the Debt Act to qualify all of the debt of the County incurred pursuant to the Guaranty Agreement as self-liquidating debt under the Debt Act and to exclude such debt from the debt limit of the County; and

WHEREAS, the execution by the County of the Guaranty Agreement constitutes the incurrence of lease rental debt by the County under the Debt Act; and

WHEREAS, the County desires to formally approve the Project and the financing thereof by the Authority, to authorize the incurrence of lease rental debt under the Debt Act, and the execution and delivery of the Guaranty Agreement.

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

Section 1. Approval of Project and Financing Thereof; Prior Project; Ratifying the Remaining Useful Life Thereof; and Estimated Project Completion Date. The County hereby approves the Project, as described above, and the financing thereof. The Prior Bonds were issued to finance the Facilities, as described above. The realistic estimated useful lives of the projects financed or refinanced with the Prior Bonds were determined at the time of issuance of the Prior Bonds. Such determination is hereby ratified and confirmed and the principal amount of the Bonds equal to the cost of the Project have been scheduled to mature prior to the unexpired useful life thereof.

Section 2. Amount of Bonds Secured by Bonds Guaranty Agreement; Incurrence of Lease Rental Debt. The aggregate principal amount of the Bonds to be issued by the Authority and secured by the Guaranty Agreement is \$63,590,000. The County hereby authorizes and directs the incurring of lease rental debt of the County, pursuant to the Debt Act, in the aggregate principal amount of \$63,590,000 to be evidenced by the Guaranty Agreement among the County, the Authority and the Trustee. Notwithstanding any of the foregoing, under no circumstances shall the County be required to guaranty mandatory redemptions required by the Bank following the mandatory tender date as defined in the Indenture.

Section 3. Approval of Guaranty Agreement; Covenant to Pay Guaranty. The form, terms and provisions of the Guaranty Agreement as presented to this meeting (copies of which shall be filed with the records of the County) are hereby approved. The Chairman or Vice Chairman of the County, or any one of them, and/or any other duly authorized or appointed officer of the County, as the case may be (the "Proper Officers"), are hereby authorized and directed, upon receipt of approval from the Pennsylvania Department of Community and Economic Development ("DCED"), to execute the Guaranty Agreement in such form, subject to such changes and modifications, if any, as may be approved by such Proper Officers, the execution of the Guaranty Agreement to be conclusive evidence of such approval, and the Chief Clerk of the County is hereby authorized and directed to affix thereto the corporate seal of the County, to attest the same and to deliver the Guaranty Agreement to the Trustee and the Authority.

The County covenants to and with the holders, from time to time, of the Bonds that it shall: (a) include the amounts payable by the County under the Guaranty Agreement for each fiscal year in which such sums are payable in its budget for that year, but in no event shall the budgeted amount exceed the amount of the County's guaranty for such fiscal year as set forth on Exhibit A hereto; (b) appropriate such amounts from its general revenues for payment under the Guaranty Agreement; and (c) duly and punctually pay or cause to be paid the amount payable under the Guaranty Agreement on the dates and places and in the manner stated in the Guaranty Agreement according to the true intent and meaning thereof.

For such budgeting, appropriation and payment the County pledges its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenants shall be specifically enforceable; subject, however, as to the enforceability of remedies, to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the

enforcement of creditors' rights generally. Nothing in this Section shall be construed to give the County any taxing power not granted by another provision of law.

The maximum annual amounts the County will be required to pay under the Guaranty Agreement is as set forth on Exhibit A hereto. The Guaranty Agreement shall state the exact amount of the guaranty in each fiscal year.

Section 4. Approval of Bond Purchase Proposal. The form, terms and provisions of the Bond Purchase Proposal as presented to this meeting (copies of which shall be filed with the records of the County) are hereby approved. The Proper Officers are hereby authorized and directed to execute the Bond Purchase Proposal in such form, subject to such changes and modifications, if any, as may be approved by such Proper Officers, the execution of the Bond Purchase Proposal to be conclusive evidence of such approval, and the Chief Clerk of the County is hereby authorized and directed to deliver the Bond Purchase Proposal to the Authority.

Section 5. Debt Statement and Borrowing Base Certificate; Debt Proceedings. The Proper Officers are each authorized and directed to prepare and verify the debt statement required by Section 8110 of the Debt Act and to prepare or cause to be prepared a borrowing base certificate, and the Chief Clerk of the County is hereby authorized and directed to certify to DCED, in accordance with the Debt Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder and to pay any filing fees necessary in connection therewith.

Section 6. Authorization for Exclusion of Lease Rental Debt as Self-Liquidating Debt. The Proper Officers and Chief Clerk of the County are further authorized and directed to prepare, or cause to be prepared, and file the Self-Liquidating Debt Report and any statements required under Section 8026(a) of the Debt Act, which are necessary to qualify all or any portion of the lease rental indebtedness incurred hereby for exclusion as self-liquidating debt..

Section 7. Guaranty Agreement; Reimbursement Agreement. The Proper Officers are authorized and directed to execute and deliver, and the Chief Clerk of the County is hereby authorized and directed to affix and attest the corporate seal of the County to, the Guaranty Agreement and the Reimbursement Agreement in such form as McNeese Wallace & Nurick LLC, special counsel to the County may advise and the officers executing the same may approve, their approval and the conclusive approval of the County to be evidenced by their execution thereof, and to take any other actions necessary to effectuate the Project and the issuance of the Bonds and the Note by the Authority.

Section 8. Conditions to Execution of Guaranty Agreement. The Guaranty Agreement shall be executed and delivered as provided in Section 3 hereof only after satisfaction of the following conditions:

(a) DCED shall have approved the incurrence by the County of the lease rental debt authorized by this Ordinance pursuant to the Debt Act, and the exclusion of such lease rental debt as self-liquidating debt in accordance with the Self-Liquidating Debt Report.

(b) The Proper Officers shall have approved the principal amount of the Bonds, Bonds debt service schedule, and other terms as set forth in the Bond Purchase Proposal, which approval will be evidenced by execution and delivery of the Guaranty Agreement as set forth in Section 3.

(c) The County shall have received all closing documents required by the County in such form as special counsel to the County may advise and County officers may require or approve, including without limitation the Indenture, Reimbursement Agreement, legal opinions from counsel to the various parties, and Authority certificates providing assurance as to the Authority's existence, the absence of adverse events, and other appropriate matters. The satisfaction and conclusive approval of the County will be evidenced by execution and delivery of the Guaranty Agreement as set forth in Section 3.

(d) McNeese Wallace & Nurick LLC, special counsel to the County in connection with this Ordinance and the Guaranty Agreement, shall have provided a legal opinion as to the legality and enforceability of this Ordinance and the Guaranty Agreement.

Section 9. Ratification of Prior Action. The Governing Body approves and ratifies all action heretofore taken in connection with the Project by the Proper Officers, the Chief Clerk and other officers and employees of the County.

Section 10. Incidental Actions. The Proper Officers and the Chief Clerk are hereby authorized, directed and empowered on behalf of the County to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the provisions of this Ordinance, and in connection with the transactions contemplated hereby.

Section 11. Repeals. All ordinances and resolutions or parts thereof, insofar as the same are inconsistent herewith, are repealed hereby.

Section 12. 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 the remainder of the Ordinance shall remain in full force and effect.

Section 13. Effective Date. This Ordinance shall become effective on the earliest date permitted by the Debt Act.

I HEREBY CERTIFY that the foregoing is a true and correct copy of an Ordinance duly enacted by the affirmative vote of a majority of the members of the Governing Body of the County, at a public meeting held the 1st day of July, 2014; that proper notice of such meeting was duly given as required by law; and that said Ordinance has been duly entered upon the Minutes of said Governing Body, showing how each member voted thereon.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County this 1st day of July, 2014.



Chief Clerk

(COUNTY SEAL)

EXHIBIT A

**COUNTY OF LANCASTER
Guaranty Agreement Relating to
\$63,590,000**

**Lancaster County Convention Center Authority
Hotel Room Rental Tax Revenue Bonds, Series of 2014**

Maximum Amounts Payable Under the Guaranty Agreement

<u>Maturity (December 1)</u>	<u>Principal</u>	<u>Maximum Interest Rate</u>	<u>Maximum Interest</u>	<u>Maximum Debt Service</u>
2014			3,682,920.83	3,682,920.83
2015	370,000	15.00%	9,670,979.14	10,040,979.14
2016	410,000	15.00%	9,641,050.02	10,051,050.02
2017	460,000	15.00%	9,552,354.14	10,012,354.14
2018	510,000	15.00%	9,482,395.86	9,992,395.86
2019	570,000	15.00%	9,404,833.36	9,974,833.36
2020	630,000	15.00%	9,343,675.02	9,973,675.02
2021	690,000	15.00%	9,222,333.36	9,912,333.36
2022	755,000	15.00%	9,117,395.86	9,872,395.86
2023	830,000	15.00%	9,002,572.89	9,832,572.89
2024	900,000	15.00%	8,900,662.50	9,800,662.50
2025	980,000	15.00%	8,739,468.75	9,719,468.75
2026	1,065,000	15.00%	8,590,427.11	9,655,427.11
2027	1,150,000	15.00%	8,428,458.36	9,578,458.36
2028	1,245,000	15.00%	8,276,175.00	9,521,175.00
2029	1,340,000	15.00%	8,064,218.75	9,404,218.75
2030	1,445,000	15.00%	7,860,427.11	9,305,427.11
2031	1,555,000	15.00%	7,640,666.64	9,195,666.64
2032	1,670,000	15.00%	7,424,462.52	9,094,462.52
2033	1,790,000	15.00%	7,150,197.89	8,940,197.89
2034	1,920,000	15.00%	6,877,968.75	8,797,968.75
2035	2,055,000	15.00%	6,585,968.75	8,640,968.75
2036	2,200,000	15.00%	6,290,625.00	8,490,625.00
2037	2,350,000	15.00%	5,938,854.14	8,288,854.14
2038	2,510,000	15.00%	5,581,458.36	8,091,458.36
2039	2,645,000	15.00%	5,199,729.14	7,844,729.14
2040	2,810,000	15.00%	4,810,612.50	7,620,612.50
2041	2,685,000	15.00%	4,370,114.61	7,055,114.61
2042	5,930,000	15.00%	3,961,770.86	9,891,770.86
2043	3,275,000	15.00%	3,059,916.64	6,334,916.64
2044	3,450,000	15.00%	2,568,862.50	6,018,862.50
2045	3,660,000	15.00%	2,037,156.25	5,697,156.25
2046	3,660,000	15.00%	1,480,531.25	5,140,531.25
2047	6,075,000	15.00%	923,906.25	6,998,906.25
	63,590,000		228,883,150.11	292,473,150.11