

**COUNTY OF LANCASTER  
Commonwealth of Pennsylvania**

**ORDINANCE NO. 73**

Enacted: October 29, 2003

DECLARING THE GUARANTY OF THE LANCASTER COUNTY CONVENTION CENTER AUTHORITY'S GUARANTEED DEBT SERVICE RESERVE FUND NOTE IN CONNECTION WITH SAID AUTHORITY'S HOTEL ROOM RENTAL TAX REVENUE BONDS, SERIES OF 2003 FOR THE BENEFIT OF THE COUNTY OF LANCASTER TO BE A PROJECT OF THE COUNTY FOR WHICH LEASE RENTAL DEBT IS TO BE INCURRED; STATING THE REALISTIC ESTIMATED USEFUL LIVES OF THE FACILITIES RELATING TO THE BONDS; DETERMINING TO INCUR LEASE RENTAL DEBT IN A MAXIMUM PRINCIPAL AMOUNT OF \$25,000,000 IN RESPECT OF SAID PROJECT, SUCH DEBT TO BE EVIDENCED BY THE COUNTY'S GUARANTY AGREEMENT WITH RESPECT TO SAID NOTE; AUTHORIZING CERTAIN COUNTY OFFICERS (A) TO PREPARE, CERTIFY AND FILE WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT THE DEBT STATEMENT REQUIRED BY SECTION 8110 OF THE LOCAL GOVERNMENT UNIT DEBT ACT AND AUTHORIZING THE PREPARATION OF A BORROWING BASE CERTIFICATE, AND (B) TO THE EXTENT FEASIBLE, TO CAUSE TO BE PREPARED AND FILED, STATEMENTS REQUIRED BY SECTION 8026 OF THE DEBT ACT WHICH ARE NECESSARY TO QUALIFY ALL OF SUCH LEASE RENTAL DEBT FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMITS AS SELF-LIQUIDATING DEBT; APPROVING THE FORM OF, AND AUTHORIZING, SUBJECT TO CERTAIN CONDITIONS, EXECUTION AND DELIVERY OF THE AFORESAID GUARANTY AGREEMENT AND APPROVING THE FORM OF, AND AUTHORIZING EXECUTION AND DELIVERY OF A REIMBURSEMENT AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT; REPEALING INCONSISTENT PRIOR ORDINANCES; SETTING FORTH CERTAIN CONDITIONS TO THE EXECUTION AND DELIVERY OF THE AFORESAID GUARANTY AGREEMENT; AND AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO TAKE ALL REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SUCH PROJECT AND THE EXECUTION AND DELIVERY OF THE GUARANTY AGREEMENT.

WHEREAS, the Lancaster County Convention Center Authority (the "Authority") is a public body corporate and politic organized and existing under the Third Class County Convention Center Authority Act, Act of August 9, 1995, P.L. 323, No. 130, as amended and supplemented (the "Act"), of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, the County of Lancaster (the "County"), is a political subdivision of the Commonwealth and is a "local government unit" under provisions of the Act of the General

Assembly of the Commonwealth, Pa.C.S. 53, Chapters 80-82, as amended, reenacted and supplemented, from time to time, known as the Local Government Unit Debt Act (the "Debt Act"); and

WHEREAS, the Authority heretofore has acquired and intends to acquire certain parcels of land, together with improvements erected thereon, situate in the City of Lancaster (the "City") identified generally as the southeast corner of City square (the "Site"); and

WHEREAS, at the request of the County, the Authority has undertaken to finance a project (the "Project"), consisting of, among other things, the following: (1) funding 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") to be situated on the Site; (2) funding necessary working capital and reserves for the Project and the hereinafter-defined Bonds; (3) the establishment of necessary reserves and other funds under the Indenture (hereinafter defined); and (4) funding the costs and expenses of issuance of the Bonds; and

WHEREAS, the County has obtained and has established that the estimated costs of the Project is at least Sixty-Two Million Dollars (\$62,000,000) based upon information and estimates received from architects and other persons qualified by experience; and

WHEREAS, the Authority, in order to finance the costs of the Project, desires to issue its Hotel Room Rental Tax Revenue Bonds, Series of 2003 in the maximum aggregate principal amount of \$50,000,000 (the "Bonds") and its Guaranteed Debt Service Reserve Fund Note, in the maximum principal amount of \$25,000,000 (the "Note"); and

WHEREAS, the proceeds derived from the issuance of the Bonds are to be applied for and toward the costs of the Project which will benefit the County; and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture, (the "Indenture"), between the Authority and a trustee to be named therein (the "Trustee"); and

WHEREAS, the Indenture shall provide for the creation of, and deposits to certain funds, including a Debt Service Reserve Fund (the "Reserve Fund"); and

WHEREAS, the Reserve Fund is necessary to prevent a default of the bonds in the event of an unexpected interruption in the flow of hotel room rental tax revenues that are pledged to pay debt service on the Bonds; and

WHEREAS, the amount required to be funded and maintained in the Reserve Fund (the "Reserve Requirement") will be an amount that does not exceed the lesser of (i) the maximum annual debt service on the Bonds outstanding, or (ii) one and one-quarter times the average annual debt service on all Bonds outstanding under the Indenture; and

WHEREAS, one-half of the Reserve Requirement shall be funded initially by deposit in the Reserve Fund of a surety obligation issued by the bond insurer or other qualified entity or the deposit of cash, and the remaining one-half shall be funded initially by deposit in the Reserve Fund of cash of the Authority (the "Reserve Fund Cash"); and

WHEREAS, the Indenture shall provide that, if on any date subsequent to the initial deposit of cash to the Reserve Fund the balance of the Reserve Fund Cash on deposit in the Reserve Fund shall be less than the amount as at the time shall be required, the Authority shall be obligated to replenish the Reserve Fund Cash by depositing in the Reserve Fund such amount as shall be equal to any deficiency then existing in the Reserve Fund; and

WHEREAS, in order to further evidence its obligation to replenish the Reserve Fund, as aforesaid, the Authority has determined to issue its Note; and

WHEREAS, the Reserve Fund is necessary to obtain bond insurance or other credit enhancement with respect to the Bonds; and

WHEREAS, the County desires that the Authority issue the Bonds and apply the proceeds as aforesaid and is willing to enter into (i) a reimbursement agreement with the Authority (the "Reimbursement Agreement"), (ii) a guaranty agreement (the "Guaranty Agreement") with respect to the Note, in the maximum principal amount of \$25,000,000 in order to enable the Authority to obtain bond insurance or other credit enhancement for the Bonds and thereby achieve interest cost and other savings with respect to the Project; and (iii) a continuing disclosure agreement (the "Continuing Disclosure Agreement") among the Authority, the County and the Trustee; and

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

WHEREAS, the Authority will receive a proposal for the purchase of the Bonds; 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 to approve the execution and, subject to certain conditions set forth herein, delivery of the Guaranty Agreement, the Reimbursement Agreement and the Continuing Disclosure Agreement; and

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED** by the Board of County Commissioners (the "Board") of the County of Lancaster, Pennsylvania, that:

Section 1. The County hereby declares the undertaking of the Project, including the guaranty of the Authority's Note, to be a project of the County for which lease rental debt is to be incurred in a maximum principal amount of \$25,000,000.

Section 2. The realistic estimated useful life of the Project is hereby declared to be at least 40 years.

Section 3. The County hereby authorizes the incurring of lease rental debt in the form of the Guaranty Agreement to secure the payment of principal of, and interest on, the Note which the Authority proposes to issue to evidence its obligation to replenish the Reserve Cash Deposit, as aforesaid. The County hereby covenants with the holders of the Note that it (i) shall include the amounts payable in respect of the Guaranty Agreement for each fiscal year in which such sums are payable in its budget for that year, (ii) shall appropriate such amounts to the

payment of such Guaranty Agreement, and (iii) shall duly and punctually pay or cause to be paid the amount payable in respect of 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 does hereby pledge its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant shall be specifically enforceable.

The maximum amounts required to be paid under the Guaranty Agreement from the general revenues of the County are set forth as Exhibit A hereto. Exhibit A is incorporated herein by reference with the same force and effect as if fully set forth in the text hereof. Proper officers of the County are hereby authorized and directed to make any payment required under the Guaranty Agreement.

Section 4. The Chair or Vice Chair of the Board, and the Chief Clerk or Assistant Chief Clerk of the County, or any duly appointed successor to either thereof, as the case may be, are hereby authorized and directed to prepare, certify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a debt statement required by Section 8110 thereof; and the Chair or Vice Chair of the Board and the Chief Clerk or Assistant Chief Clerk of the County are hereby authorized and directed to prepare and execute a certificate stating the County's borrowing base, as such term is defined in the Debt Act, for submission to the Department of Community and Economic Development.

The Chair or Vice Chair of the Board and the Chief Clerk or Assistant Chief Clerk of the County are authorized and directed, if necessary or desirable, to cause to be prepared and filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania, appropriate statements required by Section 8026 of the Debt Act which are necessary to qualify the lease rental debt of the County, which is subject to exclusion of self-liquidating debt, for exclusion from the appropriate debt limits as self-liquidating debt.

Section 5. The Chair or Vice Chair of the Board are hereby authorized and directed to execute and deliver, and the Chief Clerk or Assistant 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 forms as the solicitor or 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 Note and the Bonds.

Section 6. The Guaranty Agreement shall be executed and delivered as provided in Section 5 hereof only after the Department of Community and Economic Development shall have approved the incurrence by the County of the lease rental debt evidenced by this Ordinance pursuant to the Debt Act.

Section 7. Notwithstanding any other provision contained in the Ordinance to the contrary, the Board, upon written request of the Authority, shall execute and deliver the Guaranty Agreement, the Reimbursement Agreement and the Continuing Disclosure Agreement in the forms herein approved, together with related documents, upon satisfaction of the following, and only the following, conditions:

(a) The Authority shall have received bond insurance which will enable the Bonds to receive a triple A rating, or shall have received other suitable credit enhancement with respect to the Bonds as to which the Guaranty Agreement shall be required; and

(b) The Indenture shall contain a requirement (the "Indenture Requirement") that, as a condition to the release of the proceeds of the Bonds on deposit in the construction fund or project fund, as applicable, to be established under the Indenture, the Authority shall have certified to the Trustee, the following:

(i) That the Authority has sufficient funds to complete the construction of the Facilities in full accord with the final plans and specifications prepared by the architect for the Facilities and approved by the Authority; and

(ii) A new hotel designed to support the program of the Facilities and provide sufficient rooms and amenities to serve as a "headquarters hotel" for the Facilities, shall be constructed in conjunction with the Facilities.

The Indenture also shall contain a requirement that the Indenture Requirement shall not be amended without the prior written consent of the County.

Section 8. The proper officers of the County are hereby authorized and directed to execute, attest and deliver any and all necessary or appropriate documents and to do any and all necessary or appropriate things in connection with the transactions hereby contemplated.

Section 9. The Chair or Vice Chair and Chief Clerk of the Board are hereby authorized and directed to execute, attest, seal and deliver the Continuing Disclosure Agreement in such form as the officers of the County executing said documents and the solicitor or special counsel to the County shall deem necessary in order to allow the underwriter of the Bonds to comply with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time. The execution, attestation and delivery of the Continuing Disclosure Agreement by appropriate officers of the County shall constitute conclusive evidence of such approval.

The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Ordinance, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default under the Guaranty Agreement; however, any holder of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.

Section 10. All ordinances and resolutions or parts thereof, insofar as the same are inconsistent herewith, are repealed hereby.

Section 11. This Ordinance shall become effective in accordance with the provisions of the Act.

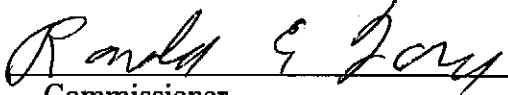
Section 12. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the County that the remainder of this Ordinance shall remain in full force and effect.

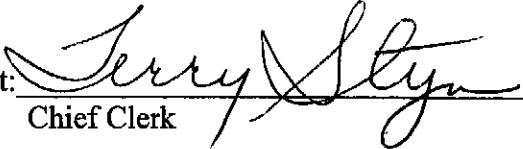
DULY ENACTED AND ORDAINED, this 29<sup>th</sup> day of October, 2003, by the Board of Commissioners of the County of Lancaster, Pennsylvania, in lawful session duly assembled.

COUNTY OF LANCASTER, PENNSYLVANIA

By:   
Chair

By: \_\_\_\_\_  
Commissioner

By:   
Commissioner

Attest:   
Chief Clerk

(SEAL)

**EXHIBIT A**

**MAXIMUM LEASE RENTAL OBLIGATIONS**



**Lancaster County Convention Center Authority**  
**Hotel Room Rental Tax Revenue Bonds**  
**Maximum Term, Payment and Principal Amount**

Date	Principal	Coupon	Interest	Total Debt Service	Annual Total Debt Service
6/1/2004			560,343.38	560,343.38	
12/1/2004	0	1.100	607,601.25	607,601.25	1,167,944.63
6/1/2005			607,601.25	607,601.25	
12/1/2005	0	1.400	607,601.25	607,601.25	1,215,202.50
6/1/2006			607,601.25	607,601.25	
12/1/2006	0	1.900	607,601.25	607,601.25	1,215,202.50
6/1/2007			607,601.25	607,601.25	
12/1/2007	290,000	2.150	607,601.25	897,601.25	1,505,202.50
6/1/2008			604,483.75	604,483.75	
12/1/2008	295,000	2.350	804,483.75	899,483.75	1,503,967.50
6/1/2009			601,017.50	601,017.50	
12/1/2009	300,000	2.850	601,017.50	901,017.50	1,502,035.00
6/1/2010			596,742.50	596,742.50	
12/1/2010	310,000	3.050	596,742.50	906,742.50	1,503,485.00
6/1/2011			592,015.00	592,015.00	
12/1/2011	320,000	3.200	592,015.00	912,015.00	1,504,030.00
6/1/2012			586,895.00	586,895.00	
12/1/2012	330,000	3.500	586,895.00	916,895.00	1,503,790.00
6/1/2013			581,120.00	581,120.00	
12/1/2013	340,000	3.800	581,120.00	921,120.00	1,502,240.00
6/1/2014			574,660.00	574,660.00	
12/1/2014	355,000	3.850	574,660.00	929,660.00	1,504,320.00
6/1/2015			567,826.25	567,826.25	
12/1/2015	370,000	4.100	567,826.25	937,826.25	1,505,652.50
6/1/2016			560,241.25	560,241.25	
12/1/2016	385,000	4.250	560,241.25	945,241.25	1,505,482.50
6/1/2017			552,060.00	552,060.00	
12/1/2017	400,000	4.350	552,060.00	952,060.00	1,504,120.00
6/1/2018			543,360.00	543,360.00	
12/1/2018	420,000	4.450	543,360.00	963,360.00	1,506,720.00
6/1/2019			534,015.00	534,015.00	
12/1/2019	435,000	4.600	534,015.00	969,015.00	1,503,030.00
6/1/2020			524,010.00	524,010.00	
12/1/2020	455,000	4.750	524,010.00	979,010.00	1,503,020.00
6/1/2021			513,203.75	513,203.75	
12/1/2021	480,000	4.850	513,203.75	993,203.75	1,506,407.50
6/1/2022			501,563.75	501,563.75	
12/1/2022	500,000	4.900	501,563.75	1,001,563.75	1,503,127.50
6/1/2023			489,313.75	489,313.75	
12/1/2023	525,000	4.950	489,313.75	1,014,313.75	1,503,627.50
6/1/2024			476,320.00	476,320.00	
12/1/2024	550,000	5.100	476,320.00	1,028,320.00	1,502,640.00
6/1/2025			462,295.00	462,295.00	
12/1/2025	580,000	5.100	462,295.00	1,042,295.00	1,504,590.00
6/1/2026			447,505.00	447,505.00	
12/1/2026	610,000	5.100	447,505.00	1,057,505.00	1,505,010.00
6/1/2027			431,950.00	431,950.00	
12/1/2027	640,000	5.100	431,950.00	1,071,950.00	1,503,900.00
6/1/2028			415,630.00	415,630.00	
12/1/2028	675,000	5.100	415,630.00	1,090,630.00	1,506,260.00
6/1/2029			398,417.50	398,417.50	
12/1/2029	710,000	5.100	398,417.50	1,108,417.50	1,506,835.00
6/1/2030			380,312.50	380,312.50	
12/1/2030	745,000	5.100	380,312.50	1,125,312.50	1,505,625.00
6/1/2031			361,315.00	361,315.00	
12/1/2031	780,000	5.100	361,315.00	1,141,315.00	1,502,630.00
6/1/2032			341,425.00	341,425.00	
12/1/2032	820,000	5.100	341,425.00	1,161,425.00	1,502,850.00
6/1/2033			320,515.00	320,515.00	
12/1/2033	865,000	5.100	320,515.00	1,185,515.00	1,506,030.00
6/1/2034			298,457.50	298,457.50	
12/1/2034	910,000	5.100	298,457.50	1,208,457.50	1,506,915.00
6/1/2035			275,252.50	275,252.50	
12/1/2035	955,000	5.100	275,252.50	1,230,252.50	1,505,505.00
6/1/2036			250,900.00	250,900.00	
12/1/2036	1,005,000	5.200	250,900.00	1,255,900.00	1,506,800.00
6/1/2037			224,770.00	224,770.00	
12/1/2037	1,055,000	5.200	224,770.00	1,279,770.00	1,504,540.00
6/1/2038			197,340.00	197,340.00	
12/1/2038	1,110,000	5.200	197,340.00	1,307,340.00	1,504,680.00
6/1/2039			168,480.00	168,480.00	
12/1/2039	1,170,000	5.200	168,480.00	1,338,480.00	1,506,960.00
6/1/2040			138,060.00	138,060.00	
12/1/2040	1,230,000	5.200	138,060.00	1,368,060.00	1,506,120.00
6/1/2041			106,080.00	106,080.00	
12/1/2041	1,290,000	5.200	106,080.00	1,396,080.00	1,502,160.00
6/1/2042			72,540.00	72,540.00	
12/1/2042	1,360,000	5.200	72,540.00	1,432,540.00	1,505,080.00
6/1/2043			37,180.00	37,180.00	
12/1/2043	1,430,000	5.200	37,180.00	1,467,180.00	1,504,360.00
Totals	25,000,000		34,268,097.13	59,268,097.13	59,268,097.13