

**FILE OF THE CITY CLERK**  
**ADMINISTRATION ORDINANCE NO. 7-2015**  
**ADMINISTRATION BILL NO. 7-2015**  
**INTRODUCED - JULY 14, 2015**  
**ENACTED BY CITY COUNCIL: SEPTEMBER 22, 2015**

**AN ORDINANCE AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA, BY THE ISSUANCE OF UP TO \$11,840,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES OF 2015 (FEDERALLY TAXABLE) (THE "2015 BONDS"); ISSUED FOR THE PURPOSE OF PROVIDING FINANCING FOR COSTS OF THE REFUNDING OF ALL OR A PORTION OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 2006 (FEDERALLY TAXABLE FIXED RATE) (THE "2006 BONDS") AND PAYING COSTS OF ISSUANCE INCURRED WITH THE 2015 BONDS; APPROVING THE REFUNDING AND AUTHORIZING THE REDEMPTION OF THE OUTSTANDING 2006 BONDS; DETERMINING TO SELL THE 2015 BONDS AT A PRIVATE SALE BY NEGOTIATION OR INVITATION; APPROVING THE FORM OF THE 2015 BONDS; FIXING THE DATE, INTEREST AND MATURITY OF THE 2015 BONDS; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE 2015 BONDS; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS CITY IN SUPPORT OF THE 2015 BONDS; PROVIDING FOR THE FILING OF REQUIRED DOCUMENTS; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITARY FOR THE 2015 BONDS; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND OTHERWISE PROVIDING FOR THE REFUNDING OF THE 2006 BONDS; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF, AND OTHER NECESSARY ACTIONS.**

**WHEREAS**, the City previously issued its General Obligation Bonds, Series of 2006 (Federally Taxable Fixed Rate) in the original principal amount of \$13,455,000 (the "2006 Bonds"), to, among other things, provide funds to the City for the purpose of funding certain unfunded actuarial accrued liability associated with certain pension plans of the City pursuant to Section 8002 of the Local Government Unit Debt Act, 53 Pa. C.S. Section 8001 et seq. and to pay the costs and expenses related to the issuance of the 2006 Bonds; and

**WHEREAS**, under the terms of the 2006 Bonds, the City currently has the option to redeem the outstanding principal amount of the 2006 Bonds at any time on or after November 15, 2016, at a price equal to 100% of the principal amount of the 2006 Bonds to be redeemed and accrued interest thereon (the "Redemption Amount"); and

**WHEREAS**, the City contemplates the authorization, sale, issuance and delivery of General Obligation Bonds, Series of 2015 (Federally Taxable) in the original aggregate principal amount of up to \$11,840,000 (the "2015 Bonds"), with the proceeds to be applied for and toward:

(i) a refunding project that consists of the refunding of the Redemption Amount of the City's outstanding 2006 Bonds (the "Refunding Project"), and (ii) paying related costs and expenses of such Refunding Project and costs and expenses of issuance of the 2015 Bonds (collectively the "Project"), all in accordance with applicable and appropriate provisions of the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 et. seq., as amended (the "Act") of the Commonwealth; and

**WHEREAS**, the City has determined that it is in the best interests of the City to proceed with the redemption and refunding of the 2006 Bonds in order to achieve debt service savings over the life of the 2006 Bonds by reducing the interest rate payable on the principal of 2006 Bonds to be refunded; and

**WHEREAS**, the City has determined that up to \$11,840,000 of debt is required to fund the Project, with any additional costs being paid for by interest to be earned on the proceeds of the 2015 Bonds during the period in which the proceeds of the 2015 Bonds are held in escrow to pay off the 2006 Bonds; and

**WHEREAS**, the City has received, and desires to accept, a proposal from Robert Baird & Co Inc. (the "Purchaser") dated September 22, 2015 for the purchase of the 2015 Bonds; and

**WHEREAS**, Concord Public Financial Advisors, Inc. (the "Financial Advisor") will present to the Mayor of the City (the "Mayor") and any other proper officers of the City a proposed commitment for municipal bond insurance from a bond insurer to be identified and accepted by the proper officers of the City (the "Bond Insurer") with respect to the 2015 Bonds (the "Bond Insurance Commitment"); and

**WHEREAS**, the City desires to authorize the issuance and sale of the 2015 Bonds for purposes recited herein and other necessary action; and

**WHEREAS**, the proposed increase of debt, together with other indebtedness presently outstanding, will not cause the limitations of the City's debt incurring power, pursuant to constitutional and statutory authority to be exceeded; and

**WHEREAS**, the City has determined to appoint Fulton Bank, N.A., Lancaster, Pennsylvania (the "Paying Agent"), as paying agent and sinking fund depository with respect to the 2015 Bonds.

**NOW, THEREFORE, BE IT ORDAINED AND ENACTED**, by the Council of the City of Lancaster, Pennsylvania, as follows:

Section 1. The City of Lancaster shall incur indebtedness, pursuant to the Act, in the total amount of \$11,840,000 for the purpose of providing funds for and toward: (1) a refunding project that consists of the refunding of the Redemption Amount of the City's outstanding 2006 Bonds (the "Refunding Project"), and (2) paying related costs and expenses of such Refunding Project and costs and expenses of issuance of the 2015 Bonds. The indebtedness authorized herein shall be evidenced by the 2015 Bonds as more fully described in Section 9 herein.

Section 2. The Council of the City of Lancaster hereby determines and states that:

(a) The total debt service on the 2015 Bonds attributable to the refunding of the 2006 Bonds, and which will be payable by the City from City revenues over the life of the 2015 Bonds, will be less than the total debt service payable over the remaining life of the 2006 Bonds.

(b) The proceeds of the 2015 Bonds allocated to the Refunding Project together with investment income, will be sufficient to pay and redeem the Redemption Amount of the outstanding 2006 Bonds and to pay the principal of and the interest thereon to the redemption date set forth herein.

(c) The schedules included in the proposal for the purchase of the 2015 Bonds include the calculations and figures supporting the foregoing determinations.

Section 3. In order to evidence the indebtedness authorized by this Ordinance, the City shall issue, pursuant to the Act and this Ordinance, the 2015 Bonds.

Section 4. It is hereby stated that the Council of the City of Lancaster has discussed the merits of alternative methods of selling the City's 2015 Bonds and has determined that a private sale by negotiation or invitation is in the best interests of the City.

Section 5. The indebtedness authorized by this Ordinance is non-electoral debt.

Section 6. The Mayor and/or City Controller of the City of Lancaster, or any one of such officers alone, are authorized and directed to prepare, verify and file the Debt Statement required by Section 8110 of the Act, to deliver the 2015 Bonds in the name of the City, and to take other necessary or appropriate action, including if necessary or desirable any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

Section 7. The 2015 Bonds, when issued on or about November 4, 2015, will constitute a general obligation of the City.

Section 8. The City hereby covenants with the registered owners of the 2015 Bonds to be issued pursuant to this ordinance: (1) that the City will include in its budget for each fiscal year in which such sums are payable, commencing with the fiscal year ending December 31, 2015, the amounts of the debt service on the 2015 Bonds issued hereunder which will be payable in each such fiscal year so long as the 2015 Bonds shall remain outstanding; and (2) that the City shall appropriate such amounts to the payment of such debt service; and (3) that the City shall duly and punctually pay or cause to be paid, from the Sinking Fund or from other funds, the principal of the 2015 Bonds and the interest thereon at the dates and places and in the manner stated in the 2015 Bonds, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the City hereby pledges its full faith, credit and taxing power. The covenant contained in this Section 8 shall be specifically enforceable.

Section 9. The 2015 Bonds shall be issued in registered form, substantially as attached hereto as Exhibit "A", with such changes as the Mayor executing the 2015 Bonds shall approve. The execution of the 2015 Bonds by the Mayor shall constitute conclusive evidence of such approval.

Depository Trust Company (“DTC”) will act as securities depository for the 2015 Bonds. The ownership of one fully registered 2015 Bond for each maturity of each series, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. So long as Cede & Co. is the registered owner of the 2015 Bonds, as nominee of DTC, references herein to the bondholders, 2015 Bond owners or registered owners of the 2015 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the 2015 Bonds.

DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the “DTC Participants”) and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the “Indirect Participants”).

Beneficial ownership interests in the 2015 Bonds may be purchased by or through DTC Participants. Such DTC Participants and the persons for whom they acquire interests in the 2015 Bonds as nominees will not receive a bond certificate, but each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant’s interest in the 2015 Bonds, which will be confirmed in accordance with DTC’s standard procedures. Beneficial owners of 2015 Bonds will not receive certificates representing their beneficial ownership interests in the 2015 Bonds, unless use of the book-entry only system is discontinued as described below.

Transfers of beneficial ownership interests in the 2015 Bonds which are registered in the name of Cede & Co., as nominee of DTC, will be accomplished by book entries made by DTC and in turn by the DTC Participants and Indirect Participants who act on behalf of the beneficial owners of 2015 Bonds. For every transfer and exchange of beneficial ownership in the 2015 Bonds, the beneficial owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

For so long as the 2015 Bonds are registered in the name of DTC or its nominee, Cede & Co., the City and the Paying Agent will recognize only DTC or its nominee, Cede & Co., as the owner of the 2015 Bonds for all purposes, including notices and voting. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to beneficial owners of the 2015 Bonds, will be governed by arrangements among DTC, DTC Participants, Indirect Participants and beneficial owners, subject to any statutory and regulatory requirements as may be in effect from time to time.

Payments made by the Paying Agent to DTC or its nominee shall satisfy the City's obligations with respect to the 2015 Bonds to the extent of the payments so made.

Principal, redemption price and interest payments on the 2015 Bonds shall be made by the Paying Agent to DTC or to its nominee, Cede & Co., as registered owner of the 2015 Bonds. Disbursement of such payments to the beneficial owners shall be solely the responsibility of DTC, the DTC Participants and, where appropriate, Indirect Participants. Upon receipt of moneys, DTC's current practice is to credit immediately the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to beneficial owners shall be governed by standing instructions of the beneficial owners and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." Such payments shall be the sole responsibility of such DTC Participant or Indirect Participant and not of DTC, the City or the Paying Agent, subject to any statutory and regulatory requirements as may be in effect from time to time.

The City and the Paying Agent cannot and do not give any assurances that DTC, the DTC Participants or the Indirect Participants will distribute to the beneficial owners of the Bonds (I) payments of principal or redemption price of or interest on the Bonds, (II) certificates representing an ownership interest or other confirmation of beneficial ownership interests in Bonds, or (III) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

Neither the City nor the Paying Agent will have any responsibility or obligation to any DTC Participant, Indirect Participant or beneficial owner or any other person with respect to: (1) the 2015 Bonds; (2) the accuracy of any records maintained by DTC or any DTC Participant or Indirect Participant; (3) the payment by DTC or any DTC participant or Indirect Participant of any amount due to any beneficial owner in respect of the principal or redemption price of or interest on the 2015 Bonds; (4) the delivery by DTC or any DTC Participant or Indirect Participant of any notice to any beneficial owner which is required or permitted under the terms of this Resolution to be given to Bondholders; (5) the selection of the beneficial owners to receive payment in the event of any partial redemption of the Bonds; or (6) any other action taken by DTC as Bondholder.

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In addition, the City may discontinue the book-entry only system for the 2015 Bonds at any time if it provides thirty (30) days' notice of such discontinuation to the Paying Agent and DTC that continuation of the book-entry only system is not in the best interests of the City. Upon the giving of such notice, the book-entry only system for the 2015 Bonds will be discontinued unless a successor securities depository is appointed by the City.

Section 10. The 2015 Bonds shall be issued in fully registered form, shall be dated as of the date of delivery shall bear interest from such date payable initially on May 15, 2016, and semi-annually thereafter on May 15 and November 15 of each year until maturity or the dates fixed for redemption, at the rates per annum, and shall mature or be subject to mandatory redemption on the dates and years as more fully set forth in the Bond Amortization Schedule attached hereto as Exhibit “B” and made a part hereof.

The principal of and interest on the 2015 Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of Fulton Bank, National Association, Lancaster, Pennsylvania, which is hereby appointed Paying Agent and Registrar for the 2015 Bonds and Sinking Fund Depository and is hereinafter called the “Paying Agent”.

The 2015 Bonds which are then outstanding shall be subject to redemption prior to maturity at the option of the City as a whole or in part on November 15, 2025 or any date thereafter, in any order of maturities and within a single maturity by lot, upon payment of a redemption price of 100% of principal amount plus interest accrued to the date fixed for redemption.

\$1,340,000 aggregate principal amount of the 2015 Bonds which mature on November 15, 2030 are subject to mandatory redemption prior to maturity on the dates and in the amounts specified below as selected by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption, on the dates and in the amounts hereinafter provided:

<u>Date (November 15)</u>	<u>Amount</u>
2029	\$655,000
2030	\$685,000

\$1,445,000 aggregate principal amount of the 2015 Bonds which mature on November 15, 2032 are subject to mandatory redemption prior to maturity on the dates and in the amounts specified below as selected by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption, on the dates and in the amounts hereinafter provided:

<u>Date (November 15)</u>	<u>Amount</u>
2031	\$710,000
2032	\$735,000

\$1,575,000 aggregate principal amount of the 2015 Bonds which mature on November 15, 2034 are subject to mandatory redemption prior to maturity on the dates and in the amounts specified below as selected by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption, on the dates and in the amounts hereinafter provided:

<u>Date (November 15)</u>	<u>Amount</u>
2033	\$770,000
2034	\$805,000

Each such redemption shall be upon at least thirty (30) days, and not more than sixty (60) days, prior written notice by mailing a copy of the official redemption notice by first class mail to the registered owners of the 2015 Bonds to be redeemed at their addresses shown on the registration books maintained by the Paying Agent or at such other address as is furnished in writing by such registered owner to the Paying Agent, unless such notice is waived in writing by the registered owners of the 2015 Bonds to be called for redemption. Notice of redemption having been given as aforesaid, and funds sufficient for redemption having been deposited with the Paying Agent, the 2015 Bonds so called for redemption shall become due and payable on the date fixed for redemption and interest thereafter shall cease to accrue thereon, whether such Bonds shall be presented for payment or not.

All official notices of redemption shall be dated and shall state:

- (a) The redemption date;
- (b) The redemption price;
- (c) If less than all outstanding 2015 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 2015 Bonds to be redeemed;
- (d) That on the redemption date the redemption price will become due and payable upon each such 2015 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (e) The place where such 2015 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the 2015 Bonds or portions of 2015 Bonds which are to be redeemed on that date.

In addition to the foregoing notice, further notice shall be given by the Paying Agent as set out below, but no defect in said further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

- (a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all 2015 Bonds being redeemed; (ii) the date of issue of the 2015 Bonds as originally issued; (iii) the rate of interest borne by each 2015 Bond being redeemed; (iv) the maturity date of each 2015 Bond being redeemed; and (v) any other descriptive information needed to identify accurately the 2015 Bonds being redeemed.

(b) Each further notice of redemption shall be sent at the same time as the official notice by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the 2015 Bonds (such depository now being Depository Trust Company of New York, New York), and to one or more national information services that disseminate notices of redemption of obligations such as the 2015 Bonds.

(c) Upon the payment of the redemption price of 2015 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 11. As additional security for repayment of the 2015 Bonds, the City hereby pledges to the registered owner of the 2015 Bonds all of its right, title and interest in and to all general municipal pension system state and supplemental state assistance, as defined in Act 205, that the City is entitled to receive under Act 205 on and after the date of issuance of the 2015 Bonds (the "Pension Aid"). Such pledge of Pension Aid shall be on a parity basis with any future pledge of the Pension Aid for any future bonds or other debt obligations issued to fund other unfunded actuarial accrued liability of the Pension Funds or other plans under the City's municipal retirement system or to refund the 2015 Bonds or such other bonds.

In the event the City fails to make any payment of debt service on the 2015 Bonds when due pursuant to the terms of this Ordinance and the 2015 Bonds, by required deposits to the Sinking Fund, the Paying Agent is hereby irrevocably instructed to certify in writing to the Treasurer of the Commonwealth, in accordance with Act 205, that such pledge has been made and such payment failure has occurred, and to take any and all other action pursuant to Act 205, as the same may be in effect from time to time, or other applicable law to enforce the foregoing pledge of the Pension Aid.

Section 12. The City covenants that there shall be and there is hereby established a Sinking Fund (the "Sinking Fund") for the 2015 Bonds to be held by the Paying Agent (or such substitute or successor Paying Agent, which may hereafter be appointed in accordance with the provisions of the Act) in the name of the City, but subject to withdrawal only by the Paying Agent. The Sinking Fund shall be known as the "Sinking Fund, City of Lancaster, General Obligation Bonds, Series of 2015 (Federally Taxable)."

The Paying Agent is hereby authorized and directed to pay from the Sinking Fund the principal of and interest on the 2015 Bonds as the same becomes due and payable in accordance with the terms thereof and the City hereby covenants that such monies, to the extent required, will be applied to such purpose.

All monies deposited in the Sinking Fund for the payment of the 2015 Bonds which have not been claimed by the holders or owners thereof after two years from the date when payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the City. Nothing contained herein shall relieve the City of its liability to the registered owners of the unrepresented 2015 Bonds.

Section 13. The City shall not assume the payment of any tax or taxes in consideration of the purchase of the 2015 Bonds.

Section 14. The 2015 Bonds are hereby awarded and sold to the Purchaser at private sale by negotiation or invitation, at the price and in accordance with the other terms and conditions contained in the proposal of said firm presented to this meeting, which is hereby accepted. A copy of said proposal is attached to this Ordinance as Exhibit "C" and shall be lodged with the official minutes of this meeting and is incorporated herein by reference. The Mayor and/or other proper officers of the City are hereby authorized and directed to endorse the acceptance of this City on said proposal and to deliver an executed copy thereof to the Purchaser.

Such award and sale is conditional, however, upon the following: (a) all provisions of this Ordinance becoming effective; (b) the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the issuance of the 2015 Bonds; and (c) the approval of any other governmental agency, the approval of which is determined to be necessary by the City Solicitor.

Section 15. The City hereby determines that a refunding of the 2006 Bonds is in the best interests of the City and hereby authorizes an officer of the City to deliver an optional redemption notice to call the outstanding 2006 Bonds on November 15, 2016 in accordance with the terms of the 2006 Bonds.

Section 16. This City hereby determines to accept the Bond Insurance Commitment offered by the Bond Insurer for the 2015 Bonds (the "Bond Insurance Commitment"). The Mayor and/or other proper officers of the City are authorized and directed to execute, to attest, to seal and to deliver, as applicable the Bond Insurance Commitment so approved, or in such form as such officers of this City executing the same or the Solicitor to this City may approve, their execution and delivery thereof to constitute conclusive evidence of such approval. A copy of the Bond Insurance Commitment shall be delivered to the City Clerk and is hereby made a part hereof by reference.

Section 17. The 2015 Bonds shall be executed by the Mayor and/or other proper officers of the City, and attested to by the City Clerk of this City and such execution shall be by manual or facsimile signature. A facsimile of the City seal shall be affixed to the 2015 Bonds. The 2015 Bonds shall be authenticated by the manual signature of the Paying Agent, which shall also certify that the approving opinion of Bond Counsel, which shall be affixed to each 2015 Bond, is an accurate reproduction of the approving opinion delivered at the closing for the 2015 Bonds.

Section 18. Upon receipt of the purchase price for the 2015 Bonds, including interest thereon accrued to the date of delivery, if any, the proper officers of the City shall pay said amount to the Paying Agent and said amount shall be deposited in a Settlement Account. From the Settlement Account, the Paying Agent shall first make the payments required to provide for the payment and redemption of the 2006 Bonds to be redeemed. The remaining proceeds in the Settlement Account shall be applied by the Paying Agent towards the payment of the costs of closing and issuance of the 2015 Bonds. The funds remaining in the Settlement Account shall be disbursed from time to time by the Paying Agent pursuant to written instructions from the City Clerk or City Controller of the City and any balance ultimately remaining in any such Settlement

Accounts shall, upon written instructions of the City Clerk or City Controller of the City, either be paid over to the City for the Project, or deposited in the Sinking Fund or otherwise applied according to said instructions.

Section 19. Any money in the Sinking Fund and the Settlement Account not required for prompt expenditure, if any, may, at the direction of the City, be invested in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act No. 177 approved December 19, 1996, as amended. Any such investments or deposits shall mature or be subject to redemption at the option of the holder, or be subject to withdrawal at the option of the depositor, not later than the date upon which such money are required to be paid to the registered owners of the 2015 Bonds.

Section 20. The officers of this City are hereby authorized to enter into an agreement with the Paying Agent providing for the confirmation and acceptance of the appointments herein made as Paying Agent and Sinking Fund Depository for the 2015 Bonds, for its compensation in such capacities, for the administration of the Sinking Fund and for such other matters as counsel may recommend be included in such agreement and as the officers may approve by their execution of such agreement. The officers of this City are further authorized to contract with the Paying Agent or one or more other banks or bank and trust companies, to the extent deemed necessary or advisable, for additional services as trustee, fiscal agent, sinking fund depository or paying agent.

Section 21. A brief description of the Project is set forth in the preamble of this Ordinance. The 2006 Bonds matured not more than forty (40) years from the date of issuance in accordance with Section 8142(a)(1) of the Debt Act and the 2015 Bonds maintain the same maturity date as the 2006 Bonds.

Section 22. The City hereby appoints Barley Snyder LLP, Lancaster, Pennsylvania, as bond counsel for the 2015 Bonds and Concord Public Financial Advisors, Inc., Lancaster, Pennsylvania, as financial advisor for the 2015 Bonds.

Section 23. The action of the City Clerk and Bond Counsel in advertising, or causing to be advertised, a summary of this Ordinance, prior to enactment, as required by law, is hereby ratified and confirmed and the City Clerk, other proper officers of the City and/or Bond Counsel are directed to advertise in the *LNP News* within 15 days following the day of final enactment, a notice of the enactment of this Ordinance. The City Clerk is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

Section 24. The proper officers of the City are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices which may be necessary or appropriate to issue the 2015 Bonds, to authorize the payment of issuance

costs from the Settlement Account, to obtain bond insurance for the 2015 Bonds (if applicable), or otherwise to comply with the provisions of this Ordinance or the Act, in the name and on behalf of the City.

Section 25. The City, shall, if necessary under the terms of the 2006 Bonds, enter into an Escrow Agreement to be dated as of the date of closing on the Note with Fulton Bank, N.A., as Paying Agent for the 2006 Bonds providing, among other things, for:

(a) The delivery to the Paying Agent for the 2006 Bonds of a certification of the amount required to pay the principal of and interest on the 2006 Bonds to be refunded as the same becomes due and payable to the first call date which is the date fixed for redemption of the 2006 Bonds (the "2006 Bond Redemption Date"), together with the principal of and accrued interest required to pay in full those 2006 Bonds called for redemption on the 2006 Bond Redemption Date;

(b) The irrevocable deposit with the Paying Agent for the 2006 Bonds of an amount which, together with interest generated by such deposit, will meet such requirement;

(c) The investment of amounts deposited under the Escrow Agreement in the investments;

(d) Their irrevocable pledge of all amounts held under the Escrow Agreement for the repayment and redemption of the 2006 Bonds. The Paying Agent for the 2006 Bonds shall serve as the Escrow Agent for the 2006 Bonds, under the terms of the Escrow Agreement.

Section 26. Subject only to completion of delivery of, and settlement for, the 2015 Bonds, the City hereby authorizes and directs the irrevocable deposit in trust with the Escrow Agent of proceeds of the 2015 Bonds in an amount which will be sufficient, together with interest to be earned thereon and any other available monies, to effect the refunding of the 2006 Bonds called for redemption pursuant to the terms and provisions of the Escrow Agreement. The Escrow Agent is irrevocably authorized and directed to apply the monies so to be made available to it in accordance with the Escrow Agreement. The Escrow Agent, in the name and on behalf of the City, shall mail with respect to the 2006 Bonds being refunded, a notice of redemption as required by the terms of the 2006 Bonds. In addition, the Escrow Agent is hereby authorized and directed to mail, as required by the Escrow Agreement, a notice of refunding to the holders of the 2006 Bonds to be called for redemption. The City hereby agrees to provide for payment of the expenses of such mailings from proceeds of the Bonds or from monies otherwise made available by the City for such purposes and hereby gives and grants the Escrow Agent full authority to do and perform all and every act and thing whatsoever required and necessary to effectuate said purpose as the City might do on its own behalf, and hereby ratifies and confirms all that said Escrow Agent shall do or cause to be done by virtue thereof.

The date or dates on which that portion of the 2006 Bonds to be called for redemption shall be determined by the proper officers of the City.

Section 27. In addition, the City hereby agrees to enter into a competitive bidding process for the purchase by the City of "open-market" securities which shall be used to fund the refunding escrow for the 2006 Bonds. The Mayor and/or other proper officers of the City are

hereby authorized to enter into any documentation for such process as may be acceptable to such person and any action previously taken by such person with respect thereto is hereby ratified and confirmed.

This Ordinance is enacted pursuant to, and the 2015 Bonds issued hereunder shall be subject to, the provisions of the Act and all of the mandatory provisions thereof shall apply hereunder whether or not explicitly stated herein.

Section 28. This Ordinance constitutes a contract with the current holder and any subsequent registered owner of the 2015 Bonds and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

Section 29. In case any one or more of the provisions contained in this Ordinance or in the 2015 Bonds issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of the 2015 Bonds, and this Ordinance or the 2015 Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

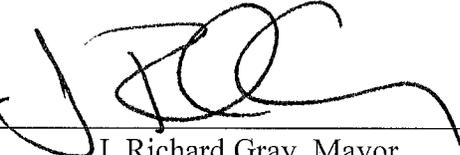
Section 30. All Ordinances and parts of Ordinances heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

Section 31. This Ordinance shall take effect on the earliest date permitted by the Act.

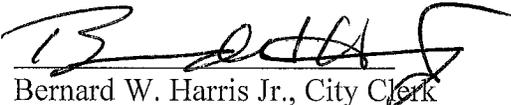
[signature page follows]

**DULY ADOPTED**, by the Governing Body of this Local Government Unit, in lawful session duly assembled, this \_\_\_\_ day of September, 2015.

CITY OF LANCASTER

By:   
\_\_\_\_\_  
J. Richard Gray, Mayor

Attest:

  
\_\_\_\_\_  
Bernard W. Harris Jr., City Clerk

Dated:

9/22/15

(CITY SEAL)