

**ORDINANCE NO. 104  
OF THE BOARD OF COMMISSIONERS  
OF THE COUNTY OF BUCKS,  
PENNSYLVANIA**

AN ORDINANCE AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT BY THE COUNTY OF BUCKS (THE "COUNTY"), PURSUANT TO THE EXECUTION AND DELIVERY OF A GUARANTY AGREEMENT FOR THE BUCKS COUNTY AIRPORT AUTHORITY (THE "AUTHORITY"); APPROVING CERTAIN CAPITAL PROJECTS OF THE AUTHORITY; APPROVING THE ISSUANCE AND NEGOTIATED SALE OF THE GUARANTEED REVENUE NOTE, SERIES OF 2000 (THE "2000 NOTE"); APPROVING THE FORMS OF THE PROMISSORY NOTE, LOAN AGREEMENT, AND GUARANTY AGREEMENT OF THE 2000 NOTE AND AUTHORIZING EXECUTION AND DELIVERY OF THE GUARANTY AGREEMENT; SETTING FORTH THE RANGE OF THE ANNUAL LEASE RENTAL PAYMENTS DUE UNDER THE GUARANTY AGREEMENT; PLEDGING THE FULL FAITH, CREDIT, AND TAXING POWER OF THE COUNTY FOR ANY PAYMENTS DUE UNDER THE GUARANTY AGREEMENT IN THE EVENT OF A PAYMENT DEFAULT BY THE AUTHORITY; AUTHORIZING THE PREPARATION AND FILING OF ALL NECESSARY DOCUMENTS TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING ADVERTISEMENT OF ENACTMENT; AND REPEALING INCONSISTENT ORDINANCES.

WITNESSETH:

WHEREAS, the Bucks County Airport Authority (the "Authority") is a body corporate and politic duly organized by the County of Bucks (the "County") under the *Municipality Authorities Act of 1945* (the "*Authorities Act*"), as amended; and

WHEREAS, the Authority owns and operates airports (collectively, the "Airports") that service the County; and

WHEREAS, the Authority wishes to undertake certain capital projects consisting of (i) the local share of costs for property acquisitions at the Doylestown Airport, (ii) the acquisition of equipment for snow removal and obstruction removal at the Quakertown Airport, and (iii) the costs of issuance of the 2000 Note (collectively, the "2000 Project"); and

WHEREAS, the Authority has determined that the negotiated sale of the 2000 Note to the Delaware Valley Regional Finance Authority (the "DVRFA") is in the best financial interest of the Authority; and

WHEREAS, the DVRFA's Purchase Proposal requires the execution and delivery of a Guaranty Agreement among the County, the Authority, and DVRFA as a condition to the purchase of the 2000 Note; and

WHEREAS, the County has determined that the Authority's 2000 Project will benefit the County and will contribute to the health and general welfare of the County's residents; and

WHEREAS, the County has determined that it would be obligated to make payments to DVRFA only in the event of a payment default by the Authority; and

WHEREAS, the County has determined that the execution of the Guaranty Agreement (the "2000 Guaranty") will allow the Authority to minimize the costs of issuance and the interest costs of the 2000 Note; and

WHEREAS, the execution and delivery of the 2000 Guaranty, under which the County shall guarantee the Authority's obligations to pay principal, interest, and other charges due and payable to the DVRFA under the terms of the 2000 Note, will constitute "lease rental debt" under the *Local Government Unit Debt Act* (the "Act"), as amended and restated.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUCKS, PENNSYLVANIA, AND IT IS HEREBY ORDAINED AND ENACTED BY THE AUTHORITY OF SAID BOARD OF COMMISSIONERS THAT:

**SECTION 1. APPROVAL OF THE 2000 PROJECT, ESTIMATED USEFUL LIFE OF THE 2000 PROJECT, AND AUTHORIZATION OF THE 2000 NOTE**

The Board of Commissioners hereby finds that the 2000 Project would be beneficial to and would promote the health and general welfare of the residents of the County. The weighted average useful life of the 2000 Project is in excess of the ten year term of the 2000 Note. The amortization of the principal of the 2000 Note shall begin within one year of the date of issuance of the 2000 Note. The principal of the 2000 Note shall be amortized to provide level debt service. The Board of Commissioners hereby approves the 2000 Project and hereby approves the issuance of the 2000 Note by the Authority to fund the 2000 Project.

**SECTION 2. APPROVAL OF THE PURCHASE PROPOSAL**

The Board of Commissioners, after due deliberation and investigation, hereby determines that a private sale by negotiation of the 2000 Note to the DVRFA is in the best financial interest of the County and the Authority. The County hereby approves the sale of the 2000 Note in accordance with the terms of the proposal submitted by DVRFA, attached hereto as Exhibit I (the "Purchase Proposal"). The DVRFA will purchase the 2000 Note at a price of \$120,000. The Authority shall be responsible for paying the DVRFA's costs to purchase the 2000 Note, in an amount not to exceed \$480, as directed by the DVRFA's Program Administrator at the issuance of the 2000 Note. The 2000 Note shall be purchased by DVRFA on or about October 6, 2000, or in such installments and/or at such other times as the Authority's Chairman and the DVRFA's Program Administrator shall determine.

**SECTION 3. APPROVAL OF THE FORMS OF THE PROMISSORY NOTE, LOAN AGREEMENT, AND GUARANTY AGREEMENT AND AUTHORIZATION TO TAKE ALL NECESSARY ACTIONS**

The Board of Commissioners hereby approves the substantial forms of the Promissory Note, Loan Agreement, and Guaranty Agreement attached to the DVRFA's Purchase Proposal. The Chairman or Vice Chairman and the Chief Clerk are hereby authorized and directed to execute and deliver the Guaranty Agreement, in the substantial form attached to the Purchase Proposal, but with such alterations, deletions and additions as the Chairman or Vice Chairman may approve (such approval to be conclusively established by the execution of the Guaranty Agreement by the Chairman or Vice Chairman). The Chairman or Vice Chairman and the Chief Clerk also are hereby authorized and directed (i) to execute and deliver such other certificates, instruments, and agreements (including certificates, instruments and agreements required by any institution issuing any municipal bond insurance policy, letter of credit, or similar instrument securing the DVRFA's Bonds) and (ii) to take all actions that may be necessary or beneficial to issue the 2000 Note.

**SECTION 4. AMORTIZATION AND MAXIMUM ANNUAL DEBT SERVICE SCHEDULE**

The 2000 Note shall bear interest at the floating rate specified in the Loan Agreement and Promissory Note, the substantial forms of which are attached to the Purchase Proposal. The annual lease rental payments due under the Guaranty Agreement would range from \$0 to

\$39,095.89. The principal amortization schedule and maximum annual debt service payments (within the meaning of the Loan Agreement) for the 2000 Note (based upon the maximum interest rate of 25%) are set forth below:

**Bucks County Airport Authority  
Guaranteed Revenue Note, Series of 2000  
Principal Amortization Schedule and  
Maximum Annual Debt Service at 25% Interest Rate**

<u>Period Ending</u>	<u>Principal Payment (1)</u>	<u>Maximum Interest Rate</u>	<u>Maximum Interest Payment (2)</u>	<u>Maximum Annual Debt Service</u>
25-Sep-01	\$ 10,000.00	25%	\$ 29,095.89	(3) \$ 39,095.89
25-Sep-02	10,000.00	25%	27,500.00	37,500.00
25-Sep-03	10,000.00	25%	25,000.00	35,000.00
25-Sep-04	11,000.00	25%	22,500.00	33,500.00
25-Sep-05	12,000.00	25%	19,750.00	31,750.00
25-Sep-06	12,000.00	25%	16,750.00	28,750.00
25-Sep-07	13,000.00	25%	13,750.00	26,750.00
25-Sep-08	13,000.00	25%	10,500.00	23,500.00
25-Sep-09	14,000.00	25%	7,250.00	21,250.00
25-Sep-10	15,000.00	25%	3,750.00	18,750.00
Total	<u>\$ 120,000.00</u>		<u>\$ 175,845.89</u>	<u>\$ 295,845.89</u>

(1) Principal is amortized to provide level debt service at 4.925%. Principal is payable annually on September 25, commencing September 25, 2001.

(2) Interest is payable monthly on the 25th day of the month, commencing November 25, 2000.

(3) Calculated for the period beginning on October 6, 2000.

**SECTION 5. AUTHORIZATION TO INCUR LEASE RENTAL DEBT AND PLEDGE OF FULL FAITH, CREDIT, AND TAXING POWER**

The County is hereby authorized to incur lease rental debt, as defined in the *Act*, which shall be evidenced by the 2000 Guaranty that secures the 2000 Note. The County hereby pledges its full faith, credit, and taxing power to unconditionally guarantee (i) the full and prompt payment of interest and principal due on the 2000 Note and (ii) the full and prompt payment of any other charges, including the Administrative Fees and Expenses and Monthly Finance Charges or any deficiencies of reserves due under the Loan Agreement for the 2000 Note. The County covenants to include amounts payable under the 2000 Guaranty in the budget of the fiscal year in which such amounts are due and payable (provided that such amount was due and payable on the date of adoption of the budget or was reasonably expected to become payable during the period covered by the budget). The County covenants to appropriate amounts from its taxes and general revenues and punctually to pay or cause to be paid any amounts that are due and payable under the 2000 Guaranty.

All payments required under the 2000 Guaranty shall be made to the Authority's Sinking Fund Depository for the 2000 Note. The County shall not claim any right of set-off, counterclaim, reduction or diminution of an obligation, or any other defense against the Authority or DVRFA to reduce its payment obligations under the 2000 Guaranty. The County's payment obligations to DVRFA, the holder of the 2000 Note, are absolute and unconditional. The 2000 Guaranty shall remain in full force and effect until the Authority has satisfied all of its obligations to DVRFA under the 2000 Note.

**SECTION 6. AUTHORIZATION TO SUBMIT STATEMENTS TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**

The Chairman or Vice Chairman of the Board of Commissioners and the Chief Clerk of the County are hereby authorized to prepare and to submit to the Department of Community and Economic Development ("DCED") the debt statement required by Section 8110 of the *Act*, the proceedings that authorize the incurrence of lease rental debt that is evidenced by the 2000 Guaranty and any other documents required by the *Act* or DCED.

**SECTION 7. LEGAL ADVERTISEMENTS**

The advertising of a summary of this Ordinance, as required by the *Act*, in *The Intelligencer Record*, a newspaper of general circulation in the County, is hereby approved, ratified, and confirmed.

**SECTION 8. CONFLICTING ORDINANCES**

All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

IN WITNESS WHEREOF, we, the Undersigned, being respectively the Chairman of the Board of Commissioners and the Chief Clerk of the County of Bucks, Commonwealth of Pennsylvania have hereunto set our signatures and affixed hereto the Seal of the County this 6th day of September, 2000.

CHARLES H. MARTIN  
Chairman of the Board of Commissioners  
County of Bucks, Pennsylvania

[Seal]

Michael G. Fitzpatrick, Commissioner

Sandra A. Miller, Commissioner

ATTEST:

DAVID G. STEINBACH  
Chief Clerk  
County of Bucks, Pennsylvania