

COUNTY OF BUCKS  
COMMONWEALTH OF PENNSYLVANIA

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ORDINANCE NO. 107  
Enacted June 6, 2001

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AN ORDINANCE OF THE COUNTY OF BUCKS, PENNSYLVANIA, AUTHORIZING THE COUNTY TO INCUR LEASE RENTAL DEBT IN THE AMOUNT OF \$7,300,000 BY GUARANTYING \$7,300,000 PRINCIPAL AMOUNT OF BONDS TO BE ISSUED BY THE BUCKS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF A MULTIFAMILY HOUSING PROJECT; BRIEFLY DESCRIBING THE PROJECT FOR WHICH SAID DEBT IS TO BE INCURRED; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE COUNTY TO PREPARE, VERIFY AND FILE THE DEBT STATEMENT AND OTHER APPROPRIATE DOCUMENTS REQUIRED BY THE LOCAL GOVERNMENT UNIT DEBT ACT; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE COUNTY TO FILE DOCUMENTS NECESSARY TO QUALIFY THE LEASE RENTAL DEBT AS SELF-LIQUIDATING DEBT; AUTHORIZING APPROPRIATE OFFICERS OF THE COUNTY, UPON RECEIPT OF APPROVAL OF THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, TO EXECUTE AND DELIVER AN INSTRUMENT EVIDENCING THE COUNTY'S GUARANTY WITH RESPECT TO THE AFORESAID BONDS; GUARANTEEING THE FULL PAYMENT, WHEN DUE, OF THE PRINCIPAL OF AND INTEREST ON THE AFORESAID BONDS AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO; PROVIDING FOR AND AUTHORIZING PROPER OFFICERS OF THE COUNTY TO TAKE ALL OTHER ACTIONS AS MAY BE NECESSARY OR DESIRABLE IN CONNECTION WITH SAID GUARANTY; REPEALING INCONSISTENT ORDINANCES; AND PROVIDING AN EFFECTIVE DATE FOR THE WITHIN ORDINANCE

WHEREAS, the County of Bucks, Pennsylvania (the "County"), is a local government unit, as defined in the Local Government Unit Debt Act, Act No. 177 of December 19, 1996, P.L. 1158, as amended (the "Debt Act"); and

WHEREAS, under the Debt Act, the County is authorized to make guaranties, payable out of taxes and other general revenues of the County, of bonds of authorities; and

WHEREAS, the Bucks County Industrial Development Authority (the "Authority") is a body politic and corporate organized and existing under the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended, and is an authority as defined therein; and

WHEREAS, the Authority has authorized and proposes to issue and sell \$7,300,000 in aggregate principal amount of its Bucks County Industrial Development Authority, Guaranteed Multifamily Housing Revenue Bonds (New Hope Manor Project), Series 2001A (the "Bonds"), for the purpose of financing a portion of the costs of a project consisting of: (a) the construction by New Hope Senior Housing, L.P. (the "Developer") of a 100 unit senior citizen multifamily residential housing project (30 units of which will be reserved for occupancy of the elderly

earning 50%, or less, of the area median income) on land it will lease from the Bucks County Housing Development Corporation on Sугan Road in New Hope Borough and Solebury Township, Bucks County, Pennsylvania; (b) capitalized interest; and (c) a portion of the costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS, the County, in order to assist the Authority and the Developer with the Project, has determined to guarantee the full payment of the principal of and interest on the Bonds, pursuant to authority conferred on the County by the Debt Act; and

WHEREAS, the lease rental debt authorized to be incurred hereby, and the existing net debt of the County, as determined under the provisions of the Debt Act, do not in the aggregate exceed the limitations of the Constitution of the Commonwealth of Pennsylvania or of the Debt Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUCKS, PENNSYLVANIA, AS FOLLOWS:

Section 1. The Board of County Commissioners of the County hereby determines to incur lease rental debt, as such term is defined in the Debt Act, in an aggregate principal amount of \$7,300,000, such debt to be evidenced by the guaranty of the County as set forth herein for the purpose of assisting the Authority and the Developer in the effectuation of the Project.

Section 2. A realistic estimate of the costs of the Project has been obtained on behalf of the County by the Authority. The estimated useful life of the Project is at least 40 years.

Section 3. The County Commissioners hereby authorize and direct that the necessary documentation be filed with the Pennsylvania Department of Community and Economic Development (the "Department") so that the debt incurred hereunder may be approved as lease rental debt of the County. It is therefore hereby declared that the lease rental debt of the County to be incurred hereunder shall be \$7,300,000 which, together with all presently existing net debt of the County, will not be in excess of the limitations as set forth in the Debt Act. The Chairman of the County Commissioners or any other proper officers of the County and their successors are hereby authorized and directed to prepare, certify and file the debt statement required by Section 8110 of the Debt Act, together with the Borrowing Base Certificate and an application for approval of said indebtedness, with the Department as promptly as practicable and to do and perform all other acts and sign all other documents necessary and proper in connection therewith.

Section 4. The Chairman of the County Commissioners or any other proper officers of the County and their successors are hereby authorized and directed to prepare, certify and file with the Department such statements and other documents as may be required under Section 8026 of the Debt Act in order to qualify all or a portion of the lease rental debt authorized hereby for exclusion from the County's lease rental debt limit as self-liquidating debt.

Section 5. Upon receipt by the County of the approval of the Department to incur lease rental debt, the County shall enter into the Guaranty, substantially in the form of Exhibit "A" to this Ordinance, with such changes therein as shall be approved by the County Solicitor and the officers executing the Guaranty, such approval to be conclusively evidenced by such execution.

Section 6. The maximum amount to be paid in each year under the Guaranty is set out on Exhibit "B" attached to this Ordinance. The County covenants that it will include the amount of each such payment in its budget for each year in which each such amount is payable; that it will appropriate such amounts from its revenues for such payments and that it will duly and punctually pay such amounts or cause them to be paid on the dates and at the places and in the manner stated in the Guaranty according to the true intent and meaning thereof. In preparing and adopting its budget for any year, the County may, unless it has received notice of default under the Authority's Trust Indenture for the Bonds, treat as a revenue item an amount not in excess of the amount of its liability hereunder for such year which the Authority estimates will be available to pay debt service on the Bonds in that year from other sources. Such amount may be on deposit with the Trustee or estimated to be received during the year on or before the dates when payments of principal of or interest on the Bonds will be due. For such budgeting, appropriation and payment, the County hereby pledges its full faith, credit and taxing power.

Section 7. All actions heretofore taken and documents prepared by officials of the County in connection with the incurring of indebtedness as described herein are hereby ratified, affirmed, approved and adopted, and the members of the Board of Commissioners, the County Treasurer, County Clerk, County Solicitor and other appropriate County officials are hereby jointly and severally authorized and directed to take all other necessary or appropriate action in connection with the incurring of indebtedness as described herein, including, without limitation, the execution of such documents as may be necessary or appropriate in connection therewith.

Section 8. All ordinances and resolutions or parts thereof, to the extent inconsistent herewith, are hereby repealed and rescinded.

Section 9. This Ordinance shall be valid and effective for all purposes on the fifth day following advertisement of final enactment hereof, as provided in the Debt Act.

DULY ORDAINED AND ENACTED this 6<sup>th</sup> day of June, 2001.

[SEAL]

Attest:

  
County Clerk

COUNTY OF BUCKS  
By:   
Commissioner

  
Commissioner

  
Commissioner

EXHIBIT "A"GUARANTY

THIS GUARANTY, made as of \_\_\_\_\_, 2001, by and among THE COUNTY OF BUCKS, PENNSYLVANIA (the "County") and THE BUCKS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (the "Authority") and \_\_\_\_\_, (the "Trustee"), acting as trustee pursuant to a trust indenture (the "Indenture") dated as of July 1, 2001, between the Trustee and the Authority.

WHEREAS, the Authority is a body corporate and politic, organized and existing under the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended and supplemented (the "Act"); and

WHEREAS, the Authority proposes to issue its Guaranteed Multifamily Housing Revenue Bonds (New Hope Manor Project), Series 2001A (the "Bonds") pursuant to the Indenture in an aggregate principal amount of \$7,300,000, the proceeds of which are to be used to finance the costs of a project (the "Project") consisting of: (a) the construction of a multifamily residential housing project on Sugan Road in New Hope Borough and Solebury Township, Bucks County, Pennsylvania; (b) capitalized interest; and (c) a portion of the costs of issuance of the Bonds; and

WHEREAS, the County has determined that payment of principal of and interest on the Bonds will be unconditionally guaranteed by the County pursuant to this Guaranty; and

WHEREAS, the County, pursuant to authority granted by the Pennsylvania Local Government Unit Debt Act, Act No. 177 of December 19, 1996, P.L. 1158, as amended (the "Debt Act"), and by virtue of an Ordinance of the County, duly enacted and approved on June 6, 2001, (the "Ordinance"), this Guaranty has been duly authorized by the County.

NOW, THEREFORE, the County, the Authority and the Trustee, in consideration of the premises and the issuance and delivery of the Bonds and intending to be legally bound, do hereby agree as follows:

1. The County hereby guarantees the full payment of the principal of and interest on the Bonds and in furtherance thereof covenants and agrees with the holders from time to time of the Bonds issued and outstanding under the Indenture between the Authority and the Trustee, that if the Authority shall fail to pay or cause to be paid the full amount of the principal of and interest on all outstanding Bonds when the same become due and payable, at the times and places, under the terms and conditions, and in the manner prescribed in the Bonds and the Indenture, the County will pay the full amount of such principal and interest to the then holders of such Bonds.

2. The County hereby covenants with the Trustee, and with the holders from time to time of the Bonds, that it shall include in its budget for that year all amounts payable under this Guaranty for each fiscal year in which such sums are payable, shall appropriate from its general revenues such amounts to the payment of its obligations hereunder, shall duly and punctually pay or cause to be paid such amounts at the date and place and in the manner stated herein according to the true intent and meaning hereof and for such budgeting, appropriation and payments, the County hereby pledges its full faith, credit and taxing power, which presently includes ad valorem taxes on all taxable property in the County without limitation as to rate or amount. The County further agrees that the covenant contained in this Paragraph 2 may be specifically enforced against it by any owner of the Bonds or by the Trustee on behalf of such owners, all as provided in the Debt Act.

3. The County agrees to pay such amount to the Trustee as may be required to discharge the County's obligations hereunder within three (3) business days of delivery by the Trustee to the County's Chief Clerk of a drawing certificate in the form attached hereto as Attachment I, completed as appropriate. The Trustee shall communicate any additional

information the County requests and otherwise cooperate with the County so as to facilitate the County's performance of its obligations under this Guaranty.

4. The Trustee shall give the County immediate telephonic notice of the occurrence of any default under the Indenture. The term "default" for the purpose of this provision includes both Events of Default (as defined in the Indenture) and events which but for notice or lapse of time would constitute an Event of Default (as defined in the Indenture). Said telephonic notice shall be confirmed within twenty-four (24) hours in writing delivered by certified mail or such other method of delivery as in the judgment of the Trustee is of equal or greater effectiveness.

5. This Guaranty is entered into pursuant to the Debt Act and is intended to confer upon the owners of the Bonds the rights provided therein for holders of obligations guaranteed pursuant to Section 8005 of the Debt Act. In addition to any other rights and remedies available for the enforcement hereof, this Guaranty may be enforced in accordance with the rights and remedies contained in Chapter 82, Subchapter D of the Debt Act.

6. So long as any Bonds remain outstanding this Guaranty shall remain in full force and effect, irrespective of whether there has been any breach by the Authority of its obligations under the Indenture or of any disagreement between the County and the Authority as to the accuracy of any insufficiency notice, it being the intention of the parties hereto that so long as any Bonds shall remain outstanding there shall be no termination or abatement of the obligation of the County to make payments as aforesaid for any cause whatsoever, whether similar or dissimilar to any of the foregoing, any present or future law to the contrary notwithstanding.

7. The County agrees that its obligations hereunder shall be absolute and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Authority of any obligation to the County, whether hereunder or otherwise.

8. This Guaranty shall take effect immediately upon its execution and delivery by all parties hereto and shall remain in full force and effect until the date all Bonds have been paid in full or otherwise satisfied by virtue of the provisions contained in the Indenture.

9. Subsequent to the issuance of the Bonds, this Guaranty may not be amended, changed, modified, altered or terminated in any manner without the prior written consent of the Trustee.

10. This Guaranty is being entered into solely for the benefit of the Authority, the owners of the Bonds, the Trustee on behalf of such owners, and each of their respective successors and assigns, and nothing in this Guaranty expressed or implied is intended or shall be construed to give to any other person any legal or equitable right, remedy or claim under or in respect of this Guaranty or any covenants, conditions or provisions contained herein.

11. The invalidity or unenforceability of any one or more provisions in this Guaranty shall not affect the validity or enforceability of the remaining portions of this Guaranty, or any part thereof.

12. The Ordinance, in its entirety, is hereby incorporated herein by reference.

IN WITNESS WHEREOF, the County, the Trustee and the Authority have caused this Guaranty to be duly executed as of the day and year first above written.

COUNTY OF BUCKS

By: [Signature]  
Commissioner

[Signature]  
Commissioner

[Signature]  
Commissioner

[ SEAL ]

Attest:

[Signature]  
Chief Clerk

Attest:

\_\_\_\_\_ as Trustee

\_\_\_\_\_  
Authorized Officer

By: \_\_\_\_\_  
Authorized Officer

BUCKS COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY

Attest:

By: \_\_\_\_\_  
Authorized Officer

By: \_\_\_\_\_  
Authorized Officer

ATTACHMENT IDRAWING CERTIFICATE

County of Bucks  
 Bucks County Administration Building  
 Doylestown, PA 18901

Re: Drawing Certificate under Guaranty of County of Bucks, dated \_\_\_\_\_, with respect to \$7,300,000 Bucks County Industrial Development Authority Guaranteed Multifamily Housing Revenue Bonds, (New Hope Manor Project), Series 2001A (the "Bonds")

The undersigned individual, a duly authorized representative of \_\_\_\_\_ ("Trustee"), hereby certifies as follows:

1. This Drawing Certificate is being submitted pursuant to the terms of a Guaranty of the County of Bucks dated \_\_\_\_\_, (the "Guaranty") pursuant to which the County has guaranteed the payment of the debt service on the Bonds.

2. The amount currently on deposit in the Principal and Interest Account for the Bonds is \$ \_\_\_\_\_.

3. The next payment date for principal and/or interest of the Bonds is \_\_\_\_\_.

4. The amount needed to make full and timely payment of said principal and/or interest is \$ \_\_\_\_\_.

5. Pursuant to Paragraph 3 of the Guaranty, please remit the following amount to the attention of the undersigned within three business days of this date: \$ \_\_\_\_\_.

Sincerely,

EXHIBIT "B"

BUCKS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
 \$7,300,000 GUARANTEED MULTIFAMILY HOUSING  
 REVENUE BONDS, (NEW HOPE MANOR PROJECT), SERIES 2001A

MAXIMUM LEASE RENTAL DEBT SERVICE SCHEDULE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/12/2001					
02/01/2002			\$255,966.51	\$255,966.51	
08/01/2002			231,527.50	231,527.50	\$487,494.01
02/01/2003			231,527.50	231,527.50	
08/01/2003	\$50,000	4.000%	231,527.50	281,527.50	513,055.00
02/01/2004			230,527.50	230,527.50	
08/01/2004	55,000	4.250%	230,527.50	285,527.50	516,055.00
02/01/2005			229,358.75	229,358.75	
08/01/2005	55,000	4.450%	229,358.75	284,358.75	513,717.50
02/01/2006			228,135.00	228,135.00	
08/01/2006	60,000	4.700%	228,135.00	288,135.00	516,270.00
02/01/2007			226,725.00	226,725.00	
08/01/2007	60,000	4.850%	226,725.00	286,725.00	513,450.00
02/01/2008			225,270.00	225,270.00	
08/01/2008	65,000	5.000%	225,270.00	290,270.00	515,540.00
02/01/2009			223,645.00	223,645.00	
08/01/2009	70,000	5.150%	223,645.00	293,645.00	517,290.00
02/01/2010			221,842.50	221,842.50	
08/01/2010	70,000	5.300%	221,842.50	291,842.50	513,685.00
02/01/2011			219,987.50	219,987.50	
08/01/2011	75,000	6.050%	219,987.50	294,987.50	514,975.00
02/01/2012			217,718.75	217,718.75	
08/01/2012	80,000	6.250%	217,718.75	297,718.75	515,437.50
02/01/2013			215,218.75	215,218.75	
08/01/2013	85,000	6.250%	215,218.75	300,218.75	515,437.50
02/01/2014			212,562.50	212,562.50	
08/01/2014	90,000	6.250%	212,562.50	302,526.50	515,125.00
02/01/2015			209,750.00	209,750.00	
08/01/2015	95,000	6.250%	209,750.00	304,750.00	514,500.00
02/01/2016			206,781.25	206,781.25	
08/01/2016	100,000	6.250%	206,781.25	306,781.25	513,562.50
02/01/2017			203,656.25	203,626.25	
08/01/2017	110,000	6.250%	203,656.25	313,656.25	517,312.50
02/01/2018			200,218.75	200,218.75	
08/01/2018	115,000	6.250%	200,218.75	315,218.75	515,437.50
02/01/2019			196,625.00	196,625.00	
08/01/2019	120,000	6.250%	196,625.00	316,625.00	513,250.00
02/01/2020			192,875.00	192,875.00	
08/01/2020	130,000	6.250%	192,875.00	322,875.00	515,750.00
02/01/2021			188,812.50	188,812.50	
08/01/2021	140,000	6.250%	188,812.50	328,812.50	517,625.00
02/01/2022			184,437.50	184,437.50	
08/01/2022	145,000	6.500%	184,437.50	329,437.50	513,875.00
02/01/2023			179,725.00	179,725.00	
08/01/2023	155,000	6.500%	179,725.00	334,725.00	514,450.00
02/01/2024			174,687.50	174,687.50	
08/01/2024	165,000	6.500%	172,687.50	339,687.50	514,375.00
02/01/2025			169,325.00	169,325.00	
08/01/2025	175,000	6.500%	169,325.00	344,325.00	513,650.00
02/01/2026			163,637.50	163,637.50	
08/01/2026	190,000	6.500%	163,637.50	353,637.50	517,275.00
02/01/2027			157,462.50	157,462.50	

08/01/2027	200,000	6.500%	157,462.50	357,462.50	514,925.00
02/01/2028			150,962.50	150,962.50	
08/01/2028	215,000	6.500%	150,962.50	365,962.50	516,925.00
02/01/2029			143,975.00	143,975.00	
08/01/2029	225,000	6.500%	143,975.00	368,975.00	512,950.00
02/01/2030			136,662.50	136,662.50	
08/01/2030	240,000	6.500%	136,662.50	376,662.50	513,325.00
02/01/2031			128,862.50	128,862.50	
08/01/2031	260,000	6.500%	128,862.50	388,862.50	517,725.00
02/01/2032			120,412.50	120,412.50	
08/01/2032	275,000	6.500%	120,412.50	395,412.50	515,825.00
02/01/2033			111,475.00	111,475.00	
08/01/2033	295,000	6.500%	111,475.00	406,475.00	517,950.00
02/01/2034			101,887.50	101,887.50	
08/01/2034	310,000	6.500%	101,887.50	411,887.50	513,775.00
02/01/2035			91,812.50	91,812.50	
08/01/2035	330,000	6.500%	91,812.50	421,812.50	513,625.00
02/01/2036			81,087.50	81,087.50	
08/01/2036	355,000	6.500%	81,087.50	436,087.50	517,175.00
02/01/2037			69,550.00	69,550.00	
08/01/2037	375,000	6.500%	69,550.00	444,550.00	514,100.00
02/01/2038			57,362.50	57,362.50	
08/01/2038	400,000	6.500%	57,362.50	457,362.50	514,725.00
02/01/2039			44,362.50	44,362.50	
08/01/2039	425,000	6.500%	44,362.50	469,362.50	513,725.00
02/01/2040			30,550.00	30,550.00	
08/01/2040	455,000	6.500%	30,550.00	485,550.00	516,100.00
02/01/2041			15,762.50	15,762.50	
08/01/2041	485,000	6.500%	15,762.50	500,762.50	516,525.00
	\$7,300,000		\$13,277,696.01	\$20,577,969.01	\$20,577,969.01