

COUNTY OF BUCKS
Pennsylvania

Ordinance No. 120

Enacted: December 1, 2004

DECLARING THE FUNDING OF THE COUNTY'S UNFUNDED ACTUARIAL ACCRUED PENSION LIABILITY AS A PROJECT FOR WHICH THE COUNTY DESIRES TO INCUR NONELECTORAL DEBT; AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE COUNTY FOR THE PURPOSE OF PROVIDING FUNDS TO FUND THE ACTUARIAL ACCRUED UNFUNDED PENSION LIABILITY; DETERMINING THE AMOUNT OF DEBT TO BE INCURRED WITH RESPECT TO THE PROJECT TO BE \$85,230,000; PROVIDING FOR THE EVIDENCING OF SUCH DEBT WITH RESPECT TO THE PROJECT BY AN ISSUE OF FEDERALLY TAXABLE GENERAL OBLIGATION BONDS; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE DEBT STATEMENT REQUIRED BY SECTION 8110 OF THE LOCAL GOVERNMENT UNIT DEBT ACT; AUTHORIZING THE ISSUANCE OF FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES OF 2004, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$85,230,000; PROVIDING FOR THE DATE, DESIGNATION, DENOMINATION, REGISTRATION, PLACE OF PAYMENT, NUMBERS, MATURITY AMOUNTS AND DATES, RATES OF INTEREST AND OTHER TERMS WITH RESPECT TO SAID BONDS; ADOPTING A FORM OF BOND; AUTHORIZING THE OFFICERS OF THE COUNTY TO EXECUTE AND THE PAYING AGENT TO AUTHENTICATE SAID BONDS; ESTABLISHING REDEMPTION FEATURES; COVENANTING TO PAY THE DEBT SERVICE ON THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY FOR THE PAYMENT THEREOF; ESTABLISHING A SINKING FUND WITH RESPECT TO SUCH BONDS; PROVIDING FOR A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; FINDING THAT A PRIVATE SALE BY NEGOTIATION OF THE BONDS IS IN THE BEST INTEREST OF THE COUNTY; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; COVENANTING TO PROVIDE CONTINUING DISCLOSURE; AUTHORIZING BOND INSURANCE; SETTING FORTH THE FORM OF BOND AND RESPECTIVE CERTIFICATE OF AUTHENTICATION; SETTING FORTH A DEBT SERVICE SCHEDULE; AND REPEALING INCONSISTENT RESOLUTIONS AND ORDINANCES.

WHEREAS, the Board of County Commissioners (the "Board") of the County of Bucks, Pennsylvania (the "County") has determined to undertake a project (the "Project") consisting of the funding of its unfunded actuarial accrued liability with respect to the pension fund of the County; and

WHEREAS, in accordance with the Local Government Unit Debt Act (the "Debt Act"), being Act No. 185 of the General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, as reenacted by Act No. 177 of 1996, approved December 19, 1996, as amended, the Board has reviewed the actuarial report dated as of June 30, 2004 presented by Hay Group (the "Actuarial Report")

and has determined that the estimated cost of the Project, including costs of financing, is \$85,230,000; and

WHEREAS, Act No. 169 of the General Assembly of the Commonwealth of Pennsylvania, signed into law on December 28, 1994 ("Act 169"), amended the Debt Act to provide local government units, including the County, with the ability to issue bonds to fund unfunded accrued pension liabilities; and

WHEREAS, the Board deems it in the best financial interest of the County to fund its unfunded accrued pension fund liability through the incurrence of nonelectoral debt pursuant to the Debt Act by issuing its Federally Taxable General Obligation Bonds, Series of 2004 (the "Bonds") in the aggregate principal amount of \$85,230,000.

NOW THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of County Commissioners of the County of Bucks, Pennsylvania, that:

Section 1. The Board of the County hereby approves the Project and the funding thereof by the issuance of the Bonds. The Board hereby designates the Project as a purpose or project for the financing of which it desires to incur nonelectoral debt within the meaning of the Debt Act. The County has obtained realistic estimates of the costs of the Project through professional cost estimates from persons qualified by experience to provide such estimates.

Section 2. For the purpose of providing funds for and toward the payment of the costs (as such term is used in the Debt Act) of the Project, including providing funds for and toward the payment of the cost of issuance and sale of the Bonds (as herein defined), the incurring of \$85,230,000 of nonelectoral debt by the County is hereby authorized. Such debt shall be evidenced by an issue of federally taxable general obligation bonds of the County limited to \$85,230,000 in aggregate principal amount, such Bonds to be sold and delivered as hereinafter provided.

Section 3. The Chairman of the Board and the 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, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, the debt statement required by Section 8110 of said Act; and the County Controller and the Chief Clerk or, in the alternative, an independent certified public accountant 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.

Section 4. The Bonds shall be designated as the County's "Federally Taxable General Obligation Bonds, Series of 2004," shall be issued in the denomination of \$5,000 each and

integral multiples thereof, shall be in fully registered form, shall be dated as of the date of delivery, and shall bear interest from such date, payable at the designated corporate trust office of the Paying Agent (as determined by Section 11 hereof) on June 15 and December 15 in each year, commencing June 15, 2005, at the rates of interest specified in Section 5 hereof. All Bonds authenticated after the original issuance of the Bonds shall be dated and bear interest from the interest payment date to which interest has been paid next preceding the date of authentication, unless the date of authentication (i) is an interest payment date to which interest has been paid, in which event Bonds shall be dated and bear interest from the date of authentication, or (ii) is prior to the first interest payment date for the Bonds, in which event such Bonds shall be dated and bear interest from the date of delivery.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the holder in whose name that Bond is registered in the bond register (the "Bond Register") maintained by the Registrar (as determined by Section 10 hereof) at the close of business on the last day (whether or not a business day) of the calendar month next preceding the interest payment date (the "Regular Record Date") for such interest. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

Any interest on any Bond which is payable, but is not punctually paid or provided for, on any interest payment date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered holder on the relevant Regular Record Date by virtue of having been such holder, and such Defaulted Interest shall be paid to the registered holder in whose name the Bond is registered at the close of business on a special record date (the "Special Record Date") to be fixed by the Paying Agent, such Special Record Date to be not more than 15 nor less than 10 days (whether or not a business day) prior to the date of proposed payment. The County shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class mail, postage prepaid, by the Paying Agent to each Bondholder, at such Bondholder's address as it appears in the Bond Register, not less than 10 days prior to such Special Record Date, and may, in its discretion, cause a similar notice to be published once in a newspaper in each place where Bonds are payable, but such publication shall not be a condition precedent to the establishment of such Special Record Date.

Subject to the foregoing provisions of this Section 4, each Bond delivered upon transfer of or exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

At the option of the holder, Bonds may be exchanged for other Bonds of any authorized denomination, of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the principal office of the Registrar.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the County and the Paying Agent duly executed by the Bondholder or such holder's attorney duly authorized in writing.

Transfers and exchanges shall be made without charge to the Bondholder, except that the County may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the County nor the Registrar on behalf of the County shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Bonds selected for redemption under Section 7 hereof and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption as a whole or in part.

Section 5. The Bonds shall mature on December 15 of the years and, in the amounts, and shall bear interest at the rates, all as follows:

<u>Maturity Date (December 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2005	\$1,320,000	2.970%
2006	2,880,000	3.320
2007	2,975,000	3.630
2008	3,080,000	3.940
2009	3,205,000	4.150
2010	3,335,000	4.340
2011	3,480,000	4.500
2012	3,640,000	4.670
2013	3,810,000	4.800
2014	3,990,000	4.850
2015	4,185,000	5.040
2016	4,395,000	5.190
2017	4,625,000	5.300
2018	4,870,000	5.380
2019	5,130,000	5.470
2024	30,310,000	5.680

Section 6. (a) The form of the Bonds shall be substantially as provided in Appendix I attached hereto. The Bonds shall be executed by the manual signatures of the members of the Board (or at least any two of the same), and shall have the corporate seal of the County printed thereon, duly attested by the manual signature of the Chief Clerk (or any acting Chief Clerk appointed for such purpose) and the said officers are hereby authorized to execute the Bonds as aforesaid, provided, that all such Bonds shall be manually authenticated by the Paying Agent provided for in Section 10 hereof.

(b) Notwithstanding the foregoing provisions of Section 4, the Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York.

Except as provided below, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request in writing that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the County or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the Bond Register in connection with discontinuing the book entry system as provided in paragraph (h) below or otherwise.

(c) So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to DTC or its nominee in accordance with the Blanket Letter of Representations, the form of which is set forth in Appendix III hereof, among the County, the Paying Agent and DTC (the "Representations Letter"), on the dates provided for such payments under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the County or the Paying Agent with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds outstanding of any maturity, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(d) The County and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the County nor the Paying Agent shall be affected by any notice to the contrary. Neither the County nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the Bond Register as being a Bondholder, with respect to either: (1) the Bonds, (2) the accuracy of any records maintained by DTC or any such participant, (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (4) any notice which is permitted or required to

be given to Bondholders under this Ordinance, (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds, and (6) any consent given or other action taken by DTC as Bondholder.

(e) So long as the Bonds are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Bondholders under this Ordinance shall be given to DTC as provided in the Representations Letter.

(f) In connection with any notice or other communication to be provided to Bondholders pursuant to this Ordinance by the County or the Paying Agent with respect to any consent or other action to be taken by Bondholders, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the County or the Paying Agent may establish a special record date for such consent or other action. The County or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) The County has executed and delivered to DTC the Representations Letter pursuant to which the County has agreed to comply with the requirements stated in DTC's Operational Arrangements. The Paying Agent has also agreed to comply with the requirements stated in DTC's Operational Arrangements and any successor Paying Agent shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements stated in DTC's Operational Arrangements.

(h) The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either (1) after notice to the County and the Paying Agent, DTC determines to resign as securities depository for the Bonds, or (2) after notice to DTC and the Paying Agent, the County determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the County. In either of such events (unless in the case described in clause (2) above, the County appoints a successor securities depository), the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated in writing by DTC, but without any liability on the part of the County or the Paying Agent for the accuracy of such designation. Whenever DTC requests the County and the Paying Agent to do so, the County and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

The Chairman of the Board or his delegate is hereby authorized and directed to deliver the Bonds to the purchasers of the Bonds, hereinafter named, upon the terms and conditions hereinafter

provided for such delivery, and all officers of the County are hereby authorized to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the issuance and sale of the Bonds, all in accordance with this Ordinance and the Debt Act.

Pending preparation of Bonds in definitive form, the County may execute, and upon its request in writing, the Paying Agent shall authenticate and deliver in lieu of definitive Bonds, and subject to the same provisions, limitations and conditions, one or more printed, lithographed or typewritten Bonds in temporary form, substantially of the tenor of the Bonds as provided in Appendix I hereof, with appropriate omissions, variations and insertions. Such Bond or Bonds in temporary form shall be in the principal amount of \$5,000 or any integral multiple thereof. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall have the same rights, remedies and securities as definitive Bonds. The County shall prepare, execute and deliver to the Paying Agent and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form, the Paying Agent shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form in any authorized denomination, and for the same aggregate principal amount as the Bond or Bonds in temporary form surrendered, such exchange to be made by the Paying Agent without any charge therefor.

Section 7. The Bonds maturing on or after December 15, 2015 are subject to redemption prior to their respective stated dates of maturity, at the option of the County, as a whole or in part at any time, in such order of maturity as may be directed by the County and within any maturity by lot or by any other method deemed by the Paying Agent to be fair and appropriate, on or after December 15, 2014 at a redemption price of 100% of the principal amount of Bonds being redeemed, plus interest accrued to the redemption date.

The Bonds stated to mature on December 15, 2024 are subject to mandatory redemption prior to maturity at the principal amount thereof, plus interest accrued to the redemption date, in part, in order of maturity and within a maturity by lot or by any other method deemed by the Paying Agent to be fair and appropriate, on December 15 of the years 2020 through 2023, inclusive, from moneys required by Section 10 hereof to be deposited for the purpose of such redemption in the sinking fund established under said Section 10 in accordance with the provisions of the form of Bonds set forth in Appendix I hereto.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized

denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption under the preceding provisions shall be made upon written notice given by first-class mail, postage prepaid, mailed not less than thirty (30) days prior to the redemption date to the registered owner of the Bond to be redeemed at such owner's registered address as it appears in the Bond Register; provided, however, that failure to mail such notice to any registered owner, or any defect therein, shall not affect the validity of the redemption proceedings for any other Bond for which notice was properly given. Each such notice shall be dated and shall be given in the name of the County and shall state the following information:

- (i) the identification numbers and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;
- (ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such Bonds;
- (iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;
- (iv) the redemption date;
- (v) the redemption price;
- (vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (vii) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Paying Agent for the Bonds.

In addition to the foregoing notice, further notice of any redemption of Bonds hereunder shall be given, at least two (2) business days in advance of the mailed notice to Bondholders, 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 Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Financial Information, Inc.'s "Daily Called Bond Service", Kenny Information Service's "Called Bond Service", Moody's "Municipal and Government", and Standard & Poor's "Called Bond Record"). Such further notice shall contain the information required in the notice to Bondholders. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given to the Bondholders as prescribed above.

If at the time of mailing notice of redemption the County shall not have deposited with the Paying Agent for the Bonds moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Any Bond which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Bonds called for redemption in the notice provided for such redemption (with due endorsement by, or a written instrument of transfer in form and with guaranty of signature satisfactory to the County and the Paying Agent duly executed by, the holder thereof or his attorney duly authorized in writing) and the County shall execute and the Paying Agent shall authenticate and deliver to the holder of such Bond without service charge, a new Bond or Bonds, of any authorized denomination as requested by such holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Section 8. Except as provided in Section 4 hereof with respect to any tax or other governmental charge payable in connection with a transfer of Bonds, the principal of and interest on the Bonds shall be payable without deduction of, and the County assumes and agrees to pay, any tax or taxes which the County or the Treasurer thereof may be required to pay thereon or retain therefrom under or by virtue of any present or future law of the Commonwealth of Pennsylvania, except gift, succession or inheritance taxes.

Section 9. The County hereby covenants with the holders from time to time of the Bonds outstanding pursuant to this Ordinance that it shall include the amount of the debt service (as specified, subject to appropriate adjustment in the event of the optional redemption of Bonds prior to maturity, in the Debt Service Schedule contained in Appendix II hereto, the amounts stated therein being hereby incorporated in this covenant by reference), and any taxes payable pursuant to Section 8 hereof, on said Bonds for each fiscal year in which such sums are payable in its budget for that year and shall appropriate such amounts to the payment of such debt service and taxes covenanted to be paid and shall duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon at the dates and places and in the manner stated therein according to the true intent and meaning thereof, and 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.

Section 10. (a) There is hereby established a Sinking Fund to be known as "Sinking Fund, County of Bucks, Federally Taxable General Obligation Bonds, Series of 2004," into which the County covenants to deposit, and into which the Treasurer is hereby authorized and directed to deposit, no later than 11:00 a.m. on June 15 of the years 2005 through 2024, inclusive and December 15

of the years 2005 through 2024, inclusive (each of such dates being hereinafter called a "Payment Date"), an amount sufficient to pay (i) the interest due on Bonds on that Payment Date; and (ii) the principal of any Bonds maturing on that Payment Date and not previously called for redemption, as provided in the Debt Service Schedule contained in Appendix II hereto; and (iii) on the Payment Dates shown in the table below, the redemption amount for the respective date, viz:

<u>Payment Date</u> <u>(December 15)</u>	<u>Redemption</u> <u>Amount</u>
2020	\$5,410,000
2021	5,720,000
2022	6,045,000
2023	6,385,000
2024*	6,750,000

* Maturity

(b) The Sinking Fund Depository designated in Section 11 hereof is hereby directed to call for redemption on each date shown in the above table (except maturity dates as indicated) a principal amount of Bonds equal to the redemption amount shown in the table for such date, the particular Bonds to be redeemed to be selected by the Depository in accordance with Section 7 hereof and the terms of such redemption recited in the form of Bond set forth in Appendix I hereof, provided that the amount of Bonds to be redeemed on such Payment Date shall be reduced by the principal amount of any Bonds maturing on the succeeding Bond maturity date which are surrendered to the Sinking Fund Depository by the County not less than 45 days before such Payment Date for credit against the Sinking Fund and not previously so credited.

(c) All sums in the Sinking Fund shall be applied exclusively to the payment of said principal or redemption price and interest covenanted to be paid by Section 9 hereof and the taxes covenanted to be paid by Section 8 hereof on the Bonds as the same shall from time to time become due and payable and the balance of said moneys over and above the sum so required shall remain in the Sinking Fund, such balance to be applied in reduction of future required deposits or to the redemption of Bonds before maturity as provided in Section 7 hereof, subject, however, to withdrawal for investment or deposit (upon direction of the County) of interest as authorized by law, which investments or deposits and interest thereon shall be held exclusively for the purposes of the Sinking Fund aforesaid. Said Sinking Fund shall be kept in a separate account at the principal corporate trust office of the Sinking Fund Depository provided for in Section 11 hereof, until such time as the Board by Ordinance shall provide for a similar separate account in another Pennsylvania bank or bank and trust company. The said Sinking Fund Depository, without further authorization than as herein contained, shall pay from the moneys in the Sinking Fund, the interest on and the principal and redemption price of the Bonds, and the taxes covenanted to be paid thereon, if any, as and when the same shall become due.

Section 11. The Chief Clerk of the County is hereby authorized and directed to contract with Wachovia Bank, National Association, Philadelphia, Pennsylvania (the "Bank") for its services in respect of the Bonds as sinking fund depository (the "Sinking Fund Depository"), registrar (the "Registrar") and paying agent (the "Paying Agent"), said Bank being hereby appointed to such positions.

Section 12. The Board hereby finds, determines and declares that a private sale of the Bonds by negotiation is in the best financial interest of the County. The Bonds shall be sold at private negotiated sale upon receipt of an acceptable purchase proposal for the purchase thereof which purchase proposal shall be in compliance with the provisions of the Debt Act, as provided by Section 8107 of the said Act.

Section 13. (a) The bond purchase proposal presented to the meeting of the Board held December 1, 2004 of Bear Stearns & Co. Inc., Wachovia Bank, National Association and First American Municipals, Inc. (the "Purchasers"), such proposal being dated such date and being in conformity with the requirements of Section 14 of this Ordinance, for the purchase at private negotiated sale of \$85,230,000 principal amount of the Bonds at a price of \$84,778,403.19, representing the principal amount of the Bonds less an underwriting discount of \$451,596.81 is hereby accepted and the Bonds are hereby awarded to the Purchasers.

The Chairman of the Board and Chief Clerk of the County are hereby authorized to execute and deliver the Bond Purchase Proposal and the Chief Clerk of the County is hereby directed to notify the Purchasers of such action and to file a copy of said Bond Purchase Proposal with the minutes of the Board. The officers of the Board are hereby authorized to deliver the Bonds to the Purchasers upon receipt of the aforesaid purchase price and upon compliance with all conditions precedent to such delivery required by the Debt Act, this Ordinance and said proposal, and are further authorized or directed to pay costs of financing at the time of delivery of the Bonds; provided that the total of such costs not exceed the amount of Bond proceeds available therefor; and execute such other closing documents as are necessary or appropriate, in the opinion of counsel, to effectuate settlement on the Bonds, including a Final Official Statement, with such changes as the County and Purchasers shall approve, in substantially the form as the Preliminary Official Statement previously circulated and presented to this meeting, which form is hereby ratified, confirmed and approved.

(b) The Preliminary Official Statement is (as of its date) deemed final within the meaning of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, except for the omission of no more than the offering price, interest rate, selling compensation, aggregate principal amount and other terms depending on such matters. The Purchasers are hereby authorized to distribute copies of the

Official Statement, as finally executed, to persons who may be interested in the purchase of the Bonds and are directed to deliver such copies to all actual purchasers of the Bonds.

Section 14. In compliance with Rule 15c2-12 under the Securities Exchange Act of 1934, the County hereby covenants and agrees that:

(a) It shall deliver to each NRMSIR (as defined below) and the SID (as defined below), if any, within 180 days after the end of each fiscal year:

(1) a copy of its annual audited financial statements prepared in accordance with guidelines adopted by the Government Accounting Standards Board and the American Institute of Certified Public Accountants' Audit Guide, Audits of State and Local Government; and

(2) an update of the type of information in the Official Statement contained under the heading "FINANCIAL INFORMATION CONCERNING THE COUNTY."

(b) In a timely manner, it shall deliver to each NRMSIR (as defined below) or to the Municipal Securities Rulemaking Board ("MSRB") and to the SID (as defined below), if any, notice of any of the following events with respect to the Bonds, if applicable and material:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity provider, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the securities;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the securities; or
- (11) Rating changes.

(c) In a timely manner, it shall give to the Paying Agent, each NRMSIR (as defined below) or the MSRB and to the SID (as defined below), if any, notice of any failure by the County to provide any information required pursuant to subsection (a) above within the time limit specified therein.

(d) It shall send to the Paying Agent:

(1) Copies of any information delivered to each NRMSIR (as defined below) and the SID (as defined below), if any, pursuant to subsection (a) or (b) above; and

(2) Concurrently with the delivery of any information required pursuant to subsection (a) or (b) above, a certificate signed by an authorized officer or official of the County that it has filed such information with each NRMSIR (as defined below) and the SID (as defined below), if any.

(e) The provisions of subsections (a), (b), (c) and (d) above shall be for the benefit of the registered holders and beneficial owners of the Bonds and shall be irrevocable so long as the Bonds remain outstanding; provided, however, that remedies available to any Bondholder or beneficial owner for breach of the provisions of subsections (a), (b), (c) and (d) above shall be limited to a mandamus action for specific performance brought in the Bucks County Court of Common Pleas as provided in the Debt Act and no other remedies provided in the Debt Act shall be applicable.

(f) It may modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary as a result of a change in legal requirements or change in the nature of the County; provided that any such modification will be done in a manner consistent with SEC Rule 15c2-12, as amended, and either (i) will not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders of the Bonds, or (ii) is approved by the holders of a majority in aggregate principal amount of the Bonds.

“NRMSIR” means a nationally recognized municipal securities information repository, recognized by the Securities and Exchange Commission pursuant to SEC Rule 15c2-12. The name and address of each NRMSIR as of the date of this Ordinance are as follows:

100 BUSINESS PARK DRIVE
Skillman, NJ 08558
Phone: 609-279-3225
FAX: 609-279-5962
Email: MUNIS@Bloomberg.com

ONE EXECUTIVE DRIVE
Fort Lee, NJ 07024
Phone: 201-346-0701
FAX: 201-947-0107
Email: nrmsir@dpcdata.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390
Email: NRMSIR@FTID.com

Standard & Poor's Securities
Evaluations, Inc.
55 Water Street, 45th Floor
New York, NY 10041
Phone: 212-438-4595
FAX: 212-438-3975
Email: nrmsir_repository@sandp.com

(1) Copies of any information delivered to each NRMSIR (as defined below) and the SID (as defined below), if any, pursuant to subsection (a) or (b) above; and

(2) Concurrently with the delivery of any information required pursuant to subsection (a) or (b) above, a certificate signed by an authorized officer or official of the County that it has filed such information with each NRMSIR (as defined below) and the SID (as defined below), if any.

(e) The provisions of subsections (a), (b), (c) and (d) above shall be for the benefit of the registered holders and beneficial owners of the Bonds and shall be irrevocable so long as the Bonds remain outstanding; provided, however, that remedies available to any Bondholder or beneficial owner for breach of the provisions of subsections (a), (b), (c) and (d) above shall be limited to a mandamus action for specific performance brought in the Bucks County Court of Common Pleas as provided in the Debt Act and no other remedies provided in the Debt Act shall be applicable.

(f) It may modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary as a result of a change in legal requirements or change in the nature of the County; provided that any such modification will be done in a manner consistent with SEC Rule 15c2-12, as amended, and either (i) will not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders of the Bonds, or (ii) is approved by the holders of a majority in aggregate principal amount of the Bonds.

“NRMSIR” means a nationally recognized municipal securities information repository, recognized by the Securities and Exchange Commission pursuant to SEC Rule 15c2-12. The name and address of each NRMSIR as of the date of this Ordinance are as follows:

Bloomsburg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: 609-279-3225
FAX: 609-279-5962
Email: MUNIS@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: 201-346-0701
FAX: 201-947-0107
Email: nrmsir@dpcdata.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390
Email: NRMSIR@FTID.com

Standard & Poor's Securities
Evaluations, Inc.
55 Water Street, 45th Floor
New York, NY 10041
Phone: 212-438-4595
FAX: 212-438-3975
Email: nrmsir_repository@sandp.com

“SID” means the state information depository, if any, recognized by the Securities and Exchange Commission pursuant to SEC Rule 15c2-12.

In compliance with Rule 15c2-12, the proper officers of the County are hereby authorized and directed to execute a continuing disclosure agreement for the benefit of the holders of the Bonds in accordance with this Section.

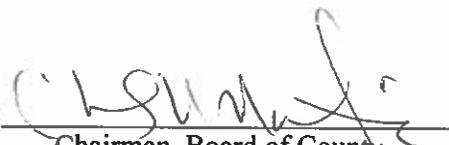
Section 15. The Chairman, or any authorized officer of the County, is hereby directed to execute a commitment for the purchase of a municipal bond insurance policy insuring the payment when due of the principal of and interest on the Bonds. The Bonds are to be insured by Ambac Assurance Corporation.

Section 16. All prior resolutions, ordinances or parts thereof inconsistent herewith are hereby repealed.

Section 17. This Ordinance shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

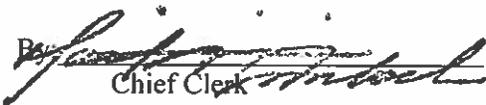
Section 18. The form of the Bonds with such amendments and additions as may be required by the bond insurer, if any, the form of the Paying Agent’s Certificate of Authentication upon the Bonds, the Debt Service Schedule with respect to the Bonds and the Blanket Letter of Representations to DTC, shall be substantially as set forth in the appendices hereto, the terms and conditions set forth in such forms being hereby incorporated by reference and adopted as if fully recited at length herein and said forms are hereby approved.

ENACTED this 1st day of December, 2004

By: 
Chairman, Board of County
Commissioners

[COUNTY SEAL]

Attest:


Chief Clerk

APPENDIX I

FORM OF BOND

NO. R-_____ \$ _____

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF BUCKS

FEDERALLY TAXABLE GENERAL OBLIGATION BOND, SERIES OF 2004

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
----------------------	----------------------	-------------------	--------------

December 29, 2004

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The County of Bucks, Pennsylvania (the "County"), for value received, promises to pay to the Registered Owner hereof, or registered assigns, on the Maturity Date specified above, unless this Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, upon surrender hereof, the Principal Amount specified above and to pay interest thereon from the Dated Date above, or from the most recent interest payment date to which interest has been paid or duly provided for, until payment of said Principal Amount has been made or provided for, at the interest rate per annum specified above, on June 15 and December 15 in each year commencing June 15, 2005. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Ordinance referred to below, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date for such interest, which shall be the last day (whether or not a business day) of the calendar month next preceding such interest payment date. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered holder on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent referred to below, notice whereof shall be given to Bondholders not less than 10 days prior to such Special Record Date. Interest shall be paid by check drawn upon Wachovia Bank, National Association, Pennsylvania (the "Paying Agent") or any duly appointed alternate or successor paying agent, and mailed to the person entitled thereto at such owner's address as it appears on the Bond registry book of the County (the "Bond Register") maintained by the Paying Agent. Principal

shall be paid, upon surrender hereof, at the principal corporate trust office of the Paying Agent, or at the duly designated office of any duly appointed alternate or successor paying agent, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, and, except as provided below with respect to any tax or governmental charge payable in connection with a transfer hereof, without deduction of, and the County assumes and agrees to pay, any tax or taxes which the County or the Treasurer thereof may be required to pay thereon or retain therefrom under any present or future law of the Commonwealth of Pennsylvania except gift, succession or inheritance taxes.

This Bond is one of a series, which series has been approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania, of general obligation bonds of like date, amount and tenor, but differing as to maturity, rate of interest and provision for redemption, in the aggregate principal amount of \$85,230,000 in accordance with the Local Government Unit Debt Act, Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, as reenacted by Act No. 177 of 1996, approved December 19, 1996, as amended, and by virtue of an Ordinance, the terms of which are incorporated herein, of the Board of County Commissioners of the County of Bucks (the "Ordinance") duly enacted on December 1, 2004, and the sworn statement of the duly authorized officers of the County filed with the Department of Community and Economic Development.

OPTIONAL REDEMPTION

The Bonds maturing on or after December 15, 2015 are subject to redemption prior to their respective stated dates of maturity, at the option of the County, as a whole or in part at any time, in such order of maturity as may be directed by the County and within any maturity by lot or by any method deemed by the Paying Agent to be fair and appropriate, on or after December 15, 2014 at a redemption price of 100% of the principal amount of Bonds being redeemed, plus interest accrued to the date of redemption.

MANDATORY REDEMPTION

The Bonds stated to mature on December 15, 2024 are subject to mandatory redemption prior to maturity at the principal amount thereof, plus interest accrued to the redemption date, in part, in order of maturity and within a maturity by lot or by any other method deemed fair and appropriate by the Paying Agent, on December 15 of the years 2020 through 2023, inclusive, from moneys required by the Ordinance to be deposited for the purpose of such redemptions in the Sinking Fund, County of Bucks, Federally Taxable General Obligation Bonds, Series of 2004, established pursuant to the terms of the Ordinance.

Any redemption under the preceding paragraphs shall be made as provided in the Ordinance upon not less than thirty days' notice by first-class mail, postage prepaid. In connection with any such notice of redemption, the CUSIP numbers assigned to the Bonds being called for redemption may be used, but reliance may be placed only on the identification number printed hereon. In the event that less than the full principal amount hereof shall have been called for redemption, the registered owner hereof shall surrender this Bond in exchange for one or more Bonds in aggregate principal amount equal to the unredeemed portion of principal as provided in the Ordinance.

It is hereby certified that all acts, conditions and things required to be done, have happen or be performed precedent to and in the issuance of this Bond or in the creation of the debt of which this is evidence, have been done, have happened and been performed in regular and due form and manner as required by law, and that the debt represented by this Bond is not in excess of any constitutional or statutory limitation, and for the prompt payment of all the obligations of this Bond the full faith, credit and taxing power of the County are hereby irrevocably pledged.

As provided in the Ordinance and subject to certain limitations therein set forth, this Bond is transferable by the registered holder hereof as shown on the Bond Register of the County, upon surrender of this Bond for transfer to the principal office of the Paying Agent duly endorsed by, or accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the County and the Paying Agent, duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, and thereupon one or more new registered Bonds, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such transfer, but the County may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection herewith.

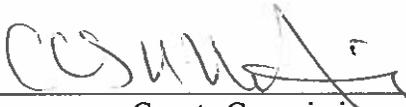
The County, the Paying Agent and any agent thereof may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and neither the County, the Paying Agent, nor any such agent shall be affected by notice to the contrary.

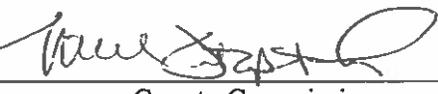
The Bonds are issuable only in the form of registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Upon payment of any required tax, fee or other governmental charge, and subject to the conditions provided in the Ordinance, Bonds are exchangeable at the principal office of the Paying Agent for a like aggregate principal amount of registered Bonds of the same maturity and interest rate of any other authorized denomination, as requested by the holder surrendering the same.

This Bond shall not be entitled to any security or benefit hereof nor be valid or become obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Paying Agent.

IN WITNESS WHEREOF, the County of Bucks has caused this Bond to be signed in its name by the manual or facsimile signature of the members of the Board of County Commissioners and its corporate seal or a facsimile thereof to be hereunto affixed, duly attested by the manual or facsimile signature of the Chief Clerk of the County of Bucks.

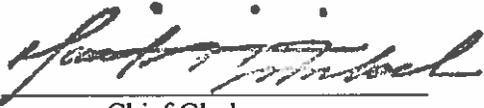
COUNTY OF BUCKS

By: 
County Commissioner

By: 
County Commissioner

By: _____
County Commissioner

ATTESTING to the Seal of the County

By: 
Chief Clerk

[SEAL]

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated herein described in the within-mentioned Ordinance. Attached hereto is the complete text of the opinion of Ballard Spahr Andrews & Ingersoll, LLP, Philadelphia, Pennsylvania, an executed counterpart of which, dated the date of delivery of and payment for the series of Bonds of which this is one, is on file with the undersigned.

WACHOVIA BANK, NATIONAL ASSOCIATION,
Paying Agent

By _____
Authorized Signatory

Date of Authentication:

STATEMENT OF INSURANCE

Financial Guaranty Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIFT/TRAN MIN ACT - _____ (Cust.)
TEN ENT -	as tenants by the entirety	Custodian for _____ (Minor)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts or Transfers to Minors Act of _____ (State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the Bond Register, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: Signatures must be guaranteed by a member of an approved Signature Guarantee Medallion Program

Notice: The Assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular without alteration or any change whatever.

END OF FORM OF BOND

APPENDIX II

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

County of Bucks, Pennsylvania
 Federally Taxable General Obligation Bonds
 Series of 2004
 Final Pricing Scale

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/15/2005			1,979,673.81	1,979,673.81	
12/15/2005	1,320,000	2.970%	2,146,634.25	3,466,634.25	5,446,308.06
06/15/2006			2,127,032.25	2,127,032.25	
12/15/2006	2,880,000	3.320%	2,127,032.25	5,007,032.25	7,134,064.50
06/15/2007			2,079,224.25	2,079,224.25	
12/15/2007	2,975,000	3.630%	2,079,224.25	5,054,224.25	7,133,448.50
06/15/2008			2,025,228.00	2,025,228.00	
12/15/2008	3,080,000	3.940%	2,025,228.00	5,105,228.00	7,130,456.00
06/15/2009			1,964,552.00	1,964,552.00	
12/15/2009	3,205,000	4.150%	1,964,552.00	5,169,552.00	7,134,104.00
06/15/2010			1,898,048.25	1,898,048.25	
12/15/2010	3,335,000	4.340%	1,898,048.25	5,233,048.25	7,131,096.50
06/15/2011			1,825,678.75	1,825,678.75	
12/15/2011	3,480,000	4.500%	1,825,678.75	5,305,678.75	7,131,357.50
06/15/2012			1,747,378.75	1,747,378.75	
12/15/2012	3,640,000	4.670%	1,747,378.75	5,387,378.75	7,134,757.50
06/15/2013			1,662,384.75	1,662,384.75	
12/15/2013	3,810,000	4.800%	1,662,384.75	5,472,384.75	7,134,769.50
06/15/2014			1,570,944.75	1,570,944.75	
12/15/2014	3,990,000	4.850%	1,570,944.75	5,560,944.75	7,131,889.50
06/15/2015			1,474,187.25	1,474,187.25	
12/15/2015	4,185,000	5.040%	1,474,187.25	5,659,187.25	7,133,374.50
06/15/2016			1,368,725.25	1,368,725.25	
12/15/2016	4,395,000	5.190%	1,368,725.25	5,763,725.25	7,132,450.50
06/15/2017			1,254,675.00	1,254,675.00	
12/15/2017	4,625,000	5.300%	1,254,675.00	5,879,675.00	7,134,350.00
06/15/2018			1,132,112.50	1,132,112.50	
12/15/2018	4,870,000	5.380%	1,132,112.50	6,002,112.50	7,134,225.00
06/15/2019			1,001,109.50	1,001,109.50	
12/15/2019	5,130,000	5.470%	1,001,109.50	6,131,109.50	7,132,219.00
06/15/2020			860,804.00	860,804.00	
12/15/2020	5,410,000	5.680%	860,804.00	6,270,804.00	7,131,608.00
06/15/2021			707,160.00	707,160.00	
12/15/2021	5,720,000	5.680%	707,160.00	6,427,160.00	7,134,320.00
06/15/2022			544,712.00	544,712.00	
12/15/2022	6,045,000	5.680%	544,712.00	6,589,712.00	7,134,424.00
06/15/2023			373,034.00	373,034.00	
12/15/2023	6,385,000	5.680%	373,034.00	6,758,034.00	7,131,068.00
06/15/2024			191,700.00	191,700.00	
12/15/2024	6,750,000	5.680%	191,700.00	6,941,700.00	7,133,400.00
	85,230,000		55,743,690.56	140,973,690.56	140,973,690.56

APPENDIX III

BLANKET LETTER OF REPRESENTATIONS



Blanket Issuer Letter of Representations
(To be Completed by Issuer)

COUNTY OF BUCKS, PENNSYLVANIA
(Name of Issuer)

November 22, 1997
(Date)

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

County of Bucks, Pennsylvania

(Issuer)
By: [Signature]
(Authorized Officer's Signature)
Michael G. Fitzpatrick, Esquire
Chairman, Board of County Commissioners
(Type Name & Title)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY
By: [Signature]

55 East Court Street
(Street Address)

Doylestown, Pennsylvania 18901
(City) (State) (Zip)

215-348-6424
(Phone Number)

SCHEDULE A**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.