

COUNTY OF BUCKS  
COMMONWEALTH OF PENNSYLVANIA

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ORDINANCE NO. 122

Enacted September 7, 2005

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AUTHORIZING AND DIRECTING INCURRING OF NONELECTORAL DEBT THROUGH ISSUANCE OF GENERAL OBLIGATION BONDS OF COUNTY OF BUCKS, COMMONWEALTH OF PENNSYLVANIA, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$65,000,000 FOR PURPOSES OF PROVIDING FUNDS TO ADVANCE REFUND CERTAIN OF THE COUNTY'S PREVIOUSLY ISSUED AND OUTSTANDING GENERAL OBLIGATION BONDS, TO PROVIDE FUNDS FOR VARIOUS CAPITAL PROJECTS INCLUDING THE CONSTRUCTION OF CERTAIN COUNTY FACILITIES AND IMPROVEMENTS, THE COUNTY'S OPEN SPACE PROGRAM, AND THE PURCHASE OF TECHNOLOGY UPGRADES, AND TO PAY THE COSTS ASSOCIATED WITH THE ISSUANCE OF THE BONDS; AUTHORIZING ISSUANCE OF BONDS; AUTHORIZING THE ACCEPTANCE OF A PROPOSAL FOR THE PURCHASE OF THE BONDS AT A PRIVATE SALE BY NEGOTIATION IN THE EVENT SUCH PROPOSAL MEETS CERTAIN STIPULATED REQUIREMENTS; FIXING MANNER OF EXECUTION OF BONDS; STATING CERTAIN PAYMENT PROVISIONS AND ASSUMING PAYMENT OF CERTAIN TAXES IF NECESSARY; PROVIDING FOR THE FIXING OF THE SUBSTANTIAL FORM, DATE, MATURITY DATES, INTEREST RATES, REDEMPTION PROVISIONS AND OTHER PROVISIONS OF SUCH BONDS; COVENANTING AS TO ARBITRAGE; PROVIDING FOR REBATE OF ARBITRAGE; COVENANTING TO INCLUDE DEBT SERVICE IN ANNUAL BUDGETS, TO MAKE APPROPRIATIONS AND TO PAY SAME EACH FISCAL YEAR PUNCTUALLY AND PLEDGING FULL FAITH, CREDIT AND TAXING POWER OF COUNTY; ESTABLISHING SINKING FUND FOR BONDS; APPOINTING SINKING FUND DEPOSITARY AND PAYING AGENT; AUTHORIZING AND DIRECTING PREPARATION AND FILING OF REQUIRED DEBT STATEMENT AND PROVIDING FOR CERTIFICATION AND FILING OF PROCEEDINGS WITH DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; APPROVING FORM OF PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT; AUTHORIZING PREPARATION, PRINTING, EXECUTION AND DELIVERY OF BONDS AND OTHER DOCUMENTS AND SUCH OTHER ACTION AS MAY BE NECESSARY TO EFFECTUATE ISSUANCE, SALE AND DELIVERY OF BONDS; CALLING FOR REDEMPTION OF CERTAIN PREVIOUSLY ISSUED AND OUTSTANDING GENERAL OBLIGATION BONDS OF THE COUNTY; COVENANTING AS TO CONTINUING DISCLOSURE; PROVIDING FOR SETTLEMENT ACCOUNT; AUTHORIZING OBTAINING OF MUNICIPAL BOND INSURANCE; STATING AUTHORITY FOR ENACTMENT OF ORDINANCE AND APPLYING MANDATORY PROVISIONS OF LOCAL GOVERNMENT UNIT DEBT ACT WHETHER OR NOT SET FORTH; STATING THAT ORDINANCE IS CONTRACT WITH REGISTERED OWNERS OF BONDS AND REMEDIES THERETO ENTITLED; SETTING FORTH SEVERABILITY CLAUSE; PROVIDING FOR AMENDMENT OF ORDINANCE; STATING THAT COVENANTS ARE FOR EXCLUSIVE BENEFIT OF COUNTY AND REGISTERED OWNERS OF BONDS; AND RESCINDING, CANCELLING AND ANNULING INCONSISTENT ORDINANCES.

WHEREAS, the County of Bucks, Commonwealth of Pennsylvania (the "County") desires to provide funds for (1) the County's open space program; (2) the construction of certain improvements to existing and new County facilities, including preliminary work on a new County Courthouse and construction of a new morgue; and (3) certain other public works and capital projects, including the acquisition of information technology upgrades (collectively, the "Capital Projects"); and

WHEREAS, the County has heretofore issued its (i) General Obligation Bonds, Series of 1997 (the "1997 Bonds"), which are outstanding in the aggregate principal amount of \$29,275,000; (ii) General Obligation Bonds, Series of 1998 (the "1998 Bonds"), which are outstanding in the aggregate principal amount of \$21,260,000; and (iii) General Obligation Bonds, Series of 1999 (the "1999 Bonds"), which are outstanding in the aggregate principal amount of \$16,140,000 (the 1997 Bonds, 1998 Bonds, and 1999 Bonds are referred to herein collectively as the "Prior Bonds"); and

WHEREAS, the County has determined that a debt service savings may be obtained by advance refunding (the "Refunding Program") certain of the Prior Bonds as set forth on Exhibit A attached hereto and made a part hereof (collectively, the "Refunded Prior Bonds") pursuant to the provisions of the Local Government Unit Debt Act, Act No. 177 of December 19, 1996, P.L. 158, as amended (the "Act"); and

WHEREAS, the County contemplates the authorization, sale, issuance and delivery of a series of bonds, in the maximum aggregate principal amount not to exceed Sixty-five Million Dollars (\$65,000,000) to be designated generally as "General Obligation Bonds, Series of 2005" (the "Bonds"), with the proceeds to be applied for and toward the Refunding Program and the Capital Projects and the payment of related costs and expenses, including the costs of issuance of the Bonds (all of the foregoing, collectively, being sometimes referred to herein as the "Project"), all in accordance with applicable and appropriate provisions of the Act; and

WHEREAS, the County has considered the possible manners of sale provided for in the Act with respect to the sale of the Bonds, such manners of sale being at public sale or private sale by negotiation or upon invited bidding; and

WHEREAS, the County, in contemplation of authorization, sale, issuance and delivery of the Bonds, has determined it to be in the best interests of the County to offer the Bonds at private sale by negotiation; and

WHEREAS, subject to the requirements and provisions set forth herein, the County desires to authorize a written proposal in the substantial form of the bond purchase agreement presented at this meeting (the "Purchase Proposal") for the purchase of the Bonds pursuant to a private sale by negotiation by Wachovia Bank, National Association, First American Municipals, Inc., PNC Capital Markets, and Citigroup Global Markets, Inc. (collectively, the "Purchasers"); and

WHEREAS, subject to the terms and requirements set forth herein, the County desires to accept the Purchase Proposal from the Purchasers, to award the sale of the Bonds to the Purchasers, to authorize issuance of nonelectoral debt, and to take appropriate action and to authorize proper things, all in connection with the Project, and all in accordance with and pursuant to the provisions of the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board of Commissioners as follows:

Section 1. An increase in the authorized nonelectoral debt of the County is hereby authorized in the amount not to exceed \$65,000,000, through the issuance of the Bonds, which increase together with the existing net debt of the County and the corresponding reduction of debt related to the refunding of the Refunded Prior Bonds will not result in a violation of the limitations of the Constitution of the Commonwealth of Pennsylvania or of the Act. The Bonds may be issued in one or more series, and if issued in more than one series shall be designated as set forth in the Purchase Proposal.

Conditioned upon achieving a certain level of debt services savings as set forth herein, the County shall undertake the Refunding Program described in the recitals hereto and shall incur indebtedness, pursuant to the Act, for the purpose of providing funds for and toward the costs of said Refunding Program, including the payment of the costs of the financing. It is hereby determined and set forth that the purpose of the Refunding Program is to reduce the debt service that would otherwise be payable on the Refunded Prior Bonds.

The County hereby approves the Capital Projects described in the recitals hereto and as set forth more specifically in Exhibit B attached hereto and made a part hereof and combines the components of the Capital Projects for financing purposes under the Act. The County further determines to incur indebtedness pursuant to the Act for the purpose of providing funds for and toward the costs of the Capital Projects, including the payment of costs of the financing.

The County hereby reserves the right to undertake the Capital Projects in such order and at such time or times as it shall determine and to allocate the proceeds of the Bonds and other available moneys to the final costs of the Capital Projects in such amounts and order of priority as it shall determine; but the proceeds of the Bonds allocated to the Capital Projects shall be used solely to pay the "costs", as defined in the Act, of the Capital Projects or, upon appropriate amendments to

this Ordinance, to pay the costs of other capital projects for which the County is authorized to incur indebtedness. It is hereby determined and stated that the estimated cost of the Capital Projects is \$22,146,800.

Section 2. The private sale by negotiation of the Bonds to finance the Project is hereby determined to be in the best financial interest of the County.

Section 3. It is hereby determined and stated that the realistic estimated useful lives of the components of the Capital Projects range from five (5) years to in excess of thirty (30) years, and that the Bonds allocated to the Capital Projects shall be scheduled to mature in accordance with the limitations set forth in Section 8142(a)(2) of the Act.

Section 4. The execution, issuance, sale and delivery of the Bonds is hereby authorized and directed, subject to the terms and provisions set forth in this Ordinance. The Bonds shall be issued in fully registered form, in the denomination of \$5,000 each or any whole multiple thereof.

Section 5. The Bonds shall be executed by the manual or facsimile signature of the members of the Board of Commissioners (or at least any two of them), shall have the corporate seal of the County or a facsimile thereof affixed thereto, duly attested by the manual or facsimile signature of the Chief Clerk (or any Acting Chief Clerk appointed for such purposes) and shall be authenticated by the certificate endorsed thereon, manually signed by a duly authorized officer of the Paying Agent hereinafter designated.

Section 6. The County hereby invites and authorizes the Purchasers to submit, in the manner herein provided, the Purchase Proposal for the purchase of all but not less than all of the Bonds, bearing rates, terms and other provisions not inconsistent with this Ordinance.

a. The Purchase Proposal shall be submitted to the Chairman of the Board of Commissioners of the County for approval and acceptance, and the Purchase Proposal shall be substantially in the form presented at this meeting, with such insertions as to interest rates, principal amounts, maturity and interest payment dates, redemption provisions and related matters, and such deletions and amendments as the Chairman of the Board of Commissioners shall approve. The execution and delivery of the Purchase Proposal by the appropriate officers of the County shall constitute conclusive evidence of such approval.

b. The Purchase Proposal must meet the following requirements:

- i. The aggregate purchase price for the Bonds to be purchased pursuant to the Purchase Proposal shall not be less than the total of (A) 99.685% of the aggregate principal amount thereof, (B) reduced or increased by any net original issue discount or premium, if any, and (C) plus accrued interest.
- ii. The true interest cost for the Bonds, as determined by the County's financial advisor, shall not exceed 4.25%.
- iii. The Purchase Proposal must identify the dated date and the interest payment dates and the principal retirement dates (whether such retirement be by maturity or mandatory sinking fund redemption) for the Bonds.
- iv. The net present value debt service savings generated by issuing the Bonds for the Refunding Program must be at least \$1,500,000, as determined by the County's financial advisor.

Section 7. The Bonds shall be numbered consecutively, as issued, beginning with the number 1, and shall bear interest at the rates per annum and shall mature or be subject to the mandatory sinking fund redemption on the dates and in the aggregate principal amounts, as shall be set forth in the Purchase Proposal; provided that the interest rates and the principal maturity amounts shall not exceed the rates and amounts in the debt service schedule set forth on Exhibit D attached hereto and made a part hereof. Each Bond shall bear interest accruing from a dated date,

which date shall be not earlier than 30 days prior to the Bond's date of initial issuance and delivery, as more fully specified in the Purchase Proposal.

Section 8. Certain Bonds may be subject to redemption prior to maturity at the option of the County. Such Bonds shall be subject to redemption prior to maturity, at the option of the County, as a whole or in part on the dates, at the redemption price and in the manner set forth in the Purchase Proposal.

If any of the Bonds subject to redemption is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but such Bond shall be redeemed only in \$5,000 portions of its denomination or any whole multiple thereof. For the purpose of selecting any of the Bonds for redemption, each of the Bonds subject to redemption shall be treated as representing that number of Bonds which is obtained by dividing the denomination thereof by \$5,000, each \$5,000 portion thereof being subject to redemption. In the case of partial redemption of any of the Bonds, payment of the redemption price will be made only upon surrender of such Bond in exchange for Bonds of like form of authorized denominations in aggregate amount equal to the unredeemed portion thereof.

Any redemption, as hereinbefore authorized, shall be made pursuant to redemption notice mailed as set forth below, specifying: (1) the series, maturity and numbers of the Bonds or portions thereof so called for redemption; (2) the date fixed for redemption; (3) the redemption price or prices applicable to the Bonds to be redeemed; and (4) that on the date fixed for redemption such Bonds will be payable at the designated corporate trust office of the Paying Agent and that on and after such date interest thereon shall cease to accrue; by mailing a copy of the redemption notice by the first class mail at least thirty (30) days prior to the date fixed for redemption, to the registered owners of Bonds to be redeemed in whole or in part at the addresses shown on the registration books, or after waiver of such notice executed by the registered owners of all Bonds to be redeemed shall have been filed with the Paying Agent, provided, however, that failure to give such notice by mailing or any defect therein or in the mailing thereof with respect to any one Bond shall not affect the validity of any proceeding for redemption of any other Bonds so called for redemption.

On and after the date designated for redemption and notice having been so given or waived, money for payment of the principal, premium, if any, and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under this Ordinance, and registered owners of the Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption, together with the redemption premium, if any.

If the date for payment of the principal of, or premium, if any, or interest of the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 9. The form of the Bonds, the Paying Agent's authentication certificate and the notation for registration, hereby approved, shall be with appropriate insertions, omissions and variations substantially as set forth in Exhibit C attached hereto and incorporated by reference.

Section 10. The Depository Trust Company, New York, New York ("DTC"), shall act as securities depository for the Bonds on behalf of the firms which participate in the DTC book-entry system ("DTC Participants"). The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC. Each bond will be in the aggregate principal amount of such maturity as set forth in the accepted Purchase Proposal. The County shall cause the Bonds to be delivered to or held on behalf of DTC for the benefit of the Purchasers on or before the date of issuance of the Bonds.

Pursuant to the book-entry only system, any person for whom a DTC Participant acquires an interest in the Bonds (the "Beneficial Owner") will not receive certified Bonds and will not be the registered owner thereof. Ownership interest in the Bonds may be purchased by or through DTC Participants. Each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant's interest in the Bonds, which will be confirmed in accordance with DTC's standard procedures. Receipt by the Beneficial Owners (through any DTC Participant) of timely payment of principal, premium, if any, and interest on the Bonds, is subject to DTC making such payment to DTC Participants and such DTC Participants making payment to Beneficial Owners. Neither the County nor the Paying Agent will have any direct responsibility or obligation to such DTC Participants or the persons for whom they act as nominees for any failure of DTC to act or make any payment with respect to the Bonds.

The County is authorized to execute such documents as may be necessary or desirable in connection with DTC's services as securities depository.

DTC may determine to discontinue providing its services with respect to the Bonds at any time giving notice to the County and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the County officials then holding the offices set forth in Section 5 of this Ordinance are hereby authorized to designate a successor securities depository or to deliver certificates to the Beneficial Owners of the Bonds.

Section 11. The County hereby covenants with the holders from time to time of the Bonds that (i) it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 and 148 of the Internal Revenue Code of 1986, as amended (the "Code"); and (ii) it will make no investment or other use of the proceeds of the Bonds, which, if such investment or use had been reasonably expected on the date of issuance of the Bonds, would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the rules and regulations promulgated. This covenant shall extend throughout the term of the Bonds and shall apply to all amounts which are proceeds of the Bonds for the purposes of said section, rules and regulations. Neither the Paying Agent nor any other official or agent of the County shall make any investment inconsistent with the foregoing covenant. The Treasurer and all other County officials responsible for investment shall follow the advice or direction of Bond Counsel in respect to the Bonds as to investments which may be made in compliance with this covenant.

Section 12. The County covenants, if it is required to do so by the Code, to rebate to the United States an amount equal to the sum of (A) the excess of (i) the amount earned on all nonpurpose investments (other than investments attributable to an excess described in this Section), over (ii) the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus (B) any income attributable to the excess described in (A) above except as regulations may otherwise provide. The amount which is required by this Section to be paid to the United States shall be paid in installments at least once every five years. Each installment shall be in an amount which ensures that 90% of the amount calculated under this Section at the time payment is required shall have been paid to the United States. The last installment shall be made no later than 60 days after the day on which the last Bond is redeemed and shall be in an amount sufficient to pay the remaining balance of the amount calculated with respect to the Bonds.

Section 13. The County covenants to and with registered owners, from time to time, of the Bonds which shall be outstanding from time to time, pursuant to this Ordinance, that the County (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the County in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the Sinking Fund or any other of its revenues or funds the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the County shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of the County shall be specifically enforceable.

Section 14. There is hereby established a sinking fund to be known as "Sinking Fund--County of Bucks, General Obligation Bonds, Series of 2005" which shall be held by the Sinking Fund Depository hereinafter appointed and into said Sinking Fund there shall be paid all moneys necessary to pay the debt service on the Bonds when and as the same are collected, and said Sinking Fund shall be applied exclusively to the payment of the principal of and interest on the Bonds as covenanted and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid. In the event the Bonds shall be issued in more than one series, there shall be established a separate sinking fund for each series, to be designated as set forth in the Purchase Proposal.

The County shall deposit in the said Sinking Fund not later than 11:00 a.m. on each date when principal and/or interest is to become due on the Bonds a sufficient part of each aforementioned appropriation so that on each such payment date the said Sinking Fund will contain, together with any other available funds therein, sufficient money to pay in full the principal and/or interest amount then due on the Bonds. The said Sinking Fund shall be secured and invested by the Sinking Fund Depository in securities or deposits authorized by the Act, upon direction of the County, all as provided in the Act. Said deposits and securities shall be in the name of the County but subject to withdrawal or collection only by the Sinking Fund Depository, and said deposits and securities, together with the interest thereon shall be a part of the said Sinking Fund. The Sinking Fund Depository and Paying Agent without further action of the County is hereby authorized and directed to pay from the said Sinking Fund the interest on and the principal of the Bonds when due and payable.

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, estate, succession or inheritance taxes.

Section 15. Bank of New York, Malvern, Pennsylvania, is hereby appointed as Paying Agent and Sinking Fund Depository for the Bonds as required by Section 8106 of the Act. The Paying Agent is further appointed as registrar of the Bonds and directed to maintain a registry book for the Bonds. The proper officers of the County are hereby authorized, empowered and directed to contract with said Paying Agent for such services and also to appoint and contract with any successor in such duties.

Section 16. The Chairman of the Board of Commissioners, and the Chief Clerk, or the Vice Chairman or any Acting Chief Clerk in the absence of the Chairman or Chief Clerk, or a duly-appointed successor, as the case may be, are hereby authorized, empowered and directed to prepare, execute and verify the Debt Statement of the County, with an appended Borrowing Base Certificate, certified by a County officer as required by Section 8110 of the Act, and to cause a complete and accurate copy of the proceedings in connection with the authorization, issuance and sale of the Bonds, certified by the Chief Clerk or any Acting Chief Clerk, including the aforesaid Debt Statement, to be filed with the Pennsylvania Department of Community and Economic Development as required by Sections 8111 and 8201 of the Act, and to pay the necessary filing fees in connection therewith.

Section 17. The Preliminary Official Statement dated September 8, 2005, in the form presented to this meeting is hereby approved and "deemed final" as of its date by the County. The final Official Statement, substantially in the form of the Preliminary Official Statement and also containing the final terms of the Bonds shall be prepared and delivered to the Purchasers within seven business days of the acceptance of the Purchase Proposal, and the County hereby approves the use thereof with the public offering and sale of the Bonds. The Chairman or Vice Chairman of the Board of Commissioners is hereby authorized, empowered and directed on behalf of the County to execute the Official Statement with such additions, deletions or changes as are necessary to make such document in its final form conform to the terms and conditions of the Purchase Proposal.

Section 18. The appropriate officers as designated in Section 5 hereof are hereby authorized, empowered and directed to execute the Bonds as aforesaid in Section 5 and to cause the Bonds to be authenticated by the certificate endorsed thereon, manually signed by a duly-authorized officer of the Paying Agent designated in Section 15 hereof. The Chairman or Vice Chairman of the Board of Commissioners and the Chief Clerk or Acting Chief Clerk of the County, or any duly-appointed successor, as the case may be, are further authorized, empowered and directed to deliver

the Bonds upon receipt of the purchase money and in accordance with the terms of the Purchase Proposal for the purchase thereof and to execute and deliver any and all papers and documents with such additions, deletions or changes as such officers shall deem appropriate and in accordance with this Ordinance and to take such further action and to do or cause to be done any and all acts and things as may be necessary or appropriate to execute or carry out the purposes of this Ordinance, to incur the debt hereby authorized and to effectuate the issuance, sale and delivery of the Bonds, and such actions of such officers shall be deemed the actions of the County.

The County's Bond Counsel, Curtin & Heefner, LLP, Esquires, are hereby authorized and directed to prepare all documents required in connection with the issuance, sale and delivery of the Bonds as Bond Counsel deems necessary or appropriate and to arrange for the printing thereof and of the Bonds.

Section 19. Conditioned upon the issuance of the Bonds for the Refunding Program, the County hereby calls for redemption certain of the outstanding Prior Bonds as follows:

- a. On June 15, 2009, all of the outstanding 1999 Bonds due on or after June 15, 2010.
- b. On May 1, 2008, certain of the outstanding 1998 Bonds maturing on May 1 in the following years and in the following principal amounts within such maturities:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2009	\$230,000
2010	\$240,000
2011	\$255,000
2012	\$265,000
2013	\$280,000
2014	\$290,000
2017	\$965,000

- c. On December 1, 2007, all of the outstanding 1997 Bonds due on or after December 1, 2008.

The County shall deposit with the successor paying agent for the Refunded Prior Bonds, the amount required to pay, after taking into account the interest to be earned thereon, the principal and interest to the date of payment and redemption of the Refunded Prior Bonds and to invest the amount so deposited, pending such payment, in United States Treasury Securities. The officers of the County are hereby authorized and directed to execute all documents and to take such other action as may be necessary or advisable to effect the redemption and payment of the Bonds, including the execution of one or more Escrow Agreements or comparable documentation with the successor paying agent for the Refunded Prior Bonds.

Section 20. 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 the 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 security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution or sale of property 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 Act.

(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:

Bloomberg Municipal Repository  
100 Business Park Drive  
Skillman, NJ 08558  
Phone: 609-279-3225  
FAX: 609-279-5962  
Email: [MUNIS@Bloomberg.com](mailto: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](mailto: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@interactivedata.com](mailto:NRMSIR@interactivedata.com)

Standard & Poor's Securities  
Evaluations, Inc.  
55 Water Street, 45<sup>th</sup> Floor  
New York, NY 10041  
Phone: 212-438-4595  
FAX: 212-438-3975  
Email: [nrmsir\\_repository@sandp.com](mailto: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 21. The Bonds proceeds shall be deposited in a Settlement Account, from which the Paying Agent shall thereafter pay the costs and expenses of the financing and establish reserves therefor, if required, pursuant to written instructions of the County signed by the Chairman or Vice Chairman of the Board of Commissioners. Any reserves in the Settlement Account shall be disbursed from time to time by the Paying Agent pursuant to written instructions from the Chairman of the Board of Commissioners or the Chief Clerk of the County and any balance ultimately remaining in any such reserve shall, upon written instructions of the Chairman of the Board of Commissioners or the Chief Clerk of the County, be paid over to the County.

Section 22. Upon the recommendation of the Director of Finance of the County, the Chairman of the Board of Commissioners or any authorized officer of the County, is hereby authorized 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.

Section 23. This Ordinance is adopted pursuant to the Act, the laws and the Constitution of the Commonwealth of Pennsylvania and the County hereby determines and declares that each and every matter and thing provided for herein is necessary and desirable to carry out and effect the public purposes of the County in accordance with such laws. All of the mandatory provisions of the Act shall apply hereunder whether or not explicitly stated herein and are specifically incorporated herein by reference.

Section 24. In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by those who shall purchase the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the County and the holders from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the County shall be for the benefit, protection and security of the holders or registered owners from time to time of the Bonds. If the County shall default in the performance of any of its obligations hereunder, under the Bonds or under the Act, the holders or registered owners of the Bonds shall be entitled to all of the rights and remedies provided by the Act in the event of such default.

Section 25. In the event that any one or more of the provisions contained in this Ordinance or in the Bonds issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ordinance or of the Bonds, and this ordinance or the Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

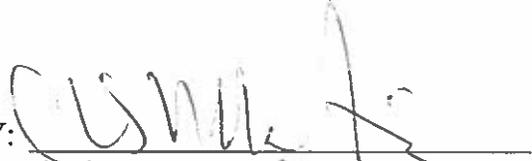
Section 26. The County may, from time to time and at any time, adopt a supplemental ordinance (a) to cure any ambiguity, formal defect or omission in this Ordinance or in any supplemental ordinance; or (b) to grant to and confer upon the holders from time to time of the Bonds any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon same; or (c) to comply with any requirements of the Code after regulations and rulings interpreting the Code are promulgated.

Section 27. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon, or to give any person, firm or corporation other than the County, its agents, the bond insurer, if any, and the registered owners of the Bonds any right, remedy or claim under or by reason of this ordinance or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements contained in this ordinance are and shall be for the sole and exclusive benefit of the County, its agents, the bond insurer, if any, and the registered owners of the Bonds.

Section 28. All ordinances or parts thereof inconsistent herewith are hereby repealed, rescinded, cancelled and annulled.

ENACTED by the Board of Commissioners of the County this 7<sup>th</sup> day of September, 2005.

COUNTY OF BUCKS  
Commonwealth of Pennsylvania

BY:   
Chairman, Board of Commissioners

[SEAL]

Attest:

By:   
Chief Clerk

**Exhibit A**

## Schedule of Refunded Prior Bonds

Bonds	Maturity Date	Par Amount
Series of 1997	12/01/2005	\$ 1,665,000.00
	12/01/2006	1,740,000.00
	12/01/2007	1,825,000.00
	12/01/2008	1,910,000.00
	12/01/2009	2,000,000.00
	12/01/2010	2,095,000.00
	12/01/2011	2,210,000.00
	12/01/2012	2,320,000.00
	12/01/2014	4,995,000.00
	12/01/2017	8,515,000.00
Series of 1998	05/01/2009	230,000.00
	05/01/2010	240,000.00
	05/01/2011	255,000.00
	05/01/2012	265,000.00
	05/01/2013	280,000.00
	05/01/2014	290,000.00
	05/01/2017	965,000.00
Series of 1999	06/15/2010	600,000.00
	06/15/2011	630,000.00
	06/15/2012	665,000.00
	06/15/2013	700,000.00
	06/15/2014	735,000.00
	06/15/2015	340,000.00
	06/15/2016	<u>360,000.00</u>
Total		<u>\$35,830,000.00</u>

**Exhibit B**

## List of Capital Projects

1. Open Space Program
2. Preliminary Work on New Courthouse
3. Construction of Morgue
4. Information Technology Upgrades and Acquisitions
5. Court Facility Project
6. Correctional Facility Improvements
7. Miscellaneous Public Works Projects, including ADA upgrades and other improvements to certain County facilities
8. Miscellaneous Capital Projects, including equipment acquisition and flood mitigation projects

**Exhibit C**

[Form of Bond]

Number GO-

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA

COUNTY OF BUCKS

GENERAL OBLIGATION BOND  
SERIES OF 2005

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
	June 1, _____	_____, 2005	

REGISTERED OWNER: CEDE & CO., AS NOMINEE OF THE  
DEPOSITORY TRUST COMPANY  
NEW YORK, NEW YORK

PRINCIPAL AMOUNT:

COUNTY OF BUCKS, COMMONWEALTH OF PENNSYLVANIA (the "County"), for value received, hereby acknowledges itself to be indebted and promises to pay the registered owner hereof or registered assigns, on the above-mentioned maturity date, the principal sum of \_\_\_\_\_ Dollars in lawful money of the United States of America upon presentation hereof at the Principal Corporate Trust Office of Bank of New York, Malvern, Pennsylvania (the "Paying Agent"), or its successor and to pay semiannually on June 1 and December 1 of each year, beginning December 1, 2005, to the registered owner hereof, by check or draft mailed to the registered owner hereof at its address as it appears on the last day of the calendar month immediately preceding such interest payment date (the "Record Date") on the registration books kept by the Paying Agent as Registrar, Paying Agent and Sinking Fund Depository, interest on such principal sum at the rate per annum stated hereon (computed on the basis of a 360-day year of twelve 30-day months), from the interest payment date next preceding the date of registration and authentication of this Bond, unless: (a) this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date; or (b) this Bond is registered after a Record Date and before the next succeeding interest payment date, in which event this Bond shall bear interest from such interest payment date; or (c) this Bond is registered and authenticated on or prior to the Record Date next preceding December 1, 2005, in which event this Bond shall bear interest from \_\_\_\_\_, 2005 or (d) as shown by the records of the Paying Agent, interest on this Bond shall be in default, in which event this Bond shall bear interest from the date on which interest was last paid on this Bond, until said principal sum is paid. Upon the written request of any holder of \$1,000,000 or more in aggregate principal amount of the Bonds as of the close of business of the Paying Agent on the Record Date, so long as such written request is received by the Paying Agent not less than 5 days prior to such Record Date, the payment of interest may be made by wire transfer. The Paying Agent shall establish a special record date for the payment of defaulted interest and shall send notice of such dates to each registered owner not less than 10 days preceding such special record date but not more than 30 days prior to the payment of such defaulted interest. Such notice shall be sent to persons who are record owners at the close of business on the fifth business day prior to mailing. This Bond, as to principal or redemption price and interest, is payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts, without deduction of any tax or taxes (except gift, estate, succession or inheritance taxes or any other taxes not levied directly on this Bond) 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, all of which taxes, except as herein provided, the County assumes and agrees to pay.

If the payment of the principal of or interest on the Bonds occurs on a day which is not a Business Day (which is any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania, or in the city in which the corporate trust or payment office of the Paying Agent is located are authorized by law or executive order to be closed), the interest and/or principal due on such date shall be payable on the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

This Bond is one of a series of bonds of the County known generally as "General Obligation Bonds, Series of 2005" in the aggregate principal amount of \$\_\_\_\_\_.

The Bonds maturing on or after June 1, \_\_\_\_, are subject to redemption prior to maturity, at the option of the County, as a whole, or from time to time, in part, on \_\_\_\_\_, or on any date thereafter upon payment of a redemption price of 100% of principal amount thereof plus interest accrued to the redemption date. In the event that less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot.

Notice of call for redemption shall be given by the Paying Agent not less than 30 days prior to the date fixed for redemption by mailing a copy of the redemption notice to each registered owner appearing on the registration books kept by the Paying Agent, unless such notice is waived by the registered owner. Failure to mail any notice of redemption or any defect therein or in the mailing thereof shall not affect the validity of the redemption of any other bonds for which proper notice shall have been given. Notice having been so given and provision having been made for redemption from funds with the Paying Agent, all interest on Bonds, or portions thereof, called for redemption accruing after the date fixed for redemption shall cease.

The Bonds are issued in accordance with provisions of the Local Government Unit Debt Act, Act No. 177 of December 19, 1996, P.L. 1158 (the "Act") and by virtue of an ordinance duly enacted on September 7, 2005 (the "Ordinance") by the County. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the County and the registered owners, from time to time, of the Bonds.

The County, in the ordinance, has established a Sinking Fund with the Paying Agent, as the Sinking Fund Depository, into which funds for the payment of the principal of and the interest on the Bonds shall be deposited not later than the date fixed for the disbursement thereof. The County has covenanted in the ordinance to make payments out of such Sinking Fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Bond.

It is covenanted with the owners, from time to time, of this Bond, that the County shall include the amount of the debt service for each fiscal year in which sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid the principal of the Bond and the interest thereon at the date and place and in the manner stated herein, according to the true intent and meaning thereof; and for such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

The Bonds are issuable only in the form of fully-registered Bonds in the denomination of \$5,000 or any whole multiple thereof.

This Bond is transferable only upon the books of the County kept for that purpose at the principal corporate trust office of the Paying Agent by the registered owner hereof, in person or by his attorney duly authorized in writing, subject to any required tax, fee, or other governmental charge, upon surrender hereof together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or such duly-authorized attorney and thereupon the County shall issue a new fully-registered Bond or Bonds of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond. The County and any Paying Agent of the County may treat and consider the person in whose name this Bond is

registered as the holder and absolute owner hereof for the purpose of receiving payment of the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever.

If the County shall fail to pay the principal of or interest on this Bond when due, or shall otherwise default on any of its obligations hereunder, under the Ordinance or under the Act, the holder of the Bond shall be entitled to all of the rights and remedies provided by the Act in the event of such default.

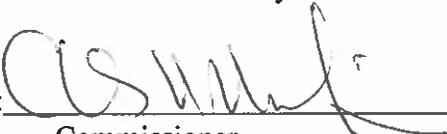
No covenant or agreement contained in this Bond or the Ordinance shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his individual capacity, and no official executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

It is hereby certified that all acts, conditions and things required to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, or in the creation of the debt of which this is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; and that the debt represented by this Bond, together with all other debt of the County, is not in excess of any constitutional or statutory limitation.

This Bond shall not be valid or enforceable unless this Bond shall have been duly authenticated by the Certificate of Authentication endorsed hereon, signed by a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF, the County, as provided by the Act and in the Ordinance, has caused this Bond to be executed in its name and in its behalf by the manual or facsimile signatures of the members of the Board of Commissioners and attested by the manual or facsimile signature of the Chief Clerk of the County and the official seal of the County or a facsimile thereof to be affixed hereto.

COUNTY OF BUCKS  
Commonwealth of Pennsylvania

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

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

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

[SEAL]

Attest: \_\_\_\_\_  
Chief Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds, of the Series designated therein, described in the within-mentioned Ordinance. Attached hereto is the complete text of the opinion of Curtin & Heefner, LLP, Morrisville, Pennsylvania, an executed counterpart of which is on file with the undersigned, delivered on and dated the date of the original delivery of, and payment for, the Bonds.

\_\_\_\_\_  
Paying Agent

Date of Authentication:

\_\_\_\_\_, 2005

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

[FORM OF ASSIGNMENT]

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED \_\_\_\_\_  
 (the "Transferor"), the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_  
 \_\_\_\_\_ (the "Transferee"),  
 {Social Security or Federal Employer Identification No. \_\_\_\_\_  
 \_\_\_\_\_} the within bond and all rights thereunder, and hereby irrevocably  
 constitutes \_\_\_\_\_ and \_\_\_\_\_ appoints  
 \_\_\_\_\_ as  
 attorney to transfer the within bond on the books kept for the registration thereof, with full power of  
 substitution in the premises.

Date: \_\_\_\_\_

Signature(s) Guaranteed:  
  
\_\_\_\_\_

NOTICE: No bond shall be issued in the name of the Transferee, unless the signature(s) to this Assignment corresponds with the name as it appears upon the face of the within bond in every particular without alteration or enlargement of any change whatever and the social security or Federal Employer Identification Number of the commercial Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the Trust, the Federal Employer Identification Number and the date of the trust and the name of the trustee should be supplied.

[End of Bond Form]