

ORDINANCE NO. 42

ORDINANCE PROVIDING FOR INCREASING THE LEASE RENTAL DEBT OF THE COUNTY OF BUCKS IN THE AMOUNT OF \$5,300,000 BY GUARANTEEING PAYMENT OF PRINCIPAL OF AND INTEREST ON BUCKS COUNTY HOUSING AUTHORITY FIRST MORTGAGE GUARANTEED REVENUE BONDS, SERIES OF 1977, ISSUED FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARD THE CONSTRUCTING AND EQUIPPING OF A 152 UNIT APARTMENT BUILDING FOR LOW INCOME ELDERLY OR HANDICAPPED FAMILIES: AUTHORIZING EXECUTION AND DELIVERY OF A GUARANTY AGREEMENT PLEDGING THE FULL FAITH, CREDIT -AND TAXING POWER TO MAKE PAYMENTS REQUIRED BY THE GUARANTY AGREEMENT; FIXING AMOUNT OF ANNUAL PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS GUARANTEED BY THE COUNTY; *PROVIDING FOR PAYMENTS UNDER THE GUARANTY AGREEMENT AND COVENANTING WITH BONDHOLDERS TO MAKE PAYMENTS; AUTHORIZING THE FILING OF APPLICATION FOR APPROVAL OF PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS OF EXECUTION OF GUARANTY AGREEMENT AND THE EXCLUSION OF LEASE RENTAL DEBT; AND REPEALING OR RESCINDING INCONSISTENT ORDINANCES AND RESOLUTIONS OR PARTS THEREOF.

WHEREAS, Bucks County Housing Authority (the "Authority") has undertaken the constructing and equipping of a 152 unit apartment building for low income elderly or handicapped families (the "Project") upon certain real property (the "site") located in Doylestown Township, Bucks County (the "County"), Pennsylvania, all in accordance with plans and specifications prepared by Ronald E. Vaughn Associations; and

WHEREAS, the cost of the project is to be financed by issuance by the Authority of \$5,300,000 principal amount of its First Mortgage Guaranteed Revenue Bonds, Series of 1977, issued in the denomination of \$5,000 each (the "Bonds"), and

WHEREAS, Dolphin & Bradbury and Butcher & Singer, Inc., (the "Investment Bankers") for the Authority, have recommended that the County guarantee payment of the Bonds in order to improve the salability of the Bonds and reduce interest costs; and

WHEREAS, the County, by resolution of Board of County Commissioners, has approved the amount and term of the Bonds and the proposal of the Investment Bankers to purchase the Bonds, which proposal sets forth the maturities, interest rates and redemption provisions thereof; and

WHEREAS, the County by said resolution of the Board of County Commissioners has indicated its willingness to guarantee

*STATING THE ESTIMATED USEFUL LIFE OF THE PROJECT;

payment of the principal of and interest on the Bonds, including sinking fund payments with respect thereto; and

WHEREAS, the County is willing to evidence such willingness by the execution of a Guaranty Agreement to be dated August 1, 1977 (the "Guaranty Agreement") a form of which has been submitted to this meeting.

NOW, THEREFORE, IT IS HEREBY ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF BUCKS, PENNSYLVANIA, that:

1. The authorized debt of the County is hereby increased in the amount of \$5,300,000 consisting of "lease rental debt" (as defined in the Local Government Unit Debt Act, No. 185 of 1972, which, as amended, is herein termed the "Act"), which, together with any other lease rental debt other debt of the County now existing, will not result in a violation of the limitations of the Constitution of the Commonwealth of Pennsylvania or of the Act and is to be evidenced by the Guaranty Agreement. Said lease rental debt is to be incurred by guaranteeing payment of the principal of and interest on the Authority's above described \$5,300,000 of Bonds, including sinking fund payments with respect thereto, issued for the purpose of providing funds for and toward the cost of the Project.

2. The amount of the Authority's bonds to be secured by the Guaranty Agreement is \$5,300,000, being the above-mentioned Bonds of the Authority. The Bonds are to be issued under the Authority's First Mortgage and Trust Indenture dated August 1, 1977 (the "Indenture"), which provides that such Bonds shall be secured by (1) the pledge of revenues derived by the Authority from the Project, including rental income and federal subsidy payments from the United States Department of Housing and Urban Development under a Housing Assistance Payments Contract (the "Revenues"), (2) a first mortgage lien on the Site and the Project under the Indenture and (3) payments by the County under the Guaranty Agreement.

3. The above-mentioned debt to be incurred by the County shall be "lease rental debt," as defined in the Act.

4. The Board of County Commissioners hereby approves the

Guaranty Agreement in the form presented to this meeting, with such changes, if any, as may be approved by the officers of the County executing it, whose execution thereof shall be conclusive evidence of such approval. The Chairman of the Board of County Commissioners and the Treasurer of the County are hereby authorized and directed to execute the Guaranty Agreement on behalf of the County with any above-mentioned changes, and the Chief Clerk of the County is hereby authorized and directed to affix thereto and attest the seal of the County, and then to deliver the Guaranty Agreement on behalf of the County.

5. The principal of and interest on the Bonds are to be payable from the Revenues, if necessary, payments by the County under the Guaranty Agreement and proceeds from the mortgage created by the Indenture. The annual payments of principal and interest (including sinking fund payments) guaranteed by the County are the following:

<u>Year</u>	<u>Amount</u>		<u>Year</u>	<u>Amount</u>	
	<u>April 1</u>	<u>October 1</u>		<u>April 1</u>	<u>October 1</u>
1979	156,047.50	156,047.50	1997	119,658.75	249,658.75
1980	156,047.50	206,047.50	1998	115,726.25	250,726.25
1981	155,047.50	215,047.50	1999	111,642.50	251,642.50
1982	153,787.50	213,787.50	2000	107,407.50	257,407.50
1983	152,467.50	212,467.50	2001	102,870.00	262,870.00
1984	151,102.50	216,102.50	2002	98,030.00	268,030.00
1985	149,575.00	214,575.00	2003	92,887.50	272,887.50
1986	147,998.75	222,998.75	2004	87,442.50	277,442.50
1987	146,123.75	221,123.75	2005	81,695.00	281,695.00
1988	144,211.25	219,211.25	2006	75,645.00	290,645.00
1989	142,261.25	227,261.25	2007	69,033.75	294,033.75
1990	140,008.75	225,008.75	2008	62,115.00	302,115.00
1991	137,713.75	227,713.75	2009	54,735.00	309,735.00
1992	135,238.75	235,238.75	2010	46,893.75	316,893.75
1993	132,488.75	232,488.75	2011	38,591.25	323,591.25
1994	129,613.75	229,613.75	2012	29,827.50	334,827.50
1995	126,595.00	241,595.00	2013	20,448.75	340,448.75
1996	123,288.75	243,288.75	2014	10,608.75	355,608.75

6. The estimated useful life of the Project is not less than 38 years.

7. As provided in the Guaranty Agreement, the County agrees to make payments to the Trustee under the Indenture to pay the principal of and interest on the Bonds (including sinking fund payments required by the Indenture) to the extent monies are not otherwise available under the Indenture for such purpose, and agrees that such payments will be made from any available funds of the County and agrees to take such action as is legally permitted to make funds available for such purpose including, but not limited to, amending its budget for the then current year and borrowing funds to the extent permitted by the Act, in order that the principal of and interest on the Bonds (including sinking fund payments) are paid on the dates and at the place and in the manner stated in the Bonds and the coupons appertaining thereto.

As further provided in the Guaranty Agreement, the County hereby covenants with the holders from time to time of the Bonds and coupons attached thereto that it shall include the amounts required to be paid above in each fiscal year in its budget for such fiscal year, shall appropriate an amount for the payment thereof, and shall duly and punctually pay or cause to be paid to the Trustee such amounts which shall be sufficient to pay the principal of the Bonds and the interest thereon at the dates and place and in the manner stated in the Bonds and the coupons, 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 maximum amounts payable semiannually under the Guaranty Agreement shall not exceed the amounts specified in Section 5 hereof.

8. The proper officers of the County are hereby authorized and directed to prepare, execute and file with the Department of Community Affairs of the Commonwealth of Pennsylvania the Debt Statement of the County required by Section 410 of the Act with an appended Borrowing Base Certificate, certified by the County Controller, and all other documents required by the Act in connection with the execution and delivery of the Guaranty Agreement, and the Chief Clerk is hereby authorized to prepare and file any statements required by Article II of the

Act necessary to qualify the debt of \$5,300,000 for exclusion from the appropriate debt limit of the County as self-liquidating debt, including the Certificate of the Authority Executive Director under Section 206 of the Act, which is hereby approved as presented at this meeting. The proper officers of the County are hereby authorized and empowered to take all such further action and execute such additional documents as they may deem appropriate to carry out the purposes of this Ordinance.

9. This Ordinance shall become effective on the earliest date permitted by the Act.

10. If any part of this Ordinance shall be held to be illegal or invalid, that shall not affect any other parts hereof, all of which shall be construed as if the illegal or invalid part had not been included herein.

11. All ordinances and resolutions or parts thereof insofar as they are inconsistent herewith are hereby repealed or rescinded.

ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS,
this 20th day of July, 1977.

COUNTY OF BUCKS

(SEAL)

By George M. Metzger
Commissioner

By H. Roger Sowers
Commissioner

By Joseph F. Catania
Commissioner

Attest:

By William H. Reser
Secretary

CERTIFICATE

I HEREBY CERTIFY that attached hereto is a correct copy of the Ordinance No. 42 with respect to increasing the lease rental debt of the County of Bucks, Pennsylvania, in the amount of \$5,300,000, duly enacted by the majority vote of all the members of the Board of County Commissioners of said County at a meeting of the said Board duly held July 20, 1977, at which time the following members were present and acting throughout:

Commissioner George M. Metzger, Chairman

Commissioner G. Roger Bowers, Esq.

(Commissioner Joseph F. Catania was on vacation)

and that the voting on said ordinance was as follows:

For: 2 Against: 0

and that said Ordinance has been duly enrolled in the Ordinance Book of said County and that the minutes of said meeting showing how each member voted have been duly recorded in the official minutes of the Board of County Commissioners of the County of Bucks.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the County of Bucks has been affixed this 20th day of July, 1977.


Chief Clerk

(SEAL)