

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATINGS: Moody's "Aaa" (Negative Outlook)
Standard & Poor's "AA+" (Stable Outlook)
(See "Ratings" herein)**

In the opinion of Bond Counsel, interest on the 2011 Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the condition described in "TAX MATTERS" herein and interest on the 2011 Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the individual and corporate alternative minimum taxes. However, under the Code, such interest may be subject to certain other taxes affecting corporate holders of the 2011 Bonds. Under the laws of the Commonwealth of Pennsylvania, the 2011 Bonds are exempt from personal property taxes in Pennsylvania, and interest on the 2011 Bonds is exempt from Pennsylvania personal income tax and the Pennsylvania corporate net income tax. For a more complete discussion, see "TAX MATTERS" herein.

\$75,065,000
COUNTY OF BUCKS
Pennsylvania
General Obligation Bonds, Series of 2011

Dated: Date of Delivery
First Interest Payment: June 1, 2012

Interest Due: June 1 and December 1
Principal Due: June 1 (as shown on inside front cover)

The General Obligation Bonds, Series of 2011 (the "Bonds" or the "2011 Bonds") of the County of Bucks, Pennsylvania (the "County") are issued by the County pursuant to the Pennsylvania Local Government Unit Debt Act and an Ordinance enacted by the Board of Commissioners of the County on November 2, 2011 (the "Ordinance") to fund certain capital projects, as more fully described herein.

The Bonds will be issued in fully registered form, without coupons, in principal denominations of \$5,000 and integral multiples thereof. The Bonds will be dated as of and will bear interest from the date of delivery. Interest on the Bonds shall be payable initially on June 1, 2012 and thereafter, semiannually on June 1 and December 1 of each year.

Proceeds of the Bonds will be used to fund or reimburse: (i) all or a portion of the following capital projects of the County: (a) the construction of a new Justice Center and renovations and improvements to certain other County facilities, (b) the County's open space program, (c) the acquisition of certain technology upgrades, and (d) other miscellaneous public works projects; and (ii) the costs of issuing the Bonds. See "PLAN OF FINANCING" herein.

The County has appointed Wells Fargo Bank, N.A. (the "Paying Agent") as paying agent and sinking fund depository for the Bonds. The Bonds are being issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. So long as DTC, or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Paying Agent directly to Cede & Co. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners of the Bonds is the responsibility of the DTC Participants and the Indirect Participants. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption Provisions Relating to the Bonds."

THE BONDS ARE GENERAL OBLIGATIONS OF THE COUNTY, PAYABLE FROM THE GENERAL REVENUES OF THE COUNTY FROM WHATEVER SOURCE DERIVED, PRESENTLY INCLUDING UNLIMITED AD VALOREM TAXES ON ALL REAL PROPERTY WITHIN THE COUNTY TAXABLE FOR COUNTY PURPOSES.

In the Ordinance, the County covenants with the holders of the Bonds that it will include the amount of the debt service to be paid on the Bonds for each fiscal year in which such sums are payable in its budget for that year, will appropriate such amounts to the payment of such debt service, and will duly and punctually pay or cause to be paid the principal of every Bond and interest thereon on the dates, at the places and in the manner stated in the Bonds, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power.

(MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIPs)
(Shown on inside front cover)

The Bonds are offered when, as and if issued by the County and delivered to and received by the Underwriters, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Saul Ewing LLP, Philadelphia, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the Underwriters by Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania and for the County by its Solicitor, Glenn D. Hains, Esquire, Doylestown, Pennsylvania. Stark & Stark, PC, Yardley, Pennsylvania, is serving as Disclosure Counsel in connection with the issuance of the Bonds. Public Financial Management, Inc., Malvern, Pennsylvania, serves as Financial Advisor to the County in connection with the issuance of the Bonds. The County expects the Bonds to be available for delivery to the Underwriters through the facilities of DTC on or about December 8, 2011.



Boenning & Scattergood, Inc.

Morgan Stanley

November 2, 2011

\$75,065,000
COUNTY OF BUCKS
Pennsylvania
General Obligation Bonds, Series of 2011

Dated: Date of Delivery
Interest Due: June 1 and December 1

Principal Due: June 1 (as shown below)
First Interest Payment Date: June 1, 2012

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIPs

<u>Maturity</u> <u>(June 1)</u>	<u>Amounts</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP No.**</u>
2012	\$1,975,000	2.000%	0.250%	100.839%	118565 UM0
2013	3,975,000	2.000%	0.450%	102.284%	118565 UN8
2014	4,080,000	3.000%	0.680%	105.696%	118565 UP3
2015	4,200,000	3.000%	1.000%	106.824%	118565 UQ1
2016	4,350,000	4.000%	1.290%	111.761%	118565 UR9
2017	590,000	4.000%	1.570%	112.712%	118565 US7
2017	3,960,000	5.000%	1.570%	117.944%	118565 UT5
2018	4,775,000	5.000%	1.800%	119.490%	118565 UU2
2019	5,025,000	5.000%	2.070%	120.208%	118565 UV0
2020	5,255,000	4.000%	2.330%	112.783%	118565 UW8
2021	5,470,000	4.000%	2.490%	112.681%	118565 UX6
2022	5,695,000	4.000%	2.630%*	111.956%	118565 UY4
2023	5,955,000	5.000%	2.750%*	119.521%	118565 UZ1
2024	6,260,000	5.000%	2.890%*	118.180%	118565 VA5
2025	6,585,000	5.000%	3.040%*	116.763%	118565 VB3
2026	595,000	4.000%	3.460%*	104.524%	118565 VC1
2026	6,320,000	5.000%	3.150%*	115.737%	118565 VD9

*Priced to first optional redemption date of December 1, 2021

** The CUSIP numbers shown have been assigned to the Bonds by the CUSIP Service Bureau, an organization not affiliated with the County, and are included solely for the convenience of the holders of the Bonds. The County is not responsible for the selection of the CUSIP numbers, nor are any representations made as to their correctness on the Bonds or as indicated herein.

COUNTY OF BUCKS

COUNTY COMMISSIONERS

CHARLES H. MARTIN, CHAIRMAN,
ROBERT G. LOUGHERY, VICE-CHAIRMAN
DIANE M. ELLIS-MARSEGLIA

COUNTY OFFICIALS

BRIAN HESSENTHALER, CPA
Chief Operating Officer

RAYMOND F. McHUGH, ESQUIRE
Controller

WILLIAM R. SNYDER
Treasurer

LYNN T. BUSH
Chief Clerk

GLENN D. HAINS, ESQUIRE
Solicitor

DAVID P. BOSCOLA
Director of Finance

NANCY A. HORVATH, CPA
Deputy Finance Director

BOND COUNSEL

SAUL EWING LLP
Philadelphia, Pennsylvania

DISCLOSURE COUNSEL

STARK & STARK, PC
Yardley, Pennsylvania

FINANCIAL ADVISOR

PUBLIC FINANCIAL MANAGEMENT, INC.
Malvern, Pennsylvania

PAYING AGENT

WELLS FARGO BANK, N.A.
Philadelphia, Pennsylvania

UNDERWRITERS

PNC CAPITAL MARKETS LLC
Philadelphia, Pennsylvania

BOENNING & SCATTERGOOD, INC.
Conshohocken, Pennsylvania

MORGAN STANLEY & CO. LLC
New York, New York

UNDERWRITERS' COUNSEL

STRADLEY RONON STEVENS & YOUNG, LLP
Philadelphia, Pennsylvania

COUNTY ADDRESS

Administration Building
55 East Court Street
Doylestown, Pennsylvania 18901

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS. SUCH ACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesperson or other person has been authorized by PNC Capital Markets LLC, Boenning & Scattergood, Inc. or Morgan Stanley & Co. LLC or (collectively, the "Underwriters") or the County to give any information or to make any representations other than the information contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, The Depository Trust Company and other sources that are believed to be reliable, and is in form deemed final by the County for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, but the Underwriters do not guarantee the accuracy or completeness of such information, such information is not to be construed as a representation by the Underwriters, and except for the information concerning the County, such information is not to be construed as a representation by the County. The information and expressions of opinion contained in this Official Statement speak as of its date, except where otherwise noted, and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date of this Official Statement. In making an investment decision, investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES NOR THE SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.

The information contained in this Official Statement has been obtained from representatives of the County, The Depository Trust Company, public documents, records and other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such

information, and nothing contained in this Official Statement is, or may be relied on as, a promise or representation by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of any of such information.

This Official Statement is submitted in connection with the sale of the securities referred to herein, and may not be reproduced or be used, in whole or in part, for any other purpose. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances at any time imply that the information herein is correct as of any time subsequent to its date.

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The Table of Contents does not list all of the subjects in this Official Statement and in all instances reference should be made to the complete Official Statement to determine the subjects set forth herein.

OFFICIAL STATEMENT
\$75,065,000
COUNTY OF BUCKS, PENNSYLVANIA
General Obligation Bonds
Series of 2011

INTRODUCTION

This Official Statement of the County of Bucks, Pennsylvania (the “County”), which includes the cover page hereof and the appendices hereto, provides certain information relating to the County and its \$75,065,000 aggregate principal amount of General Obligation Bonds, Series of 2011 (the “Bonds” or the “2011 Bonds”). The County is a body corporate and politic established in 1683 existing under the Constitution and laws of the Commonwealth of Pennsylvania (the “Commonwealth”). The Bonds are being issued pursuant to the Pennsylvania Local Government Unit Debt Act, as amended and reenacted (the “Debt Act”), and an Ordinance enacted by the Board of County Commissioners on November 2, 2011 (the “Ordinance”). Prior to delivery of the Bonds, the Department of Community and Economic Development of the Commonwealth of Pennsylvania (“DCED”) will issue its certificate of approval with respect to the increase of debt of the County evidenced by the Bonds. Wells Fargo Bank, N.A. will act as Sinking Fund Depository, Registrar, and Paying Agent for the Bonds (the “Paying Agent”). Corporate trust offices of the Paying Agent are located in Philadelphia, Pennsylvania. The proceeds of the Bonds will be used by the County to fund certain capital projects of the County and to pay costs of issuance of the Bonds (the “Projects”). See “PURPOSE OF THE ISSUE” below.

Neither the delivery of this Official Statement or any sale of the Bonds shall, under any circumstances, create any implication that no changes have occurred in the affairs of the County, or the communities or areas within the County, since the date of this Official Statement or, if earlier, the dates as of which particular information contained in this Official Statement is given. The descriptions in this Official Statement of the Bonds and the Ordinance are qualified by reference to the complete text of such instruments and documents, copies of which are available at the corporate trust offices of the Paying Agent in Philadelphia, Pennsylvania. The County’s general purpose financial statements for the years ended December 31, 2006 through and including 2010 were audited by Zelenkofske Axelrod LLC. The County’s 2010 Comprehensive Annual Financial Report is available from the County upon request. See “ADDITIONAL INFORMATION” and “CONTINUING DISCLOSURE” herein.

The information which follows contains summaries of the Ordinance, the Bonds, provisions of Commonwealth and federal law, the County’s budget and the County’s financial statements. Such summaries do not purport to be complete and reference is made to the Ordinance, the County’s budget and the County’s financial statements, copies of which are on file and available for examination at the offices of the County. Reference also is made to the Bonds and to the cited laws, statutes and regulations.

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to fund or reimburse: (i) all or a portion of the following capital projects of the County: (a) the construction of a new Justice Center and renovations and improvements to certain other County facilities, (b) the County’s open space program, (c) the acquisition of certain technology upgrades, and (d) other miscellaneous public works projects; and (ii) the costs of issuing the Bonds. See “PLAN OF FINANCING” herein

THE BONDS

General Description

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds and the Ordinance for the detailed provisions of the Bonds.

The Bonds are being issued in fully registered form and are dated the Date of Delivery. The Bonds will bear interest payable semiannually on June 1 and December 1 (each an "Interest Payment Date"), commencing June 1, 2012 at the rates set forth on the inside front cover page hereof, and are issuable in denominations of \$5,000 or any whole multiple thereof. The Bonds mature on the dates and in the amounts shown on the inside front cover page hereof. Each Bond shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from the most recent Interest Payment Date preceding the date of registration and authentication of such Bond, unless: (a) such Bond is registered and authenticated as of an Interest Payment Date, in which event such Bond shall bear interest from said Interest Payment Date; (b) such Bond is registered after a Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date; (c) such Bond is registered and authenticated prior to the Regular Record Date next preceding June 1, 2012, in which event such Bond shall bear interest from the Date of Delivery; or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond.

Principal of the Bonds will be paid to the registered owners thereof or assigns, when due, upon surrender thereof at the designated corporate trust office of the Paying Agent.

Payment of interest on the Bonds shall be made by check mailed by the Paying Agent to the registered owners thereof whose names and addresses appear at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date (the "Regular Record Date") on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of any Bonds subsequent to the Regular Record Date and prior to such Interest Payment Date, unless the County shall be in default in payment of interest due on such Interest Payment Date. In the case of an interest payment to any registered owner of \$1,000,000 or more in aggregate principal amount of Bonds as of the close of business of the Paying Agent on the Regular Record Date for a particular Interest Payment Date, such payment may be made by wire transfer to any designated account in a member bank of the Federal Reserve System as of the close of business on such Interest Payment Date upon written request from such registered owner, which written request is received by the Paying Agent not less than five days prior to such Regular Record Date.

In the event of any default in payment of interest due on an Interest Payment Date, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date ("Special Record Date") for the payment of such defaulted interest established by the Paying Agent on behalf of the County and notice thereof shall be mailed by the Paying Agent to the registered owners of the Bonds not less than ten (10) days preceding such Special Record Date but not more than fifteen (15) nor less than ten (10) days prior to the payment date of such defaulted interest.

If the date for payment of the principal of or interest on the Bonds occurs on a day which is not a Business Day (a "Business Day" is any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth, or in each of the cities in which the corporate trust or payment offices of the Paying Agent are 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.

So long as DTC or its nominee is the registered owner of the Bonds, payments of principal, redemption price and interest on the Bonds will be made directly to DTC or its nominee, and all such payments will be valid and effective to fully satisfy and discharge the obligations of the County with respect to, and to the extent of, the principal, redemption price and interest so paid.

So long as DTC or its nominee is the registered owner of the Bonds, references herein to the registered owners of the Bonds shall be deemed to refer to DTC or its nominee and not to the beneficial owners of the Bonds. See “BOOK-ENTRY ONLY SYSTEM.”

Transfer, Exchange and Registration of Bonds

Subject to the provisions described below under “BOOK-ENTRY ONLY SYSTEM,” the Bonds are transferable or exchangeable by the registered owners thereof upon surrender of the Bonds to the Paying Agent at its designated corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or the owner’s attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond of authorized denominations of the same maturity and interest rate for the aggregate amount which the registered owner is entitled to receive at the earliest practicable time. The County and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the County and the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged for a like aggregate amount of Bonds of other authorized denominations of the same maturity and interest rate.

Redemption Provisions Relating to the Bonds

Optional Redemption

The Bonds maturing on or after June 1, 2022, are subject to redemption prior to maturity, at the option of the County, as a whole, or from time to time, in part, in such order of maturity or portion of each maturity as may be directed by the County and within a maturity by lot or by any method deemed by the Paying Agent to be fair and appropriate, on December 1, 2021, or on any date thereafter, upon payment of a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date.

Notice of Redemption

The Paying Agent will mail by first class mail, postage prepaid (except when DTC, or its nominee, is the registered owner of all of the Bonds) to the registered owners of all of the Bonds to be redeemed, at the registered addresses appearing in the registration books kept for such purpose, notice of redemption not less than thirty (30) days nor more than sixty (60) days prior to the redemption date for the Bonds. Each notice of redemption of the Bonds will identify the Bonds to be redeemed and will state, among other things, the redemption date, the redemption price and whether the notice is conditional or not as described below. So long as DTC, or its nominee, is the sole registered owner of the Bonds under the book-entry-only system, redemption notices will be sent to Cede & Co.

If at the time of mailing of notice of an optional redemption there shall not have been deposited with the Paying Agent moneys sufficient to redeem all of the Bonds called for redemption, such notice

may state that it is conditional, i.e., subject to the deposit with the Paying Agent on or prior to the redemption date of moneys sufficient to pay the redemption price of the Bonds to be redeemed plus interest accrued thereon to the date of redemption, and such notice shall be of no effect unless such moneys are so deposited.

Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

When notice of redemption is given and unless such notice is conditioned as described above, Bonds called for redemption become due and payable on the redemption date at the applicable redemption price, and in such case when funds are deposited with the Paying Agent sufficient for redemption, interest on the Bonds to be redeemed will cease to accrue as of the date of redemption.

Selection of Bonds to be Redeemed

If less than all the Bonds are to be redeemed, the particular Bonds to be called for redemption will be selected by DTC in accordance with its rules and procedures so long as DTC, or its nominee, is the sole registered owner of the Bonds, or by lot or any other method deemed fair and appropriate by the Paying Agent if DTC, or its nominee, is not the owner.

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's book-entry only system has been obtained from DTC. The County, the Underwriters and the Paying Agent make no representation as to the accuracy of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's nominee. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, 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 and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's

rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through DTC Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the DTC Direct Participants' and DTC Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of DTC Direct or Indirect Participants acting on behalf of Beneficial Owners. **BENEFICIAL OWNERS WILL NOT RECEIVE CERTIFICATES REPRESENTING THEIR OWNERSHIP INTERESTS IN THE BONDS, EXCEPT IN THE EVENT THAT USE OF THE BOOK-ENTRY SYSTEM FOR THE BONDS IS DISCONTINUED.**

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

Conveyance of notices and other communications by DTC to DTC Direct Participants, by DTC Direct Participants to DTC Indirect Participants, and by DTC Direct Participants and DTC 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. **THE COUNTY AND THE PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC DIRECT OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS.**

While the Bonds are in the book-entry system and DTC is the Securities Depository with respect to the Bonds, redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each DTC Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a DTC Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those DTC Direct Participants to whose accounts the Bonds are credited on a record date (established by DTC and identified in a listing attached to the Omnibus Proxy).

Principal, redemption and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit DTC Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent on payment dates in accordance with their respective holdings shown on DTC's records. Payments by DTC Direct or Indirect 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 DTC Direct or Indirect Participant and not of DTC (nor its nominee), the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption payments and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent in accordance with the Ordinance. Disbursement of such payments to DTC Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of DTC Direct and Indirect Participants.

The foregoing description of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Direct or Indirect Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the DTC Direct or Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters, and the Beneficial Owners should not rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Direct or Indirect Participants, as the case may be.

THE COUNTY AND THE PAYING AGENT SHALL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY DTC DIRECT OR INDIRECT PARTICIPANT, ANY BENEFICIAL OWNER OR ANY OTHER PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE BONDS UNDER OR THROUGH DTC OR ANY DTC DIRECT OR INDIRECT PARTICIPANT, OR ANY OTHER PERSON WHICH IS NOT SHOWN ON THE REGISTRATION BOOKS OF THE PAYING AGENT AS BEING A BONDHOLDER, WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC DIRECT OR INDIRECT PARTICIPANT; THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, PURCHASE PRICE OR INTEREST ON THE BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE ORDINANCE; THE SELECTION BY DTC OR ANY DTC DIRECT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR ANY OTHER PROCEDURES OR OBLIGATIONS OF DTC UNDER THE BOOK-ENTRY SYSTEM.

SO LONG AS CEDE & CO. IS REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED HOLDERS OF THE BONDS, SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the County and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered. In addition, under certain circumstances set forth in the Ordinance, the County may determine to discontinue the book-entry only system. In the event that the book-entry only system for the Bonds is discontinued, the registration, transfer, and related provisions set forth in the Ordinance would apply. In that event, Bonds will be printed and delivered to DTC.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligations of the County

The Bonds are general obligations of the County and are payable from taxes and other revenues of the County. The taxing powers of the County are described more fully under the heading “FINANCIAL INFORMATION CONCERNING THE COUNTY-County Taxing Power” herein. A portion of the Bonds in the aggregate principal amount of \$8,820,000 issued to provide funds for the County’s open space program shall be designated as electoral debt pursuant to the Debt Act and a 2007 Referendum approved by the electors of the County which authorized up to \$87,000,000 in electoral debt for purposes of the open space program. The remaining portion of the Bonds will be designated as non-electoral debt pursuant to the Debt Act.

County Debt Covenants

The County has covenanted in the Ordinance that it will provide in its budget for each fiscal year, and will appropriate in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay, or cause to be paid, the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment, the County has irrevocably pledged its full faith, credit and taxing power.

The Sinking Fund

A sinking fund, designated “Sinking Fund, County of Bucks, General Obligation Bonds, Series of 2011” (the “Sinking Fund”), shall be created pursuant to the Ordinance and held by the Paying Agent. All funds deposited in the Sinking Fund pursuant to the Ordinance shall be segregated from all other funds of the County. Under the Ordinance, the County is required to deposit in the Sinking Fund no later than 11:00 a.m. on the date when principal or redemption price of or interest on the Bonds is to become due, a sufficient sum in immediately available funds so that on each such payment date the Sinking Fund will contain, together with any other available funds in it, sufficient money to pay in full the principal or redemption price of or interest on the Bonds then due. The Paying Agent is authorized and directed in the Ordinance to transfer from the Sinking Fund sums necessary to pay the principal or redemption price of and interest on the Bonds when due.

Monies on deposit in the Sinking Fund may be invested, to the extent practicable, by the Paying Agent in securities or deposits authorized by the Debt Act, upon written direction from the County. Such deposits and securities shall be in the name of the County but shall be subject to withdrawal or collection only by the Paying Agent. All income received on such deposits or investments of monies in the Sinking Fund shall be credited against the deposit next required to be made in the Sinking Fund. Such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund.

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PLAN OF FINANCING

At settlement, the proceeds of the Bonds, net of the Underwriters' discount, together with original issue premium, will be deposited into a settlement account with the Paying Agent. From the settlement account, the Paying Agent shall pay, or establish reserves for, the costs of issuance, upon receipt of proper invoices therefor, to the persons and in the amounts set forth in written instructions from the County to the Paying Agent. The proceeds of the Bonds remaining, after disbursement of issuance costs shall be paid over to the County to pay the costs of the certain capital projects described herein in the amount set forth below.

Sources and Uses of Funds

The estimated sources and uses of funds are summarized as follows:

	Non-Electoral Debt	Electoral Debt	Total
<i>Sources of Funds:</i>			
Bond Proceeds:			
Par Amount	\$66,245,000.00	\$8,820,000.00	\$75,065,000.00
Original Issue Premium	<u>9,114,252.40</u>	<u>1,227,572.70</u>	<u>10,341,825.10</u>
Total Sources of Funds	<u>\$75,359,252.40</u>	<u>\$10,047,572.70</u>	<u>\$85,406,825.10</u>
<i>Uses of Funds:</i>			
Justice Center	\$45,000,000.00	\$ -	\$45,000,000.00
Renovation and improvement of existing County facilities	1,500,000.00	-	1,500,000.00
Open Space Projects	-	10,000,000.00	10,000,000.00
Technology Upgrades	24,500,000.00	-	24,500,000.00
Other miscellaneous public works projects	4,000,000.00	-	4,000,000.00
Cost of Issuance (1)	<u>359,252.40</u>	<u>47,572.70</u>	<u>406,825.10</u>
Total Uses of Funds	<u>\$75,359,252.40</u>	<u>\$10,047,572.70</u>	<u>\$85,406,825.10</u>

⁽¹⁾ Includes Legal Fees, Underwriters' Discount, Financial Advisory Fee, Paying Agent Fees, CUSIP, Rating Fees, Printing and Miscellaneous Costs.

Debt Service Requirements

The following table shows the principal, interest and total debt service on the Bonds for each of the following calendar years.

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Semi-Annual Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>
6/1/2012	\$ 1,975,000.00	2.000%	\$ 1,532,780.00	\$ 3,507,780.00	\$ -
12/1/2012	-	-	1,575,050.00	1,575,050.00	5,082,830.00
6/1/2013	3,975,000.00	2.000%	1,575,050.00	5,550,050.00	-
12/1/2013	-	-	1,535,300.00	1,535,300.00	7,085,350.00
6/1/2014	4,080,000.00	3.000%	1,535,300.00	5,615,300.00	-
12/1/2014	-	-	1,474,100.00	1,474,100.00	7,089,400.00
6/1/2015	4,200,000.00	3.000%	1,474,100.00	5,674,100.00	-
12/1/2015	-	-	1,411,100.00	1,411,100.00	7,085,200.00
6/1/2016	4,350,000.00	4.000%	1,411,100.00	5,761,100.00	-
12/1/2016	-	-	1,324,100.00	1,324,100.00	7,085,200.00
6/1/2017	4,550,000.00	*	1,324,100.00	5,874,100.00	-
12/1/2017	-	-	1,213,300.00	1,213,300.00	7,087,400.00
6/1/2018	4,775,000.00	5.000%	1,213,300.00	5,988,300.00	-
12/1/2018	-	-	1,093,925.00	1,093,925.00	7,082,225.00
6/1/2019	5,025,000.00	5.000%	1,093,925.00	6,118,925.00	-
12/1/2019	-	-	968,300.00	968,300.00	7,087,225.00
6/1/2020	5,255,000.00	4.000%	968,300.00	6,223,300.00	-
12/1/2020	-	-	863,200.00	863,200.00	7,086,500.00
6/1/2021	5,470,000.00	4.000%	863,200.00	6,333,200.00	-
12/1/2021	-	-	753,800.00	753,800.00	7,087,000.00
6/1/2022	5,695,000.00	4.000%	753,800.00	6,448,800.00	-
12/1/2022	-	-	639,900.00	639,900.00	7,088,700.00
6/1/2023	5,955,000.00	5.000%	639,900.00	6,594,900.00	-
12/1/2023	-	-	491,025.00	491,025.00	7,085,925.00
6/1/2024	6,260,000.00	5.000%	491,025.00	6,751,025.00	-
12/1/2024	-	-	334,525.00	334,525.00	7,085,550.00
6/1/2025	6,585,000.00	5.000%	334,525.00	6,919,525.00	-
12/1/2025	-	-	169,900.00	169,900.00	7,089,425.00
6/1/2026	<u>6,915,000.00</u>	**	<u>169,900.00</u>	<u>7,084,900.00</u>	<u>7,084,900.00</u>
Totals	\$75,065,000.00	-	\$29,227,830.00	\$104,292,830.00	\$104,292,830.00

*Bifurcated Maturity: \$590,000 @ 4.00% / \$3,960,000 @ 5.00%

**Bifurcated Maturity: \$595,000 @ 4.00% / \$6,320,000 @ 5.00%

TAX MATTERS

Tax Exemption-Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the “Code”) contains provisions relating to the tax-exempt status of interest on obligations issued by governmental entities which apply to the 2011 Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the 2011 Bonds and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a periodic basis. These and other requirements of the Code must be met by the County subsequent to the issuance and delivery of the 2011 Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The County has made covenants to comply with such requirements.

In the opinion of Bond Counsel, interest on the 2011 Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion of Bond Counsel is subject to the condition that the County comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the 2011 Bonds in order that interest thereon continues to be excluded from gross income. Failure to comply with certain of such requirements could cause the interest on the 2011 Bonds to be so includable in gross income retroactive to the date of issuance of the 2011 Bonds. The County has covenanted to comply with all such requirements. Interest on the 2011 Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the individual and corporate alternative minimum taxes; however, under the Code, to the extent that interest on the 2011 Bonds is a component of a corporate holder's “adjusted current earnings,” a portion of that interest may be subject to the corporate alternative minimum tax. Bond Counsel expresses no opinion regarding other federal tax consequences relating to the 2011 Bonds or the receipt of interest thereon. See discussion of “Alternative Minimum Tax,” “Branch Profits Tax,” “S Corporations with Passive Investment Income,” “Social Security and Railroad Retirement Benefits,” “Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations,” “Property or Casualty Insurance Company,” “Reportable Payments and Backup Withholding,” and “Accounting Treatment of Amortizable Bond Premium” below.

In the opinion of Bond Counsel, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, the 2011 Bonds, and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the 2011 Bonds or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of the 2011 Bonds are subject to state and local taxation within the Commonwealth of Pennsylvania. Specifically, the 2011 Bonds are exempt from personal property taxes in Pennsylvania and interest on the 2011 Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax.

Alternative Minimum Tax

The Code includes, for purposes of the corporate alternative minimum tax, a preference item consisting of, generally, seventy-five percent of the excess of a corporation's “adjusted current earnings” over its “alternative minimum taxable income” (computed without regard to this particular preference item and the alternative tax net operating loss deduction). Thus, to the extent that tax-exempt interest (including interest on the 2011 Bonds) is a component of a corporate holder's “adjusted current earnings,” a portion of that interest may be subject to the alternative minimum tax.

Branch Profits Tax

Under the Code, foreign corporations engaged in a trade or business in the United States will be subject to a “branch profits tax” equal to thirty percent (30%) of the corporation’s “dividend equivalent amount” for the taxable year. The term “dividend equivalent amount” includes interest on tax-exempt obligations.

S Corporations with Passive Investment Income

Section 1375 of the Code imposes a tax on the income of certain small business corporations for which an S Corporation election is in effect, and that have “passive investment income.” For purposes of Section 1375 of the Code, the term “passive investment income” includes interest on the 2011 Bonds. This tax applies to an S Corporation for a taxable year if the S Corporation has Subchapter C earnings and profits at the close of the taxable year and has gross receipts, more than twenty-five percent (25%) of which are “passive investment income.” Thus, interest on the 2011 Bonds may be subject to federal income taxation under Section 1375 of the Code if the requirements of that provision are met.

Social Security and Railroad Retirement Benefits

Under Section 86 of the Code, certain Social Security and Railroad Retirement benefits (the “benefits”) may be includable in gross income. The Code provides that interest on tax-exempt obligations (including interest on the 2011 Bonds) is included in the calculation of “modified adjusted gross income” in determining whether a portion of the benefits received are to be includable in gross income of individuals.

Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

The Code, subject to limited exceptions not applicable to the 2011 Bonds, denies the interest deduction for indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the 2011 Bonds. With respect to banks, thrift institutions and other financial institutions, the denial to such institutions is one hundred percent (100%) for interest paid on funds allocable to the 2011 Bonds.

Property or Casualty Insurance Company

The Code also provides that a property or casualty insurance company may also incur a reduction, by a specified portion of its tax-exempt interest income, of its deduction for losses incurred.

Reportable Payments and Backup Withholding

Under 2006 amendments to the Internal Revenue Code, payments of interest on the 2011 Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the Bondholder is an “exempt person” under Section 6049 of the Code. A Bondholder who is not an exempt person may be subject to “backup withholding” at a specified rate prescribed in the Code if the Bondholder does not file Form W 9 with the payor advising the payor of the Bondholder’s taxpayer identification number. Bondholders should consult with their tax advisors regarding this matter.

The payor will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any “reportable payments” during such year and the amount of tax, if any, with respect to payments made on the 2011 Bonds.

Accounting Treatment of Amortizable Bond Premium

As shown on the inside front cover page hereof, each of the 2011 Bonds has been sold at a premium. An amount equal to the excess of the initial public offering price of each 2011 Bond set forth on the inside front cover page over its stated redemption price at maturity constitutes premium on such 2011 Bond. Purchasers of the 2011 Bonds must amortize any premium over the 2011 Bond term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such 2011 Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such 2011 Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any 2011 Bonds, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning 2011 Bonds.

OTHER

Proposed American Jobs Act of 2011

From time to time, there are legislative proposals pending in the United States Congress that, if enacted into law, could cause interest on bonds such as the 2011 Bonds to be subject, directly or indirectly, to federal income taxation. On September 12, 2011, the President of the United States announced a legislative proposal entitled the "American Jobs Act of 2011" (the "Jobs Act") and on September 13, 2011, the proposal was introduced in the United States Senate as Senate Bill 1549. For tax years beginning on or after January 1, 2013, the Jobs Act, in its current form, generally would, among other things, limit the benefit of the exclusion from gross income of interest on obligations similar to the 2011 Bonds to some extent (but not entirely) for certain taxpayers who are individuals and who have income subject to marginal income tax rates above 28%. There can be no assurance that this legislation will be enacted, or if enacted, whether it will be in its current form or in a modified form. The introduction or enactment of any legislative proposals, including the Jobs Act, could affect the market prices for, or marketability of, the 2011 Bonds. **Prospective purchasers of the 2011 Bonds should consult their own tax advisors.**

LITIGATION STATEMENT

There is no litigation of any nature pending or threatened against the County as of the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or the security therefor, or any proceedings of the County taken with respect to the issuance or sale thereof. At the time of delivery of the Bonds, the County will furnish a certificate to the effect that no such litigation is then pending.

A lawsuit is pending in the Court of Common Pleas of Bucks County, Pennsylvania, alleging that the County is obligated to undertake a County-wide reassessment of the fair market values of taxable properties in the County. The plaintiffs have alleged that the County's current property assessments are not uniform as required by the state and federal constitutions. The County is actively defending the matter. A ruling in favor of the plaintiffs may require the County to undertake a general County-wide reassessment of taxable properties for the first time since 1972. A notice of proposed termination of court case was issued on February 9, 2010 in the Court of Common Pleas, Bucks County, Pennsylvania based

on inactivity for two years. Plaintiff's counsel filed with the Prothonotary its statement of intention to proceed on March 16, 2010.

DEFAULTS AND REMEDIES

The remedies available to registered owners of the Bonds upon any failure to pay principal or interest when due include those prescribed by the Debt Act. If such failure should continue for 30 days, any registered owner will (subject to certain priorities) have the right to bring suit for the amount due such registered owner in the Court of Common Pleas of Bucks County, Pennsylvania (the "Court"). If the County defaults in the payment of principal or interest, or if the County fails to comply with any provision of the Bonds or of the Ordinance, the registered owners of 25% in aggregate principal amount of the Bonds may appoint a trustee to represent the registered owners. Such trustee may, and upon written request of the registered owners of 25% in aggregate principal amount of the Bonds and being furnished with satisfactory indemnity must, take one or more of the following actions, which will preclude similar action by the individual registered owners: (i) bring suit to enforce all rights of the registered owners; (ii) bring suit on the Bonds; (iii) petition the Court to levy the amount due plus estimated costs of collection as an assessment upon all real estate and other property subject to ad valorem taxation in the County (any such assessment will have the same priority and preference as to other liens or security interests as a lien for unpaid taxes); and (iv) by suit in equity, enjoin any acts and things which may be unlawful or in violation of the rights of the registered owners all as set forth more fully in the Debt Act.

The General Assembly has enacted the "Financially Distressed Municipalities Act," Act of July 10, 1987, P.L. 246, No. 47 (the "Distressed Municipalities Act"), which sets forth a comprehensive system consisting of a judicial determination of financial distress, the appointment of a coordinator, the preparation of plans for debt restructuring, the availability of Commonwealth financial aid and the exploration of municipal consolidation and merger, among other provisions, to aid the efforts of a financially distressed municipality. Although the Distressed Municipalities Act is not a true debt adjustment statute, all plans must have a public hearing and all creditors are provided opportunity for comment. However, the Distressed Municipalities Act does authorize a financially distressed municipality, upon satisfaction of certain preconditions, to file a federal municipal debt adjustment action under Chapter 9 of the Federal Bankruptcy Code.

Enforcement of a claim for payment of principal of or interest on the Bonds may be subject to the provisions of the federal bankruptcy laws, to the Distressed Municipalities Act, and to the provisions of other statutory laws enacted by Congress or the General Assembly of the Commonwealth of Pennsylvania and case law developed by courts having jurisdiction extending the time for payment or imposing other constraints upon enforcement insofar as such laws may be constitutionally applied.

LEGAL MATTERS

Certain legal matters relating to the authorization and issuance of the Bonds shall be subject to the approving opinion of Saul Ewing, LLP, Philadelphia, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania and for the County by Glenn D. Hains, Esquire, Doylestown, Pennsylvania, as Solicitor to the County. Stark & Stark, PC, Yardley, Pennsylvania, is serving as Disclosure Counsel in connection with the issuance of the Bonds.

RATINGS

Moody's Investors Service Inc. ("Moody's") and Standard & Poor's Ratings Services ("S&P") have assigned ratings to the Bonds of "Aaa" (Negative Outlook) and "AA+" (Stable Outlook) respectively.

Such ratings reflect only the view of the particular rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from the particular rating agency furnishing the same. Further explanation of the significance of such ratings may be obtained from S&P or Moody's. A rating is not a recommendation to buy, sell or hold any of the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance a rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P or Moody's, if in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the current market price of the Bonds. The County and the Underwriters have not undertaken any responsibility to maintain any particular rating on the Bonds or to advise owners of the Bonds of any change in the ratings assigned to the Bonds, except that the County has agreed to provide notice of rating changes as described herein under the caption "CONTINUING DISCLOSURE."

An explanation of the significance of the rating given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 (212-553-0300) and an explanation of the significance of the rating given by Standard & Poor's may be obtained from Standard & Poor's at 55 Water Street, New York, New York 10041 (212-438-2124).

UNDERWRITING

The Bonds are being purchased for reoffering by the Underwriters. The Underwriters have agreed to purchase the Bonds from the County, subject to the terms of the bond purchase agreement between the County and the Underwriters (the "Bond Purchase Agreement"), at an aggregate purchase price of \$85,170,370.35, exclusive of accrued interest, if any. Such amount represents the principal amount of the Bonds of \$75,065,000.00, plus net original issue premium of \$10,341,825.10, and less an Underwriters' discount of \$236,454.75. The Bond Purchase Agreement provides that all of the Bonds will be purchased if any Bonds are purchased and are subject to certain terms and conditions set forth therein. The initial public offering prices stated on the inside front cover page hereof may be changed from time to time by the Underwriters without prior notice.

The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts and others) at prices lower than such initial public offering prices as are stated inside the cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture, Morgan Stanley & Co. LLC will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

FINANCIAL ADVISOR

The County has retained Public Financial Management, Inc., Malvern, Pennsylvania as financial advisor (the “Financial Advisor”) in connection with matters relating to the preparation, authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In order to satisfy the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, the County will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement”) with Wells Fargo Bank, N.A., as dissemination agent, for the benefit of the owners of the Bonds. Pursuant to the Disclosure Agreement the County covenants to provide (a) notices of the occurrence of certain enumerated events; and (b) certain annual financial information and operating data, including audited financial statements, generally consistent with the financial information contained in **APPENDIX A** hereto within 210 days following the end of its fiscal year, commencing with the fiscal year ending December 31, 2011 (the “Annual Report”). The Annual Report and the notices of significant events will be filed with Municipal Security Rulemaking Board’s (“MSRB”) Electronic Municipal Market Access System (“EMMA”) in word searchable pdf format. The specific nature of the information to be contained in the notices of significant events is summarized below. These covenants have been made in order to assist the Underwriters in complying with the Rule.

In the Disclosure Agreement, the County covenants to file with EMMA, in a timely manner not in excess of ten (10) business days after the occurrence, notices of the occurrence of any of the following events,

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
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 providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue or other material notices or determinations with respect to the tax status of the Bonds or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond redemption (other than mandatory sinking fund redemptions), if material and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of any Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person.
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee, if material.

In addition, if the County is unable to provide to MSRB the Annual Report in a timely fashion, the County shall send a notice of such failure to EMMA.

The fourteen events listed above are specified by the Rule but some of them may not be relevant to the Bonds.

In the Disclosure Agreement, the County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of the annual financial information, to the extent necessary or appropriate in the judgment of the County and consistent with the Rule. The County's obligation to provide the foregoing annual financial information and notices of the specified events will terminate when the Bonds have been fully paid or legally defeased or at such other times as such information and notices (or any portion thereof) are no longer required to be provided by the Rule as it applies to the Bonds. The Disclosure Agreement may be amended to the extent permitted by the Rule and notice of any such amendment will be provided to the MSRB and the Pennsylvania state information depository, if any.

Under the Disclosure Agreement, the remedy for a breach or default by the County of its covenants to provide annual financial information and notices will be an action to compel specific performance and no monetary damages may be recovered under any circumstances. A breach or default under the Disclosure Agreement will not constitute an Event of Default under the Ordinance.

The County is in compliance with all existing continuing disclosure requirements under the Rule in all material respects. The County is currently compliant and up to date regarding annual filings.

ADDITIONAL INFORMATION

Additional information concerning the County is available to the public. Persons wishing to obtain copies of the 2010 Comprehensive Annual Financial Report, the 2011 Budget, the Ordinance for the Bonds, the Bond Purchase Agreement, or other information should address such requests to:

Finance Department
County of Bucks
Administration Building
55 East Court Street
Doylestown, Pennsylvania 18901

The County may charge a fee for costs of reproduction and mailing of the information requested.

MISCELLANEOUS

The information set forth herein has been obtained from the County and other sources which are believed to be reliable. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, such statements are intended merely as such and not as representations of fact.

The information contained herein should not be construed as representing all conditions affecting the County or the Bonds. Additional information may be obtained directly from the County. The information assembled herein is not to be construed as a contract with holders of the Bonds.

COUNTY OF BUCKS

By: /s/ Charles H. Martin
Charles H. Martin, Chairman
Board of County Commissioners

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APPENDIX A

SOCIO-ECONOMIC AND DEMOGRAPHIC
CHARACTERISTICS OF BUCKS COUNTY, PENNSYLVANIA

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FINANCIAL, SOCIO-ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS OF BUCKS COUNTY

Introduction

Bucks County, Pennsylvania (the “County”) comprises 614 square miles in the heart of the Boston –Washington corridor. The County is a fast growing county in the United States, with residential communities serving individuals working in areas ranging from Philadelphia to Northern New Jersey and New York City. The County is part of the Philadelphia metropolitan area and lies within a triangle formed by Philadelphia, Trenton and the Allentown-Bethlehem-Easton complex.

History

Exploration by the Dutch began in 1616 and was continued by the Swedes and English. Part of the County came under the control of William Penn in 1682. Agrarian settlement and development by Quakers and Germans continued into the nineteenth century, with Germans dominating the upper third of the County. Transportation arteries in the form of the Delaware Canal, “turnpike” roads, bridges and rail routes from Philadelphia to New York and the Lehigh Valley set the stage for growth. Early in the twentieth century, small urban centers mushroomed where the railroads and highways converged; and industry thrived. Suburbanization from Trenton and Philadelphia became evident by the 1920’s. Population and manufacturing employment grew substantially after World War II. Further surges in growth occurred in the 1950’s resulting from the advent of U.S. Steel Corporation’s Fairless Works and the Fairless Hills and Levittown residential complexes. During the 1960’s, suburbanization of the County continued as residential subdivisions increased in number. Industry and retail and service-oriented businesses also increased in response to the growing labor and consumer markets. Since the 1960’s, residential growth has continued to increase at a high rate. Although non-residential development growth has not paralleled the growth rate of residential development, the past decade has shown signs that the County is moving towards being a more diversified suburban employment area and a major contributor of economic activity in the region.

Character

The County is characterized by rolling hills, although flat lowlands flank the Delaware River in Lower Bucks. Economically, Upper and Central Bucks are devoted primarily to newly emerging ex-urban, as well as traditional, industrial and commercial activity. New high-tech industries are moving into several industrial parks. Lower and Central Bucks have experienced rapid industrial, commercial, and residential growth.

Demographic Statistics

Year Ended December 31	Population(1)	Per Capita Personal Income (2)	Median Age (3)	Public School Enrollment(4)	Local Unemployment Rate(5)
2001	604,199	\$39,664	38.6	91,495	4.00%
2002	609,085	40,383	38.6	95,270	4.80%
2003	612,369	41,823	38.8	92,928	4.70%
2004	616,533	44,176	39.3	92,933	4.60%
2005	619,772	45,722	40.0	93,307	4.10%
2006	623,205	49,088	40.7	93,144	4.00%
2007	621,144	51,080	40.7	93,197	3.80%
2008	621,643	52,097	40.7	92,897	4.60%
2009	626,015	50,898	40.7	91,963	7.20%
2010	625,249	N/A	N/A	91,327	7.80%
2011	N/A	N/A	N/A	90,835	7.40%

Sources:

1. 2001-2007 Delaware Valley Regional Planning Commission Population Estimates, 2008-2009 U.S. Census Estimates, 2010 U.S. Census
2. U.S. Department of Commerce, Bureau of Economic Analysis
3. 2005-2009 American Community Survey, 5-year Estimates, U.S. Census
4. Pennsylvania Department of Education
5. Pennsylvania Department of Labor and Industry

N/A = Not Available

The age distribution of the County's residents also varies from those of Pennsylvania and the nation as a whole. The County has a smaller proportion of elderly residents and a higher proportion of young and middle-aged adults.

Age Group Comparisons

Age	Bucks County			Pennsylvania			United States		
	1990	2000	2010	1990	2000	2010	1990	2000	2010
% under 18	25.7	25.7	23.0	23.5	23.8	22.0	25.6	25.7	24.0
% 18-64	63.4	61.9	62.5	61.1	60.6	62.6	61.8	61.9	63.0
% over 65	10.9	12.4	14.6	15.4	15.6	15.4	12.6	12.4	13.0
Median (years)	33.7	37.7	42.0	35.0	38.0	40.1	32.9	35.3	37.2

Source: U.S. Census/Quickfacts

Average Household Size

	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>
Bucks County	3.48	3.66	3.49	3.02	2.80	2.69	2.63
United States	3.37	3.33	3.14	2.75	2.63	2.59	2.58

Source: U.S. Census/Quickfacts

Housing Characteristics

Most County residents occupy single-family houses. Land subdivision and construction activity were most intense in the 1950's, especially in Lower Bucks County where the number of dwelling units increased by 160 percent.

Residential Building Permit Trends

<u>Year</u>	<u>No. of Permits</u>
2001	2,171
2002	2,815
2003	3,215
2004	2,560
2005	2,104
2006	1,552
2007	1,359
2008	1,110
2009	459
2010	474

Source: U.S. Census/Bucks County Planning Commission

Financial Information Concerning The County

County Taxing Power

The County Code, Act of August 9, 1955, P.L. 323 No. 130, as amended (the "County Code") authorizes the imposition of property taxes for general county purposes including the payment of interest and principal on indebtedness incurred under the Local Government Unit Debt Act, Act of December 19, 1996, P.L. 1158, No. 177 (the "Debt Act").

The Board of County Commissioners fixes, by resolution, the rate of taxation for each year in accordance with the provisions of the County Code. No tax for general purposes and institution district purposes in counties of the Second Class A may exceed the rate of 55 mills on every dollar of the assessed real estate valuation. However, the rate of taxation for payment of any indebtedness incurred pursuant to the Debt Act is unlimited. In addition, the County may impose up to five mills for the establishment, operation and maintenance of community colleges and up to two mills for parks and recreation.

The County tax rate for 2011 for all purposes is 21.94211 mills. The tax paid by a property owner in the County is calculated by multiplying the total millage with the assessed value of taxable property. Assessed value is based on the County's established predetermined ratio (expressed as a percentage of fair market value determined by the most recent County-wide reassessment, which for the County occurred in 1972). For the 2011 tax year, all taxable property in the County is assessed at 100% of the 1972 fair market value.

Presently, a lawsuit is pending in the Court of Common Pleas of Bucks County, Pennsylvania, alleging that the County is obligated to undertake a County-wide reassessment of the fair market values of taxable properties in the County. The plaintiffs have alleged that the County's current property assessments are not uniform as required by the state and federal constitutions. The County is actively defending the matter. A ruling in favor of the plaintiffs may require the County to undertake a general County-wide reassessment of taxable properties for the first time since 1972. A notice of proposed termination of court case was issued on February 9, 2010 in the Court of Common Pleas, Bucks County, Pennsylvania based on inactivity for two years. Plaintiff's counsel filed with the Prothonotary its statement of intention to proceed on March 16, 2010.

Information Concerning the County's General Fund Balance Policy

Purpose and Scope

The purpose of the County's general fund balance policy is to protect the County's financial stability in the event of unforeseen emergencies and economic downturns. Such policy is also designed to help the County prepare for these circumstances and provide for the continuity of fiscal operations. Such policy encompasses the minimum required reserved fund balance, requirements for the allocation of any annual operating surpluses or deficits and the allowable uses of reserved and unreserved fund balances.

Definitions

General Fund: A fund used to account for the basic governmental services supported mainly by real estate tax revenue.

Fund Balance: The accumulated equity in a governmental fund resulting from operating surpluses/(deficits). This is the difference between a governmental fund's assets and liabilities.

Reserved General Fund Balance: The financial resources of a governmental fund that are not available to liquidate liabilities of the current period (e.g., long-term loans receivable, inventories and prepaid expenditures).

Unreserved General Fund Balance: The financial resources of a governmental fund available for current appropriations.

Policy

The County will maintain a Reserved General Fund Balance equal to 10% (approximately 5 weeks) of total operating budget expenditures.

The County will allocate any annual General Fund operating surplus or deficit to the Reserved General Fund Balance as to maintain this policy.

The County may appropriate any amount of Unreserved General Fund Balance to offset real estate taxes as part of a final adopted budget. The County may appropriate Reserved General Fund

Balance for unforeseen emergencies and economic downturns, but not including the offset of real estate taxes or mismanagement of funds. At any time Reserved General Fund Balance is appropriated, the County will prepare a plan to restore the Reserved General Fund Balance. Such plan must be presented within 12 months of appropriation.

Statutory Real Estate Tax Limits and 2011 County Tax Rates

The County tax rate for 2011 for all purposes is 21.94211 mills, as shown below:

	<u>Legal Limit</u>	<u>2011</u>
General Purposes and Institution Districts	55 mills	16.83135
Debt Service	Unlimited	3.43577
Parks and Recreation	2.0 mills	0.61796
Community College	5.0 mills	1.05703
Total		<u>21.94211 mills</u>

Source: Bucks County Finance Department

Real Estate and Personal Property Tax Levies and Revenues

Year Ended Dec. 31	Total Tax Levy ⁽¹⁾	Current Tax Revenues ⁽²⁾	Percent of Levy Collected	Delinquent Revenues ⁽³⁾	Total Tax Revenues	Percent Total Tax Revenues to Levy	Outstanding Taxes	Percent of Outstanding Taxes to Levy
2001	\$106,725,638	\$103,439,474	96.9%	\$2,330,170	\$105,769,644	99.1%	\$5,780,674	5.4%
2002	114,215,357	111,625,583	97.7%	2,034,760	113,660,343	99.5%	5,639,112	4.9%
2003	121,900,529	118,324,420	97.8%	2,505,765	120,830,185	99.1%	5,936,518	4.9%
2004	141,966,383	138,821,553	97.8%	1,974,696	140,786,249	99.2%	5,850,998	4.1%
2005	158,743,409	155,137,709	97.7%	1,686,996	156,824,706	98.8%	5,852,156	3.7%
2006	172,945,269	169,385,711	97.9%	2,026,239	171,411,950	99.1%	5,191,969	3.0%
2007	174,970,281	170,886,818	97.7%	2,015,657	172,902,475	98.8%	5,112,349	2.9%
2008	176,121,212	169,986,374	96.5%	3,404,666	173,391,040	98.4%	6,960,791	4.0%
2009	176,502,344	172,557,863	97.8%	1,279,101	173,836,964	98.5%	6,333,634	3.6%
2010	176,351,610	172,098,927	97.6%	1,384,711	173,483,638	98.4%	6,859,309	3.9%

Notes:

1. Includes additions to duplicate and penalties
2. Includes discounts, penalties, rebates, and error adjustments
3. Includes penalties and adjustments

**Assessed Value and Estimated Actual Value of Taxable Real Property
Last Ten Fiscal Years
(Dollars in Thousands)**

Year Ended December 31	Total Taxable Assessed Value (1)	Estimated Actual Taxable Value	Assessed Value As A Percentage of Actual Value (2)	Real Estate Millage Rates
2001	\$1,779,594	\$40,445,318	4.40%	59.00
2002	1,815,502	44,280,537	4.10%	62.00
2003	1,849,434	48,669,316	3.80%	65.00
2004	1,878,986	53,685,314	3.50%	74.50
2005(3)	7,647,835	61,676,089	12.40%	20.49
2006(3)	7,778,947	69,454,884	11.20%	21.94
2007(3)	7,909,951	79,898,495	9.90%	21.94
2008(3)	7,982,750	87,722,527	9.10%	21.94
2009(3)	8,019,889	85,317,968	9.40%	21.94
2010(3)	7,989,842	82,369,505	9.70%	21.94

Notes:

1. Assessed values are computed at 25% of 1972 market value, assessment values are as of January 1
2. Pennsylvania State Equalization Board – Ratio of Assessments to Market Value
3. The County ratio was adjusted from 25% of 1972 base year to 100% of 1972 base year

Source: Bucks County Board of Assessment

Largest County Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2010 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Keystone Turf Club, Inc.*	Thoroughbred Racetrack	\$42,957,320	0.54%
McStome, Inc. c/o Kravco, Inc.*	Shopping Mall	21,042,460	0.27%
Korman Financing Partnership, LP	Apartment Complex	12,194,520	0.15%
Neshaminy Mall Joint Venture, Ltd.	Shopping Mall	9,706,520	0.12%
Doylestown Hospital	Health Care	7,229,390	0.09%
KRT Properties Holding, Inc.*	Real Estate Management	6,751,630	0.09%
Open Door Estates*	Housing Complex	6,741,880	0.09%
F Greek Bristol Properties*	Industrial Developer	6,644,420	0.08%
Oxford Valley Road Associates	Shopping Mall	6,314,040	0.08%
Healey, Robert T & William J.	Real Estate Management	4,902,880	0.06%

Source: Bucks County Board of Assessment

* Taxpayers currently have challenges pending with the Board of Assessment Appeals with respect to the assessed value of their real estate.

Income Characteristics

	<u>Bucks County</u>	<u>Pennsylvania</u>	<u>United States</u>
Per Capita Income	\$35,039	\$26,678	\$27,041
Median Household Income	74,111	49,737	51,425
Percentage of Population Below Poverty Level	3.30%	8.30%	9.90%

Sources: Bucks County Economic Development Corporation and U.S Census, 2009

Employment Characteristics

Since 2007, the County's unemployment rate has been lower than that of the United States and Pennsylvania, as shown below:

Labor Force and Unemployment Statistics

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>July 2011</u>
<i>United States</i>					
Total Civilian Labor Force	153,705,000	154,287,000	154,142,000	153,889,000	153,228,000
Unemployment Rate	4.80%	5.80%	9.30%	9.60%	9.10%
<i>Pennsylvania</i>					
Total Civilian Labor Force	6,335,000	6,441,000	6,414,000	6,452,000	6,303,000
Unemployment Rate	4.30%	5.30%	8.10%	8.90%	7.80%
<i>Bucks County</i>					
Total Civilian Labor Force	348,600	352,899	351,037	337,800	336,000
Unemployment Rate	3.60%	4.70%	7.20%	7.80%	7.40%

Source: U.S. Department of Labor and Pennsylvania Department of Labor and Industry.

The composition of employment in the County differs from that of Pennsylvania. The County has higher proportions of manufacturing, agriculture, construction, and wholesale and retail trade.

Largest Employers in Bucks County

<u>Employer</u>	<u>Approx. No. of Employees</u>	<u>Industry</u>
Central Bucks School District	3,100	Education
Bucks County	2,857	Government
St. Mary's Medical Center	2,769	Healthcare
Healthcare Services	*	Healthcare
Northtec LLC	*	Manufacturer
Doylestown Hospital	1,942	Healthcare
Giant Food Stores	*	Retail Supermarkets
The Woods School	1,932	Education/Healthcare
Wal-Mart Assoc., Inc.	*	Retail
Pennsbury School District	1,547	Education

Source: Pennsylvania Center for Workforce Information & Analysis, 4th Quarter 2010

* Unavailable

Agriculture

The Pennsylvania Department of Agriculture in its Annual Statistical Summary for 2008-2009 Crop and Livestock activity in the County reports that the County farms cash receipts from the sale of all crops and livestock products and Government payments were \$49,136,000. In 2008-09, horticultural specialties, which includes greenhouse and nursery businesses, was the top income producer with sales of \$21.488 million. The dairy industry brought in over \$5.7 million. The sale of field crops brought in \$10.5 million and meat animal products added another \$4.5 million. Vegetable and potato crop sales totaled \$3.0 million.

Farm Cash Receipts, 2008-09:	
Fruits	\$1,784,000
Field Crops	10,599,000
Vegetables and Potatoes	3,074,000
Horticultural Specialties	21,488,000
Dairy Products	5,781,000
Government Payments	1,899,000
Poultry, Meat animals and miscellaneous livestock	4,511,000
Total Farm Cash Receipts, 2008-09	\$49,136,000

Source: Pennsylvania Department of Agriculture

As shown in the table below, in 2009, the average farm size in the County was 80 acres, the average farm value in the County was \$388,721 (land and building), the total number of farms in the County was 933, and the total acreage of farms in the County was 75,000.

	<u>2002</u>	<u>2006</u>	<u>2008</u>	<u>2009</u>
Agricultural Land				
Average Farm Size (acres)	84	83	80	80
Average Farm Value (land & buildings)	\$768,909	\$388,721	\$388,721	\$388,721
Total Number of Farms	917	920	933	933
Total acreage of farms	76,831	76,000	75,000	75,000

Source: Pennsylvania Department of Agriculture

Education

Bucks County is comprised of 13 School Districts, containing 88 elementary schools, 30 middle schools, and 16 high schools. There are also 2 vocational-technical schools in the County. In addition, 187 parochial, nonpublic and licensed private academies and schools provide instruction in the County.

Number of Schools (2010-2011)	<u>Public</u>	<u>Non-Public</u>
Elementary	88	118
Middle	30	50
High School	16	19
Vocational – Technical	3	0

Number of Students

Elementary (2010-2011)	46,434	8,474
Secondary (2010-2011)	44,311	4,052

Colleges

	<u>Full Time</u>	<u>Part Time</u>
Bucks County Community College (Spring 2011)	4,187	6,349
Bucks County Community College (Fall 2011)	4,318	6,392
Delaware Valley College (Spring 2010)	1,521	518
Delaware Valley College (Fall 2010)	1,702	503
Philadelphia Biblical University (Spring 2011)	811	65
Philadelphia Biblical University (Fall 2011)	839	75

In addition, in the fall of 2011, the Philadelphia University, Bucks Campus, Trevese had a total of 129 undergraduate and graduate students enrolled.

A total of 33 colleges and universities in the Philadelphia, Trenton and Allentown areas serve Bucks County residents.

The Bucks County Community College opened in 1965. The Community College offers transfer programs paralleling the first two years at a four-year college, and it also offers terminal programs designed to prepare students for employment. Forty-nine degree programs and eleven certificate programs are offered in the County. The Delaware Valley College, established in 1896 in the New Britain-Doylestown area, offers seven four year curricula leading to the Bachelor of Science degree as well as a master’s degree in business administration through a cooperative arrangement with LaSalle University. Temple University, LaSalle University and Philadelphia University offer college level courses. Philadelphia Biblical University moved to Langhorne Manor in 1979 from center city Philadelphia. The university offers four and five year programs leading to B.S. degrees in Bible, Mission and Social Work. Holy Family University opened a campus in Newtown in 1997 and offers four-year programs. Furthermore, the Philadelphia metropolitan area includes over 70 degree granting institutions, offering a wide variety of educational choices.

Source: Pennsylvania Department of Education, Bucks County Community College, Delaware Valley College, Philadelphia Biblical University

Health Care Facilities

Below is a listing of certain health care facilities located within the County. Residents also have access to seven teaching hospitals in Philadelphia and other major hospitals located in metropolitan Philadelphia.

<u>Facility</u>	<u>Licensed Bed Capacity</u>	<u>Location</u>
Saint Mary Medical Center	366	Middletown
Doylestown Hospital	247	Doylestown
Grandview Hospital	209	Sellersville
Lower Bucks Hospital	186	Bristol
Aria Health – Bucks Campus	112	Middletown
St. Luke’s Hospital	62	Quakertown
Foundations Behavioral Health	54	Doylestown
Barix Clinics of Pennsylvania	47	Langhorne
Rothman Specialty Hospital	24	Bensalem

Source: Pennsylvania Department of Health

Parks and Recreation

County residents have access to a variety of recreation facilities through public, private and quasi-public agencies: rod and gun clubs, golf courses, country clubs and numerous children’s day camps. Twenty-four County parks and facilities comprising approximately 8,894 acres of parkland are in operation: Ringing Rocks, near Upper Black Eddy (160 acres); Bucks County Horse Park (180 acres); Van Sant Airport (291 acres); Lake Towhee, at Applebachsville (549 acres); The Weisel Youth Hostel, Weisel (8 acres); Tohickon Valley Park (including Stover Myers mill), Point Pleasant (660 acres); Churchville Park Nature Center, Churchville (172 acres); Buckwampum Park, Springfield Township (156 acres); Playwicki Park, near Langhorne (33 acres); Peace Valley Park which included Lake Galena in New Britain Township (1500 acres); Fonthill-Moravian Tile Works, Doylestown Township (77 acres); Core Creek Park which includes Lake Luxembourg in Middletown Township (1,200 acres); Oxford Valley Park, Falls Township (221 acres); Fallsington Park, Falls Township (17 acres), and Dark Hollow Park in Doylestown and Warwick Townships (770 acres); four parks within the Mill Creek Valley system in Lower Bucks: Frosty Hollow Tennis Center (95 acres), Queen Anne Park (147 acres), Black Ditch Park (117 acres) and Silver Lake Park (465 acres); and five facilities along the Delaware River: Upper Black Eddy (100 acres), Tinicum Park (126 acres), Hal Clark Park (28 acres), Prah’s Island (88 acres), Delaware River Access (108 acres) and Falls of the Delaware (125 acres).

About 8,500 acres of state parks and 4,386 acres of game lands are in the County. The historic Delaware Canal, partially destroyed by the 1955 floods, was restored and is maintained as a State Park. The canal flows through beautiful recreation areas along the Delaware River. State facilities of great historic significance are at Bowman’s Hill where George Washington planned his crossing of the Delaware to attack the Hessian forces at Trenton, and at Washington Crossing, the site of the famous crossing, Pennsbury, the beautiful Manor Home of William Penn was restored by the State Historical and Museum Commission and is open to the public. In Northern Bucks County is Ralph Stover State Park (including High Rocks) on the rugged banks of Tohickon Creek. Nockamixon, the largest State Park in Southeast Pennsylvania, contains nearly 5,300 acres around a 1,400-acre lake. In Lower Bucks County, where the Neshaminy Creek empties into the Delaware River, the Logan Estate was willed to the Commonwealth for park development. The 1,711-acre Tyler State Park is located in Northampton and Newtown Townships.

Communications

Service providers have installed state-of-the-art fiberoptic, broadband, and cellular technologies throughout the region. Local telephone service is provided by Verizon Communications and Cavalier Telephone. All major long-distance and cellular service providers are available in Bucks County.

Utilities

The County is served by three high-powered electric service providers and, under Pennsylvania's electricity deregulation program, consumers may choose from more than a dozen electricity providers nationwide. The three electric service providers in Bucks County include PPL, Inc., PECO Energy, and Metropolitan-Edison.

Public water service is provided through the Bucks County Water & Sewer Authority, AquaAmerica (formerly known as Philadelphia Suburban Water Company) and several local water authorities. Major ground withdrawals by private wells fall under the jurisdiction of the Delaware River Basin Commission.

Natural gas service is available in many areas of Bucks County, provided by PPL, Inc. and PECO Energy Company.

Police and Fire Protection

The radio communication systems of local police forces are tied into a countywide system via the Police Radio Dispatch Center in the County's Administration Building. The County network is in turn tied into the Commonwealth Law Enforcement Assistance Network (CLEAN) and the National Crime Information Center (NCIC).

Sixty-two volunteer fire companies operate in the County. Through the Bucks County Firemen's Association, a County-wide system of fire communications has been developed. This system is in operation throughout the County. Similarly, Emergency Medical Services coordinate volunteer medical and ambulance services in the County.

A County-wide enhanced 911 system became operational in October of 1991. The new millennium brought to Bucks County a new and enhanced digital radio system for all EMS, Fire and Police Departments, Mobile Data Terminals and the inception of both Quality Assurance and Training divisions to improve employee skills. From the communications center's inception, Bucks County has continually met the needs of the quickly growing constituency and now serves the County as a fully consolidated Enhanced 911 emergency communications system. With a trained dispatch staff of 125 (comprised of dispatchers, supervisors and managers), the County currently provides emergency communications services for over 130 agencies (EMS, Fire and Police).

Transportation

Bucks County lies in a strategic location between Philadelphia and New York City, in southeastern Pennsylvania. From Bucks County, companies transport goods not only throughout the eastern seaboard but also throughout the world. Businesses capitalize on the County's rich and diverse transportation network.

Eighteen miles of Interstate-95, the major Maine-to-Florida highway, traverse the County. The Pennsylvania Turnpike (I-276) serves lower Bucks County with two interchanges and crosses the Delaware River at Bristol to connect with the New Jersey Turnpike. The Northeast Extension of the Pennsylvania Turnpike (I-476) passes through upper Bucks County with an interchange near Quakertown.

Other major highways in the County include U.S. Route 1 (Philadelphia to New York), U.S. Route 13 (Philadelphia to Trenton), PA Route 611 and PA Route 309 (Philadelphia to the Lehigh Valley), and U.S. Route 202 (Philadelphia to New York). The U.S. Route 202 bridge crosses the Delaware River near New Hope and was dedicated in 1971. Interstate 78, immediately north of upper Bucks County, provides another link between the County and the New York City/northern New Jersey Metropolitan area, as well as points west, such as Harrisburg, PA.

Philadelphia serves as a hub for Amtrak's Northeast Corridor. Commuters ride the Southeastern Pennsylvania Transportation Authority (SEPTA) trains from central and lower Bucks County stations to link with Philadelphia, the Northeast Corridor and destinations west of the County. CSX and Norfolk Southern haul freight over an expansive rail network. Local "short-haul" freight rail service is provided by East Penn, SMS/Penn-Jersey Rail Lines and the New Hope-Ivyland Railroad.

The Bucks County Transportation Management Association (TMA) serves businesses and commuters by creating solutions to gaps in public transit service, thereby offering links between employers, employees and job seekers, in areas that are underserved by SEPTA rail and bus routes. The TMA's shuttles currently include the Street Road RUSH, the Warminster RUSH and the Doylestown DART.

Bus Service

Public and private bus companies operating in the County include Southeastern Pennsylvania Transportation Authority (SEPTA), Greyhound Bus Company, Trans-Bridge and Bieber Bus Lines, Bucks County Transport operates the Doylestown DART, a local bus service in the Doylestown area.

The Bucks County Transportation Management Association (TMA) serves businesses and commuters by creating solutions to gaps in public transit service, thereby offering links between employers, employees and job seekers, in areas that are underserved by SEPTA rail and bus routes. The TMA's shuttles currently include the Street Road, Richboro-Warminster, Bristol and Newtown *Rushbus* services.

Airports

The Bucks County Airport Authority operates the Quakertown Airport, the Doylestown Airport and the Van Sant Airport in Tinicum Township. Pennridge Airport is a privately-owned airport located just north of Perkasio Borough. Five major airports with passenger and freight services are situated nearby: Philadelphia International Airport in southwest Philadelphia; Northeast Philadelphia Airport near the southwestern corner of the County; Trenton-Mercer Airport located in New Jersey across the Delaware River from Yardley and the Lehigh Valley International Airport located just north of Bucks County.

COUNTY GOVERNMENT

General Description

The County is a county of the Second Class A and operates under the authority of the Pennsylvania State Constitution and the County Code, Act of August 9, 1955, P.L. 323 No. 130, as amended (the "County Code"). Doylestown, the County seat, is located approximately in the center of the County.

The legislative, executive and quasi-judicial functions of the County government are vested in a three-member Board of Commissioners (the "Board"). Each member is elected to a four-year term. By

law, both major political parties must be represented on the Board. The Board appoints the Director of Finance, Chief Operating Officer/Managing Director and the Chief Clerk (County Administrator).

The Board's legislative function includes the power to enact ordinances, to make appropriations, to incur debt, to levy taxes, and to adopt the budget. In its executive capacity, the Board has the power and duty to direct the administration of the County government, and to execute and enforce ordinances and resolutions. The Board's quasi-judicial function included the responsibility of presiding at grievance hearings initiated by County employees.

The County is served by other elected officers including the Controller, District Attorney, Treasurer, Clerk of Courts, Prothonotary, Sheriff, Recorder of Deeds, Register of Wills, Coroner and Jury Commissioners.

Human Services

The division of Human Services is established to oversee the four County administered programs delivering social services to residents of the County. These programs include the Area Agency on Aging, Children & Youth, Mental Health/Mental Retardation, and the County Nursing Facility, Neshaminy Manor. The Human Services Divisional Office also has administrative oversight of three quasi-County agencies which include the Office of Employment and Training, Drug and Alcohol Commission, and the Opportunity Council.

The Human Services Divisional Office administers the Human Service Development Fund Grants (HSDF), the Homeless Assistance Program (HAP), and the Behavioral Health Services (BHS) under the Health Choices Program. It is staffed with an Administrator, Deputy Administrator, a Policy and Planning Specialist, and an Administrative Assistant.

The Divisional Office works collaboratively with public and private agencies to identify barriers and gaps in social services, coordinate programming for efficient and effective service delivery and advocates with legislators and government offices for adequate funding to meet the needs of County residents. In 2010, the County contributed \$8,656,794 for Children & Youth Services, \$1,180,775 for Aging Services, and \$1,557,532 for Mental Health/Developmental Program Services and is budgeted to contribute \$13,801,700, \$1,151,100, and \$1,896,700, respectively, in 2011.

Neshaminy Manor is a non-profit nursing facility funded in part by the taxpayers of Bucks County, and the Federal and State governments. The 360 bed, skilled/intermediate care facility is located south of Almshouse Road on Route 611 (Easton Road) in Warrington Township, in the heart of the County. The facility provides continuous physical, emotional and spiritual support for its residents. All current laws, rules, and regulations governing operations are strictly adhered to, while providing and protecting the health, welfare and safety of each individual resident. The County is budgeted to contribute \$803,200 to Neshaminy Manor in 2011.

The Office of Employment and Training manages the Job Training Partnership Act Program in the County. This office develops programs to train the unskilled and disadvantaged members of the community. The program is funded totally by Federal Grants. This function was privatized July 1, 1997.

The Office of Community Development administers federal, state, and county community support and housing funding programs. Annually, the County receives Community Development Block Grant (CDBG) funding from the Department of Housing and Urban Development (HUD). The program focuses on benefiting low- and moderate-income persons, aiding in the prevention or elimination of slums and blight, and/or meeting urgent community needs. Eligible activities include acquisition of real

property, demolition and rehabilitation of structures, construction of public facilities, provision of handicap access, historic preservation, community planning, and energy conservation.

The HOME program seeks to expand the availability of affordable housing for low income residents through partnerships between the public and private sectors. Eligible program activities include the acquisition, demolition, rehabilitation, or new construction of affordable units to the target groups. In addition, the program also seeks to provide homeownership and tenant-based rental assistance, along with reimbursement for relocation costs.

The Bucks County Housing Trust Fund supports two initiatives: development of housing units and a first-time homebuyer assistance program. The unit development initiative seeks to increase the supply of affordable housing (rental or ownership) for lower income groups. The first-time homebuyer assistance program assists households earning less than 80 percent of County median household income with down payment or mortgage closing assistance (up to \$10,000), which is repaid when the property is sold, refinanced, or the title is transferred. The program requires mandatory counseling to educate interested applicants on the various facets of home ownership (e.g., mortgage terms and conditions, debt management, and household budgeting). Applications can be submitted at any time after applicants have received the mandatory counseling.

The Bucks County Housing Rehabilitation Program provides assistance to lower income homeowners for the repair and rehabilitation of their homes. The program provides a loan of up to \$15,000. If lead paint removal is involved, assistance may increase to \$30,000. Eligibility for participation in the program involves a minimum of one-year ownership/residency, meeting of family income criteria, and maximum assets of \$10,000 (\$20,000 for disabled or elderly). Eligible activities for assistance include weatherization, improvements to bring property to code and/or make it handicap accessible.

The Brownfields for Housing Program supports the development of housing on formerly developed sites located in core communities, such as boroughs and rural villages within townships. The program requires match funding of at least \$1 for each \$4 in program funds. Funding is established by the Commonwealth on an annual basis. The principal program objectives include the revitalization of older areas, the redevelopment of previously developed properties, and the creation of affordable housing. Eligible activities include the preservation of historic buildings, housing rehabilitation, demolition of structures, environmental remediation, and improving handicap access.

The County receives an annual grant from the federal government to help it address homelessness and related issues. The County allocates these funds to local agencies involved in the provision of shelter and services to homeless populations. The main program objectives include improving the quality of existing emergency shelter facilities and quality of services, creating additional shelters to meet unaddressed needs, improve the quality of services, and helping eliminate conditions that lead to homelessness. Eligible activities include renovation, rehabilitation, or conversion of structures, provision of essential services, homeless prevention efforts and operation of shelter facilities.

Library Services

The mission of Bucks County Free Library is to acquire and make available print and audio-visual materials to users for their enjoyment and learning. In addition, mediated information services and programs for children and adults are available through the unified system of seven libraries and four service departments. In 1979, Commonwealth Libraries designated the County Library as the District Library Center for the County's 18 public libraries. In 1986, the County Library and County Community College formed the Bucks County Library Network to provide computerized services that have been extended to all 18 public libraries, the Law Library, and the James A. Michener Art Museum Dept., which

displays the holdings in each library. The County's contribution to library services was \$5,728,100 in 2010 and is budgeted to be \$5,857,100 in 2011.

Judicial and Public Safety Services

The Court of Common Pleas of Bucks County encompasses a Criminal court, a Civil Court, a Family Court, an Orphans' Court, a Juvenile Court, a Minor Judiciary and a Domestic Relations Section. The Minor Judiciary consists of 20 District Courts, which process motor vehicle violations, summary offenses, local ordinance violations, small civil claims, and arraignments and preliminary hearings of criminal cases. The Domestic Relations Section provides for the collection and processing of payments to custodial parents and other legal matters. Approximately 52% of the funding is provided by federal grants. The County contributed, \$62,654,724 to the court system in 2010 and is budgeted to contribute \$64,390,000 in 2011.

The elected District Attorney is responsible for prosecuting criminal offenses and advising police and County departments on matters relating to criminal investigations. The County Detectives investigate cases prosecuted by the District Attorney.

An independently elected Sheriff supervises a department which provides for criminal transport, court room security, and service of various civil and criminal legal documents.

The County Correctional Facility houses approximately 700 inmates, and the County Men's & Women's Community Correction Centers house approximately 300 people.

The County operates a countywide 911 emergency response system. The capital and operating costs of the system are supported by a surcharge of \$1.00 per telephone line per month that is assessed on telephone bills. The County employs a dispatching staff with 140 full time employees with an operating budget of \$12.8 million per year. The County also supports an Emergency Training Program for police, fire and ambulance personnel at a cost of \$610,500 per year.

Employees and Labor Relations

The Board of County Commissioners, together with the Controller and other elected officials, form the Salary Board, which determines the salaries of the County's approximately 2,620 full-time and 310 part-time employees. Most of the County's employees are represented by unions as shown in the following table.

The unions represent various bargaining units with separate contracts which expire on the dates indicated. Union contracts are usually negotiable after expiration of the previous contract with any adjustments applied retroactively. The County has maintained amicable relations with all six unions and to date has had no strike by a union.

Union Membership of County Employees

<u>Union</u>	<u>Members</u>	<u>Contract Expiration</u>
American Federation of State, County and Municipal Employees	859	December 31, 2012
AFSCME – Corrections Supervisors	18	December 31, 2012
Bucks County Detective Association	16	December 31, 2010
Bucks County Rangers Benevolent Association	12	December 31, 2012
Internationals Union of Operating Engineers Corrections Local 835A	264	December 31, 2011
Maintenance & Trades Local 835	143	December 31, 2012

Pennsylvania Social Services Union
 Pennsylvania State Education Association (Nurses)

556
 77

December 31, 2010
 December 31, 2010

Source: Bucks County Human Resource Department

County Retirement Fund

The County Pension Plan is funded by the contributions of both the employees and the County. In accordance with Act 96 of 1971 of the Commonwealth of Pennsylvania, all full time employees hired on or after January 1, 1980, are required to contribute nine percent of their salaries in accordance with the provisions of the amended plan adopted January 1, 1980, and may voluntarily contribute an additional 10 percent of their salaries, while employees hired prior to January 1, 1980, may contribute varying statutory percentages of their salaries, according to the plan previously in effect, but no less than seven percent as established under the provisions of the new plan. The County is required to contribute an amount which, based upon actuarial analyses, is computed to be sufficient to provide future pension and survivor benefits. The Pension Trust Fund is managed by fourteen different advisors.

Due to a recent downturn in the financial markets, the County's Pension Trust Fund balance has decreased, and such decrease may increase the County's Pension Trust Fund funding requirements in future years.

Participating Employees, Contributions, Payments, Assets and Obligations

Year Ended Dec. 31	Number of Active Members	Contributions			Number of Retired Members	Benefits Paid
		Members	County (1)	Total		
2001	2,250	\$ 8,085,184	\$ 83,881	\$ 8,169,065	729	\$ 8,160,859
2002	2,325	8,590,359	3,332,376	11,922,735	750	9,423,507
2003	2,385	9,361,722	7,778,682	17,140,404	754	8,909,079
2004	2,390	9,770,376	84,390,532 ⁽²⁾	94,160,908	791	10,052,425
2005	2,425	10,201,627	2,852,135	13,053,762	836	12,657,565
2006	2,438	10,661,642	2,616,102	13,277,744	863	14,018,712
2007	2,463	11,076,182	3,386,984	14,463,166	899	14,144,349
2008	2,483	12,008,852	1,062,592	13,071,444	931	15,471,166
2009	2,525	12,839,704	8,720,402	21,560,106	969	15,963,885
2010	2,525	13,085,603	14,452,118	27,537,721	969	17,503,502

Notes:

1. Net of contributions deducted from the Employees' Retirement Fund unreserved Fund Balance.
2. Includes the deposit of the proceeds of the County's 2004 Federally Taxable General Obligation Bonds.

Source: Bucks County Employees' Retirement System Actuarial Valuation Reports

Budget Process

In accordance with provisions of laws of the Commonwealth of Pennsylvania, the County prepares and adopts a budget on or before December 31, for the following calendar year. The County maintains budgetary control of departmental classification. Budgetary transfers and/or additional appropriations from additional revenues received or from unexpended funds appropriated but not spent in prior years must be approved by the County Commissioners. Expenditures cannot legally exceed the appropriations at the budgetary control levels described above. In accordance with applicable Commonwealth law the Commissioners may, by resolution, make supplemental budgetary appropriations between departments. Appropriations lapse at the end of the calendar year.

**Bucks County General Fund and Debt Service Fund Revenues, Expenditures and Sources and Uses
of Funds for the Years Ended December 31, 2006 to 2010, and the 2011 Budget**

	Audited					Budget
	2006	2007	2008	2009	2010	2011
Revenues						
Real Estate Taxes	\$133,737,044	\$137,084,815	\$139,072,853	\$140,151,543	\$146,836,248	\$148,298,100
Real Estate Taxes for Debt Service	37,674,906	35,817,660	34,318,187	33,685,421	26,647,389	27,532,100
Licenses and Fees	18,729,418	21,721,500	21,075,806	19,960,838	20,144,890	21,696,200
Judiciary Costs and Fines	9,348,177	10,400,637	10,974,010	11,987,883	11,606,888	12,331,100
Intergovernmental	23,880,087	22,634,094	24,487,401	23,408,318	24,995,418	24,957,200
Interest	6,638,604	6,214,325	3,697,174	2,117,592	1,029,032	1,430,400
Other General Fund Revenue	287,520	345,771	437,675	630,329	801,816	270,000
Other Debt Service Fund Revenue	668,611	271,416	292,861	257,416	290,940	271,500
Total Revenue	\$230,964,367	\$234,490,218	\$234,355,967	\$232,199,340	\$232,352,621	\$236,786,600
Current:						
General Government	\$33,578,534	\$39,435,993	\$44,180,469	\$51,524,399	\$50,580,926	\$48,900,700
Judiciary	47,598,154	49,904,096	53,801,403	57,454,636	62,907,760	65,378,400
Corrections	27,789,335	29,253,862	31,976,444	33,967,624	36,333,379	37,141,700
Authorities	18,672,209	18,913,957	19,747,938	20,038,165	20,553,198	20,730,500
Social Services	1,664,449	1,515,468	1,401,151	1,210,894	1,224,981	1,428,400
Health	14,648,455	15,153,303	15,310,893	15,903,338	16,250,189	16,057,500
Other Expenditures	4,475,949	4,728,322	4,096,418	5,103,779	4,739,356	5,735,100
Debt Service	36,724,834	36,923,351	33,860,077	37,299,560	31,013,331	32,532,100
Capital	731,949	1,164,474	913,214	537,135	1,091,544	433,000
Total Expenditures	\$185,883,868	\$196,992,826	\$205,288,007	\$223,039,530	\$224,694,664	\$228,337,400
Excess of Revenues over (under Expenditures)	\$45,080,499	\$37,497,392	\$29,067,960	\$9,159,810	\$7,657,957	\$ 8,449,200
Other Financial Sources (Uses)						
General Fd. Operating Transfers In	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Fund Transfers In	0	0	0	0	0	0
Proceeds from G.O. Bonds	0	0	0	0	0	0
Bond Discount	0	0	0	0	0	0
General Fd. Operating Transfers Out	(17,835,472)	(21,585,943)	(24,741,211)	(22,888,257)	(17,255,508)	(21,250,500)
Contribution to Pension Trust	0	0	0	0	0	0
Debt Service Fund Transfers Out	0	0	0	0	0	0
General Fund Operating Transfers To Component Units	0	0	0	0	0	0
Total Financial Sources (Uses)	(\$17,835,472)	(\$21,585,943)	(\$24,741,211)	(\$22,888,257)	(\$17,255,508)	(\$21,250,500)
Excess Revenues and Other Sources over (under) Expenditure and Other Uses	27,245,027	15,911,449	4,326,749	(13,728,447)	(9,597,551)	(12,801,300)
Fund Balance January 1	39,053,760	66,298,787	82,210,236	86,536,985	72,808,538	68,474,000
Fund Balance December 31	\$66,298,787	\$82,210,236	\$86,536,985	\$72,808,538	\$63,210,987	\$55,672,700

Source: County CAFR

Lease Rental Agreements and Guaranty Agreements

The County has entered into lease rental agreements with the Bucks County Community College Authority for the rental of Community College facilities. The lease rentals are payable from the County's taxes and other revenues. The agreements secure the Authority's outstanding bonds and notes in the aggregate principal amount of \$54,585,498 as of November 2, 2011. The annual debt service on the Authority's debt is approximately \$8,260,000 before reimbursement. Currently, the Commonwealth's Department of Education reimburses about 50% of the debt service costs, pursuant to the provisions of the Community College Act. The Commonwealth's obligation to continue such reimbursements in the future could be amended or modified by future legislation.

The County has entered into a Guaranty Agreement with the Bucks County Housing Authority to secure the Authority's debt, \$970,000 as of November 1, 2011. The County was not required to make any payments during 2011 or any prior year.

The County has entered into a Surety Agreement with the Bucks County Airport Authority to secure loans with an outstanding balance of \$3,962,000 as of November 1, 2011. No payments were required by the County in 2011 or any prior year.

In 2001, the County entered into a Guaranty Agreement with the Bucks County Industrial Development Authority to guarantee certain debt of the Authority, outstanding in the principal amount of \$6,700,000 as of November 1, 2011. The County was not required to make any payments during 2011 or any prior year.

School District and Municipal Debt

The following is the aggregate debt of all school districts and municipalities in the County:

School Districts (as of December 31, 2010)	\$1,179,672,907
Municipalities (as of December 31, 2010)	<u>393,073,615</u>
Total Overlapping Debt	\$1,572,746,522

Source: 2010 County Comprehensive Annual Finance Report

Future Financings

The County expects to issue approximately \$70,000,000 of general obligation bonds in late 2012 or early 2013 to provide financing to complete the County Judicial Center, additional Open Space funding and various other projects.

In addition, the County has agreed to unconditionally guarantee a taxable issue of the Redevelopment Authority of the County of Bucks in the amount of \$14,000,000. The proceeds of such bonds will provide funds for the Lower Bucks Hospital. This issue is expected to be sold in late 2011 or early 2012.

Outstanding Indebtedness

The direct and lease rental debt of the County as of November 2, 2011, including the issuance of the Bonds, is set forth in the following table. The County has never defaulted in payment of principal or interest on any of its obligations.

A. Bonds and Notes Outstanding

1. Electoral

a. General Obligation Bonds, Series of 2005	\$16,195,000
b. General Obligation Bonds, Series of 2007	5,535,000
c. Bucks County Community College Authority, Series of 2007	2,780,250
d. General Obligation Bonds, Series of 2008	22,565,000
e. General Obligation Bonds, Series of 2011 (portion of the "Bonds")	<u>8,820,000*</u>

TOTAL

\$55,895,250

2. Nonelectoral

a. General Obligation Notes, Series A of 2003 (Del Val)	2,874,000
b. General Obligation Notes, Series B of 2003 (Del Val)	374,000
c. Federally Taxable General Obligation Bonds, Series of 2004	68,435,000
d. General Obligation Bonds, Series of 2005	19,150,000
e. General Obligation Bonds, Series of 2007	29,215,000
f. General Obligation Bonds, Series of 2008	34,190,000
g. General Obligation Bonds, Series of 2011 (portion of the "Bonds")	<u>66,245,000*</u>

TOTAL

\$220,483,000

3. Lease Rental Debt

a. Bucks County Housing Authority, Series of 1977	970,000
b. Bucks County Airport Authority, Series of 2001	149,000
c. Bucks County Airport Authority, Series A of 2001	58,000
d. Bucks County Industrial Dev. Auth., Series A of 2001	6,700,000
e. Bucks County Airport Authority, Series B of 2001	644,000
f. Farm Preservation Loan, Series of 2003	496,000
g. Bucks County Airport Authority, Series of 2003	390,000
h. Bucks County Community College, Series of 2004	8,413,000
i. Bucks County Airport Authority, Series of 2004	1,671,000
j. Bucks County Airport Authority, Series of 2005	1,050,000
k. Bucks County Community College Authority, Series of 2007	6,514,750
l. Bucks County Community College Authority, Series of 2007	8,308,137
m. Bucks County Community College Authority, Series of 2008	18,150,000
n. Bucks County Community College Authority, Series of 2010	4,275,622
o. Bucks County Community College Authority, Series of 2011	6,143,739
p. Redevelopment Authority of the County of Bucks, Series of 2011	<u>14,000,000**</u>

TOTAL

\$77,933,248

Total Gross Indebtedness

\$354,311,498

Aggregate Nonelectoral and Lease Rental Debt Outstanding

\$298,416,248

*The Bonds described in this Official Statement.

**These Bonds expected to be sold in December, 2011

Borrowing Base and Nonelectoral Debt Borrowing Capacity

The borrowing capacity of the County is governed by the Debt Act. The County’s gross borrowing capacity for nonelectoral debt (debt not approved by the electors) is 300% of its “borrowing base” (i.e., average annual total unrestricted revenues over the last three fiscal years). The total borrowing capacity for both nonelectoral debt and lease rental debt is 400% of the County’s borrowing base. An additional borrowing capacity of 100% of the borrowing base is afforded for debt incurred for County-wide responsibilities including hospitals, public health services, air and water pollution control, environmental protection, water distribution and supply systems, sewage collections and disposal, education, highways and public transportation. Thus far, the County has not assumed responsibility for many of these services. No legal limit applies for debt incurred with the approval of the electors. Calculations of the County’s borrowing base and borrowing capacity, inclusive of the Bonds, are shown below.

	<u>Borrowing</u>	
	Base	
Total Adjusted Revenues and Financing Sources:	2008	\$464,830,652
	2009	460,560,281
	2010	<u>470,872,941</u>
	Total	1,396,263,874
 Borrowing Base (3 year average of Total Adjusted Revenues and Financing Sources)		465,421,291
 Net Nonelectoral Debt Limit (300% of the Borrowing Base)		1,396,263,874
Less: Nonelectoral Debt Outstanding		<u>220,483,000</u>
Remaining Nonelectoral Debt Capacity		1,175,780,874
 Net Nonelectoral and Lease Rental Debt Limit (400% of the Borrowing Base)		1,861,685,165
Less: Nonelectoral and Lease Rental Debt Outstanding		<u>298,416,248</u>
Remaining Nonelectoral and Lease Debt Capacity		1,563,268,917

Debt Ratios

Market valuation of real estate (2010)		\$82,369,505,000
Assessed valuation of real estate (2010)		7,989,842,000
Ratio of assessed to market valuation (STEB)		9.70%
 Ratio of debt to:	Electoral and Nonelectoral Debt	Electoral, Nonelectoral and Lease Rental
Market valuation of real estate	<u>0.34%</u>	<u>0.43%</u>
Assessed valuation of real estate	3.46%	4.44%
Population (621,144)	\$445	\$569
 Ratio of population to:		
Market valuation of real estate		\$132,609
Assessed valuation of real estate		12,863

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APPENDIX B

GENERAL OBLIGATION DEBT SERVICE
SCHEDULES OF BUCKS COUNTY, PENNSYLVANIA

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COUNTY OF BUCKS

Series A of 2003

1	2	3	4	5	6
<u>DATE</u>	<u>PRINCIPAL*</u>	<u>RATE**</u>	<u>INTEREST</u>	<u>SEMI-ANNUAL DEBT SERVICE</u>	<u>PROPOSED FISCAL YEAR DEBT SERVICE</u>
12/30/2011		4.000	57,480.00	57,480.00	57,480.00
6/30/2012	2,874,000	4.000	47,900.00	2,921,900.00	
12/30/2012		4.000	0.00	0.00	2,921,900.00
TOTALS	2,874,000		105,380.00	2,979,380.00	3,084,760.00

* Principal matures on 5/25 of each year.

** The 2003A Notes bear a variable rate of interest. Table assumes a 3.30% rate plus an administrative fee of 0.70%

COUNTY OF BUCKS

Series B of 2003

1	2	3	4	5	6
<u>DATE</u>	<u>PRINCIPAL*</u>	<u>RATE**</u>	<u>INTEREST</u>	<u>SEMI-ANNUAL DEBT SERVICE</u>	<u>PROPOSED FISCAL YEAR DEBT SERVICE</u>
12/30/2011		4.000	7,480.02	7,480.02	7,480.02
6/30/2012	374,000	4.000	6,233.35	380,233.35	
12/30/2012		4.000	0.00	0.00	380,233.35
TOTALS	374,000		13,713.37	387,713.37	387,713.37

* Principal matures on 5/25 of each year.

** The 2003B Notes bear a variable rate of interest. Table assumes a 3.30% rate plus an administrative fee of 0.70%

COUNTY OF BUCKS
 Series of 2004 (Taxable)

1	2	3	4	5	6
<u>DATE</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>INTEREST</u>	<u>SEMI-ANNUAL DEBT SERVICE</u>	<u>PROPOSED FISCAL YEAR DEBT SERVICE</u>
12/15/2011	3,480,000	4.500	1,825,678.75	5,305,678.75	5,305,678.75
6/15/2012			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
6/15/2013			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
6/15/2014			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
6/15/2015			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
6/15/2016			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
6/15/2017			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
6/15/2018			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
6/15/2019			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
6/15/2020			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
6/15/2021			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
6/15/2022			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
6/15/2023			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
6/15/2024			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
TOTALS	68,435,000		29,603,534.25	98,038,534.25	98,038,534.25

COUNTY OF BUCKS

Series of 2005

1	2	3	4	5	6
<u>DATE</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>INTEREST</u>	<u>SEMI-ANNUAL DEBT SERVICE</u>	<u>PROPOSED FISCAL YEAR DEBT SERVICE</u>
12/1/2011			856,125.00	856,125.00	856,125.00
6/1/2012	4,630,000	5.000	856,125.00	5,486,125.00	
12/1/2012			740,375.00	740,375.00	6,226,500.00
6/1/2013	4,870,000	5.000	740,375.00	5,610,375.00	
12/1/2013			618,625.00	618,625.00	6,229,000.00
6/1/2014	5,115,000	5.000	618,625.00	5,733,625.00	
12/1/2014			490,750.00	490,750.00	6,224,375.00
6/1/2015	4,945,000	5.000	490,750.00	5,435,750.00	
12/1/2015			367,125.00	367,125.00	5,802,875.00
6/1/2016	5,195,000	5.000	367,125.00	5,562,125.00	
12/1/2016			237,250.00	237,250.00	5,799,375.00
6/1/2017	5,090,000	5.000	237,250.00	5,327,250.00	
12/1/2017			110,000.00	110,000.00	5,437,250.00
6/1/2018	1,760,000	4.000	110,000.00	1,870,000.00	
12/1/2018			74,800.00	74,800.00	1,944,800.00
6/1/2019	1,835,000	4.000	74,800.00	1,909,800.00	
12/1/2019			38,100.00	38,100.00	1,947,900.00
6/1/2020	1,905,000	4.000	38,100.00	1,943,100.00	
12/1/2020			0.00	0.00	1,943,100.00
TOTALS	35,345,000		7,066,300.00	42,411,300.00	42,411,300.00

COUNTY OF BUCKS

Series of 2007

1	2	3	4	5	6
<u>DATE</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>INTEREST</u>	<u>SEMI-ANNUAL DEBT SERVICE</u>	<u>PROPOSED FISCAL YEAR DEBT SERVICE</u>
4/1/2012			777,403.13	777,403.13	
10/1/2012	2,510,000	4.250	777,403.13	3,287,403.13	4,064,806.26
4/1/2013			724,065.63	724,065.63	
10/1/2013	2,620,000	4.250	724,065.63	3,344,065.63	4,068,131.26
4/1/2014			668,390.63	668,390.63	
10/1/2014	2,730,000	4.250	668,390.63	3,398,390.63	4,066,781.26
4/1/2015			610,378.13	610,378.13	
10/1/2015	2,845,000	5.000	610,378.13	3,455,378.13	4,065,756.26
4/1/2016			539,256.13	539,256.13	
10/1/2016	2,990,000	5.000	539,253.14	3,529,253.14	4,068,509.27
4/1/2017			464,503.13	464,503.13	
10/1/2017	3,140,000	5.000	464,503.13	3,604,503.13	4,069,006.26
4/1/2018			386,003.13	386,003.13	
10/1/2018	3,295,000	4.000	386,003.13	3,681,003.13	4,067,006.26
4/1/2019			320,103.13	320,103.13	
10/1/2019	3,425,000	4.250	320,103.13	3,745,103.13	4,065,206.26
4/1/2020			247,321.88	247,321.88	
10/1/2020	3,575,000	4.380	247,321.88	3,822,321.88	4,069,643.76
4/1/2021			169,118.75	169,118.75	
10/1/2021	3,730,000	4.380	169,118.75	3,899,118.75	4,068,237.50
4/1/2022			87,525.00	87,525.00	
10/1/2022	3,890,000	4.050	87,525.00	3,977,525.00	4,065,050.00
TOTALS	34,750,000		9,988,134.35	44,738,134.35	44,738,134.35

COUNTY OF BUCKS
 Series of 2008

1	2		3		4	5	6
<u>DATE</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>INTEREST</u>	<u>SEMI-ANNUAL DEBT SERVICE</u>	<u>PROPOSED FISCAL YEAR DEBT SERVICE</u>
5/1/2012	3,355,000	3.500			1,388,470.63	4,743,470.63	
11/1/2012					1,329,758.13	1,329,758.13	6,073,228.76
5/1/2013	1,775,000	3.550	2,870,000	5.000	1,329,758.13	5,974,758.13	
11/1/2013					1,226,501.88	1,226,501.88	7,201,260.01
5/1/2014	1,275,000	3.700	3,440,000	5.000	1,226,501.88	5,941,501.88	
11/1/2014					1,116,914.38	1,116,914.38	7,058,416.26
5/1/2015	4,950,000	5.000			1,116,914.38	6,066,914.38	
11/1/2015					993,164.38	993,164.38	7,060,078.76
5/1/2016	4,790,000	5.000			993,164.38	5,783,164.38	
11/1/2016					873,414.38	873,414.38	6,656,578.76
5/1/2017	5,030,000	5.000			873,414.38	5,903,414.38	
11/1/2017					747,664.38	747,664.38	6,651,078.76
5/1/2018	3,575,000	5.000			747,664.38	4,322,664.38	
11/1/2018					658,289.38	658,289.38	4,980,953.76
5/1/2019	3,760,000	5.250			658,289.38	4,418,289.38	
11/1/2019					559,589.38	559,589.38	4,977,878.76
5/1/2020	3,955,000	4.700			559,589.38	4,514,589.38	
11/1/2020					466,646.88	466,646.88	4,981,236.26
5/1/2021	4,155,000	5.125			466,646.88	4,621,646.88	
11/1/2021					360,175.00	360,175.00	4,981,821.88
5/1/2022	4,370,000	5.125			360,175.00	4,730,175.00	
11/1/2022					248,193.75	248,193.75	4,978,368.75
5/1/2023	4,605,000	5.250			248,193.75	4,853,193.75	
11/1/2023					127,312.50	127,312.50	4,980,506.25
5/1/2024	4,850,000	5.250			127,312.50	4,977,312.50	
11/1/2024							4,977,312.50
TOTALS	50,445,000		6,310,000		18,803,719.47	75,558,719.47	75,558,719.47

Overall Debt Service

Year	Existing GO Debt Service	2011 Bonds	Grand Total
12/31/2011	\$6,226,763.77		\$6,226,763.77 ⁽¹⁾
12/31/2012	25,811,027.11	\$5,082,830.00	30,893,857.11
12/31/2013	24,517,250.76	7,085,350.00	31,602,600.76
12/31/2014	24,512,445.76	7,089,400.00	31,601,845.76
12/31/2015	24,087,205.76	7,085,200.00	31,172,405.76
12/31/2016	24,085,534.77	7,085,200.00	31,170,734.77
12/31/2017	23,728,006.26	7,087,400.00	30,815,406.26
12/31/2018	20,228,256.26	7,082,225.00	27,310,481.26
12/31/2019	20,232,550.26	7,087,225.00	27,319,775.26
12/31/2020	20,230,851.76	7,086,500.00	27,317,351.76
12/31/2021	18,289,557.50	7,087,000.00	25,376,557.50
12/31/2022	18,288,174.00	7,088,700.00	25,376,874.00
12/31/2023	14,216,993.00	7,085,925.00	21,302,918.00
12/31/2024	14,218,950.00	7,085,550.00	21,304,500.00
12/31/2025		7,089,425.00	7,089,425.00
12/31/2026		7,084,900.00	7,084,900.00
	\$278,673,566.97	\$104,292,830.00	\$382,966,396.97

(1) From 11/2/11 to 12/31/11.

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

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FORM OF BOND COUNSEL OPINION

COUNTY OF BUCKS
(Commonwealth of Pennsylvania)
\$75,065,000 GENERAL OBLIGATION BONDS,
SERIES OF 2011

December __, 2011

TO THE PURCHASERS OF THE
ABOVE-CAPTIONED BONDS:

We have acted as bond counsel to the County of Bucks, Pennsylvania (the “County”) in connection with the issuance of its \$75,065,000 General Obligation Bonds, Series of 2011 dated December __, 2011 (the “Bonds”). The Bonds are being issued to finance: (i) certain capital projects of the County, including (a) the construction of a new Justice Center and renovations and improvements to certain other County facilities, (b) the County’s open space program, (c) the acquisition of certain technology upgrades and (d) other miscellaneous public works projects; and (ii) the costs of issuing the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion. The Bonds are being issued pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 and an Ordinance of the County enacted on November 2, 2011 (the “Ordinance”).

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Capitalized terms and phrases set forth herein and not otherwise defined shall have the meanings set forth to such terms and phrases in the Ordinance.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the County, and are valid, binding and enforceable general obligations of the County.

2. The Bonds are payable from general revenues of the County, presently including ad valorem taxes which may be levied on all property taxable for County purposes within the County without limitation as to rate or amount.

3. The County has effectively covenanted in the Ordinance: (i) to include the amount of debt service for the Bonds for each fiscal year in which such sums are due and payable in its budget for that year; (ii) to appropriate, such amounts for the payment of such debt service; and (iii) to duly and punctually pay, or cause to be paid, from its sinking funds or any other of its revenues or funds, the principal of and the interest on the Bonds on the dates and in the place and in the manner stated in the Bonds according to the true intent and meaning thereof; for such budgeting, appropriation and payment the County has pledged, with respect to the Bonds, its full faith, credit and taxing power.

4. Interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings, and court decisions. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon continues to be excluded from gross income for purposes of federal income taxation. Failure to comply with certain of such requirements could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements. Interest on the Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the individual and corporate alternative minimum taxes; however, we call to your attention that under the Code, to the extent that interest on the Bonds is a component of a corporate holder's "adjusted current earnings", a portion of that interest may be subject to the corporate alternative minimum tax. We express no opinion regarding other federal tax consequences relating to the Bonds or the receipt of interest thereon.

5. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, the Bonds and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, inheritance, succession or estate taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated November 2, 2011, relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

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