

COUNTY OF BUCKS
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE OF THE BOARD OF COMMISSIONERS
ORDINANCE 101

APPROVING A BORROWING BY THE BUCKS COUNTY COMMUNITY COLLEGE AUTHORITY FROM FIRST UNION NATIONAL BANK FOR THE PURPOSE OF PROVIDING FUNDS FOR A CAPITAL IMPROVEMENT PROGRAM AT BUCKS COUNTY COMMUNITY COLLEGE; RECOMMENDING THAT SAID AUTHORITY ACCEPT A PROPOSAL FOR THE PURCHASE OF ITS REVENUE NOTE, SERIES OF 1999; AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT IN THE AMOUNT OF \$3,300,000; DETERMINING AND STATING ESTIMATED USEFUL LIVES OF THE PROJECTS WHICH COMPRISE THE CAPITAL IMPROVEMENT PROGRAM; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF A LEASE AND SUBLEASE AMONG THE AUTHORITY, THE COUNTY AND THE COLLEGE; SETTING FORTH THE MAXIMUM RENTAL PAYMENTS TO BE MADE UNDER SAID LEASE AND SUBLEASE; COVENANTING TO INCLUDE SUCH PAYMENTS IN ANNUAL BUDGETS, TO MAKE APPROPRIATIONS AND TO PAY THE SAME PUNCTUALLY EACH FISCAL YEAR; AUTHORIZING AND DIRECTING THE PREPARATION, VERIFICATION AND FILING OF A DEBT STATEMENT AND PROVIDING FOR CERTIFICATION AND FILING OF PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the Bucks County Community College Authority (the "Authority"), at the request of the Bucks County Community College (the "College"), has determined to finance the purchase of property from First Union National Bank (the "Bank") in Perkasio (East Rockhill Township), Pennsylvania, the costs of capital improvements to such property and the costs of capital improvements to other College Facilities (the "Capital Improvement Program"); and

WHEREAS, the Authority has determined to issue its Revenue Note, Series of 1999 (the "1999 Note") in an aggregate principal amount of \$3,300,000 to provide funds for the Capital Improvement Program including the costs of issuance of the 1999 Note; and

WHEREAS, the 1999 Note will be issued to evidence a loan from the Bank to the Authority pursuant to a Loan Agreement dated as of August 10, 1999 (the "Loan Agreement"), between the Authority and the Bank, and will be secured under the Loan Agreement by an assignment to the Bank of a certain Lease and Sublease dated as of August 1, 1999 (the "Lease") of the premises and improvements comprising the College campus in Perkasio (the "Leased Premises") by and among the Authority, as lessor, the County of Bucks (the "County"), as lessee and sublessor, and the College, as sublessee, and of the rentals payable by the County and the College thereunder; and

WHEREAS, the Authority, in connection with such financing has requested and will receive from the Bank a proposal dated June 25, 1999 (the "Commitment Letter") for the purchase of the 1999 Note and the Board of Commissioners desires to recommend to the Authority that it accept said Commitment Letter and award the 1999 Note to the Bank; and

WHEREAS, the Board of Commissioners has determined, among other things that the County will incur electoral debt in the amount of \$7,500,000 and lease rental debt in the amount of \$3,300,000 by executing and delivering the Lease.

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

1. Approval of Capital Improvement Program and Refunding Program. The Authority's proposed borrowing for the purpose of providing moneys for the Capital Improvement Program, as described in the preambles hereof, is hereby approved. The Capital Improvement Program is hereby approved and ratified as an appropriate project to be undertaken for the health, safety, welfare and benefit of the students of the College.

2. Approval of Commitment Letter. The Commitment Letter of the Bank and the award of the 1999 Note to the Bank is hereby approved on behalf of the County upon the terms and conditions set forth in the Commitment Letter. It is hereby determined and stated that a private sale by negotiation is in the best financial interests of the Authority and the County. The Chairman of the Board of Commissioners is hereby authorized and directed to execute the Commitment Letter on behalf of the County.

3. Authorization of Lease Rental Debt. The County shall incur lease rental debt as defined in the Local Government Unit Debt Act, as amended (the "Act") which shall be evidenced by the 1999 Note and the Lease, as more fully described in Section 7 hereof. The incurrence of such lease rental debt in the amount of \$3,300,000 with respect to the Capital Improvement Program is hereby authorized. Said debt is to be incurred for the purpose of assisting the Authority in obtaining funds for and toward the cost of the Capital Improvement Program all as set forth in the preambles hereof.

4. Useful Lives of the Projects. The realistic estimated average useful lives of the projects comprising the Capital Improvement Program are estimated to be in excess of thirty (30) years.

5. Approval of Loan Agreement. The 1999 Note is to be issued under the Loan Agreement between the Authority and the Bank, which shall provide, among other things, for (a) the payment of debt service on the 1999 Note, and (d) covenants of the Authority for the benefit of the Bank. The 1999 Note shall be secured by the pledge of all revenues and receipts derived by the Authority from the ownership and operation of the Leased Premises including the amounts payable by the County and the College under the Lease.

6. Approval of Lease; Authorization of Termination of Original Lease and Original Sublease. The form of the Lease as presented at this meeting and the provisions for the payments thereunder are hereby approved and authorized, and the Chairman or Vice Chairman of the Board of Commissioners is hereby authorized, empowered and directed to execute the Lease substantially in such form on behalf of the County, with such changes as the signing officer may approve, such approval to be conclusively evidenced by the execution thereof. The Chief Clerk of the County is hereby authorized and directed to affix thereto and attest the seal of the County, and to deliver the Lease on behalf of the County. The form of the Lease shall be filed with the minutes of this meeting and is made a part hereof by reference.

The County hereby consents to the assignment of the Lease and all rentals and other amounts payable thereunder to the Bank, and hereby agrees to pay over to the Authority or its assigns all of the rentals in the amounts and at the times set forth in the Lease.

7. Approval of Lease Terms. The payments to be paid by the County under the Lease shall be payable semiannually from the tax and other general revenues of the County in amounts and on dates as set forth on Exhibit A attached hereto and made a part hereof. It is hereby covenanted with the holders from time to time of the 1999 Note that the County shall meet all of its obligations under the Lease from the tax and other general revenues within limits then provided by law, or other legally available funds, and that the full faith, credit and taxing power of the County is pledged for such payments.

The County covenants with the Bank and the registered owners of the 1999 Note that it will include amounts payable in respect of the Lease for each fiscal year in which such sums are payable in its budget for that year, will appropriate such amounts to the payment of its obligations thereunder, and will duly and punctually pay or cause to be paid to the Bank such amounts at the dates and places and in the manner stated in the 1999 Note, and for such budgeting, appropriation and payment the County pledges its full faith, credit and taxing power.

The amount of semi-annual rental payments will depend on the interest rate on the 1999 Note. The Basic Rate on the 1999 Note will be agreed upon by the College, the Authority and the County on or prior to the date of issuance of the 1999 Note; the Chairman of the Board of Commissioners is authorized to approve the final Basic Rate which shall not exceed 6.50% per annum. In the event of default or upon the occurrence of certain events of taxability, the interest rate on the 1999 Note will be at a variable rate set forth therein not to exceed 15% per annum. The semi-annual rental payment schedules attached as Exhibit A are based on the maximum Basic Rate of 6.50% and the maximum default/taxable rate of 15.00%.

8. Preparation and Filing of Debt Statement and Other Necessary Documentation. The Chairman of the Board of Commissioners and the Chief Clerk of the

County or any Commissioner in the absence of the Chairman, or a duly appointed successor, as the case may be, are hereby authorized, empowered and directed to prepare, execute and verify the Debt Statement of the County, with an appended Borrowing Base Certificate as required by Section 8110 of the Act, and to cause a complete and accurate copy of the proceedings in connection with the incurring of electoral debt and lease rental debt herein authorized, certified by the Chief Clerk, to be filed with the Department of Community and Economic Development as required by the Act, and to pay the necessary filing fees in connection therewith. The proper officers of the County are hereby authorized, empowered and directed on behalf of the County to execute and deliver any and all papers and documents with such changes, additions or deletions as such officers shall deem appropriate and in accordance with this Ordinance and to take such further action and to do or cause to be done any and all acts and things necessary or proper to execute or carry out the purposes of this Ordinance and the incurring of the electoral and lease rental debt hereby authorized, and such actions of such officers shall be deemed the actions of the County.

The proper officers of the County are hereby authorized, if deemed advisable by the Director of Finance, to prepare, execute and file, or to cause to be prepared, executed and filed, such statements and other documents as may be required by Article II of the Act in order to qualify all or any portion of the lease rental debt authorized by this Ordinance, and any other indebtedness of the County as may be appropriate, for exclusion from the County's net debt as subsidized debt.

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


10. Severability. In case any one or more of the provisions contained in this Ordinance or in the Lease executed and delivered pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of the Lease, and this Ordinance or the Lease shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

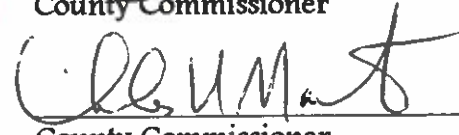
11. Effective Date. This Ordinance shall become effective in accordance with, and on the earliest date permitted by, the Act.


12. Repealer. All ordinances and resolutions or parts thereof inconsistent herewith are hereby repealed or rescinded, cancelled and annulled.

ENACTED by the Board of County Commissioners this 7th day of July, 1999.

[SEAL]

COUNTY OF BUCKS, PENNSYLVANIA


County Commissioner


County Commissioner


County Commissioner

Attest: 

Chief Clerk

I, the undersigned, Chief Clerk of Bucks County Board of County Commissioners (the "County"), certify that the foregoing is a true and correct copy of a Ordinance duly enacted by majority vote of the entire Board of County Commissioners at a meeting duly convened and held according to law on July 7, 1999; that said Ordinance has been duly recorded in the minutes of said Board; and that said Ordinance remains in full force and effect, unaltered and unamended, as of the date of this Certificate.

IN WITNESS WHEREOF, I affix my hand and the seal of the County, this 10th day of August, 1999.



Chief Clerk

EXHIBIT A

Bucks County Community College Authority
 \$3,300,000 College Building Revenue Note,
 Series of 1999
 Dated August 10, 1999

Rental Payment Schedule

The semi-annual rentals payable by the County depend on the final Basic Rate on the Authority's Note; such rate shall not exceed 6.50% per annum. The schedule based on 6.50% results in the amounts set forth in the "Total Semi-Annual Rentals" column below.

<u>Rental Payment Date</u>	<u>Principal</u>	<u>Interest (@ 6.50%)</u>	<u>Total Semi-Annual Rentals</u>
1/1/00	-	\$ 84,013	\$ 84,013
7/1/00	\$154,452	107,250	261,702
1/1/01	-	102,230	102,230
7/1/01	161,970	102,230	264,201
1/1/02	-	96,966	96,966
7/1/02	169,856	96,966	266,822
1/1/03	-	91,446	91,446
7/1/03	178,125	91,446	269,571
1/1/04	-	85,657	85,657
7/1/04	186,787	85,657	272,444
1/1/05	-	79,586	79,586
7/1/05	195,891	79,586	275,477
1/1/06	-	73,220	73,220
7/1/06	205,427	73,220	278,647
1/1/07	-	66,543	66,543
7/1/07	215,428	66,543	281,972
1/1/08	-	59,542	59,542
7/1/08	225,916	59,542	285,458
1/1/09	-	52,200	52,200
7/1/09	236,914	52,200	289,114
1/1/10	-	44,500	44,500
7/1/10	248,448	44,500	292,948
1/1/11	-	36,426	36,426
7/1/11	260,543	36,426	296,968
1/1/12	-	27,958	27,958
7/1/12	273,227	27,958	301,185
1/1/13	-	19,078	19,078
7/1/13	286,528	19,078	305,606
1/1/14	-	9,766	9,766
7/1/14	300,489	9,766	310,255
	\$3,300,000	\$1,881,500	\$5,181,500

If the Note bears interest at the Taxable Rate or the Default Rate (which rates shall not exceed 15.00% per annum) then the County shall pay to the Bank the semi-annual rentals in an amount not to exceed the amounts set forth in the "Total Semi-Annual Rentals" column below.

<u>Rental Payment Date</u>	<u>Principal</u>	<u>Interest (@ 15.00%)</u>	<u>Total Semi-Annual Rentals</u>
1/1/00	-	\$ 193,875	\$ 193,875
7/1/00	\$154,452	247,500	401,952
1/1/01	-	235,916	235,916
7/1/01	161,970	235,916	397,887

1/1/02	-	223,768	223,768
7/1/02	169,856	223,768	393,624
1/1/03	-	211,029	211,029
7/1/03	178,125	211,029	389,154
1/1/04	-	197,670	197,670
7/1/04	186,787	197,670	384,457
1/1/05	-	183,661	183,661
7/1/05	195,891	183,661	379,551
1/1/06	-	168,969	168,969
7/1/06	205,427	168,969	374,396
1/1/07	-	153,562	153,562
7/1/07	215,428	153,562	368,990
1/1/08	-	137,405	137,405
7/1/08	225,916	137,405	363,321
1/1/09	-	120,461	120,461
7/1/09	236,914	120,461	357,375
1/1/10	-	102,693	102,693
7/1/10	248,448	102,693	351,140
1/1/11	-	84,059	84,059
7/1/11	260,543	84,059	344,602
1/1/12	-	64,518	64,518
7/1/12	273,227	64,518	337,745
1/1/13	-	44,026	44,026
7/1/13	286,528	44,026	330,555
1/1/14	-	22,537	22,537
7/1/14	300,489	22,537	323,025
	<u>\$3,300,000</u>	<u>\$4,341,922</u>	<u>\$7,641,922</u>