

**ORDINANCE NO. 109
OF THE BOARD OF COMMISSIONERS
OF THE COUNTY OF BUCKS,
PENNSYLVANIA**

AN ORDINANCE THAT AUTHORIZES THE INCURRENCE OF NON-ELECTORAL DEBT BY THE COUNTY OF BUCKS (THE "COUNTY") PURSUANT TO THE ISSUANCE OF THE GENERAL OBLIGATION NOTES, SERIES OF 2002, (THE "2002 NOTES") IN THE PAR AMOUNT OF \$30,000,000 AND APPROVES CERTAIN CAPITAL PROJECTS (THE "2002 PROJECT"); APPROVES THE NEGOTIATED SALE OF THE 2002 NOTES TO THE DELAWARE VALLEY REGIONAL FINANCE AUTHORITY; APPROVES THE SUBSTANTIAL FORMS OF THE PROMISSORY NOTES, FINANCING AGREEMENT, AND LOAN AGREEMENT AND AUTHORIZES EXECUTION AND DELIVERY OF ALL NECESSARY DOCUMENTS; STATES THE AMORTIZATION SCHEDULE AND MAXIMUM ANNUAL DEBT SERVICE PAYMENTS; PLEDGES THE FULL FAITH, CREDIT, AND TAXING POWER OF THE COUNTY FOR THE TIMELY PAYMENT OF THE DEBT SERVICE; ESTABLISHES AND APPOINTS SINKING FUND DEPOSITORIES; AUTHORIZES THE APPLICATION TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZES ADVERTISEMENT OF ENACTMENT; AND REPEALS INCONSISTENT ORDINANCES.

WHEREAS, certain capital projects consisting of (i) the construction of and improvements to County buildings; (ii) the acquisition of open space; (iii) the acquisition of vehicles; (iv) the acquisition of and improvements to parks; (v) the acquisition of computer systems; (vi) the acquisition of emergency systems; (vii) the payment of interest during the construction and acquisition periods; (viii) other capital projects; and (ix) the costs incurred by the County to issue the 2002 Notes, will benefit the residents of the County; and

WHEREAS, the 2002 Project shall be for the benefit and use of the general public, and no private party shall have any special legal entitlement to the beneficial use of the 2002 Project, through a lease, management contract, or any other arrangement; and

WHEREAS, the incurrence of non-electoral debt by the County is necessary to fund the 2002 Project; and

WHEREAS, the proposed increase of non-electoral debt, together with the non-electoral and lease rental debt presently outstanding, will not cause the constitutional or statutory debt limitations of the County to be exceeded;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUCKS, PENNSYLVANIA, AND IT IS HEREBY ORDAINED AND ENACTED BY THE AUTHORITY OF SAID BOARD OF COMMISSIONERS THAT:

SECTION 1. APPROVAL OF THE 2002 PROJECT AND AUTHORIZATION OF THE 2002 NOTES

The 2002 Project represents the current portion of the County's capital budget, and, pursuant to Section 8142(a)(2)(ii) of the *Act*, the 2002 Notes may be issued for a term of 30 years, a period that exceeds the term of the 2002 Notes. The principal of the 2002 Notes shall be amortized to provide more level, overall annual debt service, pursuant to Section 8142(b)(2) of the *Act*. Pursuant to Section 8142(c) of the *Act*, the amortization of the principal amount of the 2002 Notes shall begin within two years of the issuance. The estimated completion date of the 2002 Project is December 31, 2003.

The Board of Commissioners hereby authorizes and approves the 2002 Project. The Board of Commissioners hereby authorizes and directs the incurring of non-electoral debt aggregating \$30,000,000 by the issuance of the 2002 Notes to fund the 2002 Project.

SECTION 2. APPROVAL OF THE PURCHASE PROPOSAL

The Board of Commissioners, after due deliberation and investigation, hereby determines that a private sale by negotiation of the 2002 Notes is in the best financial interest of the County. The 2002 Notes shall be sold at negotiated sale in accordance with the terms of a Purchase Proposal submitted by the Delaware Valley Regional Finance Authority ("DVRFA"), attached hereto as Exhibit I (the "Purchase Proposal"). The DVRFA's Purchase Proposal for the 2002 Notes at a price of \$30,000,000 is hereby accepted. The County shall be responsible for paying the DVRFA's costs of issuance in an amount not to exceed \$120,000 as directed by the DVRFA's Program Administrator upon the issuance of the 2002 Notes. The General Obligation Note, Series A of 2002 (the "2002 A Note") shall be purchased by the DVRFA on or about March 22, 2002, or in such installments and/or at such other times as the Chairman of the Board of Commissioners and the DVRFA's Program Administrator shall determine. The General Obligation Note, Series B of 2002 (the "2002 B Note") shall be purchased by DVRFA in such installments and/or at such other times as the Chairman of the Board of Commissioners and the DVRFA's Program Administrator shall determine, after the issuance of the DVRFA's Local Government Revenue Bonds, Series of 2002.

SECTION 3. APPROVAL OF THE FORMS OF THE PROMISSORY NOTES, FINANCING AGREEMENT, AND LOAN AGREEMENT AND AUTHORIZATION TO EXECUTE AND DELIVER ALL NECESSARY DOCUMENTS

The substantial forms of the Promissory Notes, the Financing Agreement for the 2002 A Note, and the Loan Agreement for the 2002 B Note attached to the Purchase Proposal are hereby approved. The Chairman or Vice Chairman and the Chief Clerk are hereby authorized and directed to execute and deliver the Promissory Notes, the Financing Agreement, and the Loan Agreement in the substantial forms attached to the Purchase Proposal, but with such alterations, deletions and additions as the Chairman or Vice Chairman may approve (such approval to be conclusively established by the execution of the Financing Agreement, the Loan Agreement, and the Promissory Notes by the Chairman or Vice Chairman). The Chairman or Vice Chairman and the Chief Clerk also are hereby authorized and directed (i) to execute and deliver such other certificates, instruments, and agreements (including those required by any institution issuing any letter of credit, municipal bond insurance policy, or similar instrument securing bonds issued by DVRFA) and (ii) to take all actions that may be necessary or beneficial to issue the 2002 Notes.

SECTION 4. AMORTIZATION SCHEDULE AND MAXIMUM ANNUAL DEBT SERVICE PAYMENTS

The indebtedness of the 2002 Notes shall be evidenced by two Notes in the aggregate par amount of THIRTY MILLION DOLLARS (\$30,000,000). The 2002 Notes shall bear interest at the floating rate specified in the Financing Agreement, Loan Agreement, and Promissory Notes, the substantial forms of which are attached to the Purchase Proposal. The principal amortization schedule and maximum annual debt service payments as defined in the Promissory Notes, Financing Agreement, and Loan Agreement for the 2002 Notes, based upon the maximum interest rate of 15%, are set forth below:

**County of Bucks
General Obligation Notes, Series of 2002
Principal Amortization Schedule and
Maximum Annual Debt Service at 15% Interest Rate**

<i>Period Ending</i>	<i>Principal</i>			<i>Maximum Interest Rate</i>	<i>Maximum Interest Payment (2)</i>	<i>Maximum Annual Debt Service</i>
	<i>2002 A Note</i>	<i>2002 B Note</i>	<i>Total (1)</i>			
25-Dec-02	\$ -	\$ -	\$ -	15%	\$ 3,427,397.26 (3)	\$ 3,427,397.26
25-Dec-03	1,000.00	1,000.00	2,000.00	15%	4,500,000.00	4,502,000.00
25-Dec-04	1,000.00	510,000.00	511,000.00	15%	4,499,700.00	5,010,700.00
25-Dec-05	349,000.00	3,912,000.00	4,261,000.00	15%	4,423,050.00	8,684,050.00

25-Dec-06	2,867,000.00	4,030,000.00	6,897,000.00	15%	3,783,900.00	10,680,900.00
25-Dec-07	3,782,000.00	4,150,000.00	7,932,000.00	15%	2,749,350.00	10,681,350.00
25-Dec-08		4,495,000.00	4,495,000.00	15%	1,559,550.00	6,054,550.00
25-Dec-09		5,665,000.00	5,665,000.00	15%	885,300.00	6,550,300.00
25-Dec-10	-	237,000.00	237,000.00	15%	35,550.00	272,550.00
Total	<u>\$ 7,000,000.00</u>	<u>\$ 23,000,000.00</u>	<u>\$ 30,000,000.00</u>		<u>\$ 25,863,797.26</u>	<u>\$ 55,863,797.26</u>

(1) Principal is amortized to provide more level overall debt service. Principal is payable annually on December 25, commencing December 25, 2003.

(2) Interest is payable monthly on the 25th day of the month, commencing April 25, 2002.

(3) Calculated for the period beginning on March 22, 2002.

SECTION 5. PLEDGE OF FULL FAITH, CREDIT, AND TAXING POWER

The 2002 Notes are hereby declared to be a general obligation of the County. The County irrevocably pledges its full faith, credit, and taxing power to unconditionally guarantee (i) the full and prompt payment of interest and principal due on the 2002 Notes and (ii) the full and prompt payment of any other charges, including the Finance Charge (if any), or any deficiencies of reserves due under the Financing Agreement and Loan Agreement of the 2002 Notes. The County covenants to include all amounts due and payable under the 2002 Notes in the budget of the fiscal year in which such amounts are due and payable. The County covenants to appropriate amounts from its taxes and general revenues and punctually to pay or cause to be paid any amounts that are due and payable under the 2002 Notes.

The County covenants (i) to include all amounts due and payable under the 2002 Notes (including interest and principal due on the 2002 Notes and any Administrative Fees and Expenses or deficiencies of reserves due under the Financing Agreement or the Loan Agreement) in the budget of the fiscal year in which such amounts are due and payable, (ii) to appropriate such amounts from its taxes and other general revenues, and (iii) to pay, or cause to be paid, punctually and duly, such amounts that are due and payable under the 2002 Notes from its sinking fund or any other of its revenues or funds at the dates and places and in the manner stated in the 2002 Notes according to the true intent and meaning thereof. For such budgeting, appropriation, and payment, the County irrevocably pledges its full faith, credit, and taxing power. As provided by the *Act*, this covenant shall be specifically enforceable.

SECTION 6. SINKING FUND DEPOSITORIES

The Board of Commissioners hereby finds and acknowledges that under the terms of the Financing Agreement of the 2002 A Note and the Indenture for the DVRFA's Local Government Revenue Bonds, Series of 1986 (the "DVRFA's 1986 Bonds"), and that simultaneously with the delivery of the 2002 A Note, First Union National Bank, the Trustee of the DVRFA's 1986 Bonds, or its successors (collectively, "DVRFA's 1986 Bonds Trustee"), shall maintain separate accounts, subaccounts and subfunds for Financing Payments to be made by the County until such 2002 A Note is paid in full. These accounts, subaccounts and subfunds shall, collectively, constitute the "Sinking Fund" required by the *Act* for the 2002 A Note. The Board of Commissioners hereby authorizes, empowers, and directs all proper County officials to contract with the DVRFA's 1986 Bonds Trustee (to the extent any further contract is deemed necessary) to serve as Sinking Fund Depository for the 2002 A Note.

The Board of Commissioners hereby finds and acknowledges that under the terms of the Loan Agreement for the 2002 B Note and the Trust Indenture for the DVRFA's Local Government Revenue Bonds, Series of 2002 (the "DVRFA's 2002 Bonds"), Wilmington Trust of Pennsylvania, or its successors (collectively, "DVRFA's 2002 Bonds Trustee"), shall serve and is hereby appointed as Sinking Fund Depository, shall maintain separate accounts, subaccounts and subfunds for Repayments (as defined in the Loan Agreement) to be made by the County until such 2002 B Note is paid in full. These accounts, subaccounts and subfunds shall, collectively, constitute the "Sinking Fund" required by the *Act*. The Board of Commissioners hereby authorizes, empowers, and directs all proper County officials to contract with the DVRFA's 2002 Bonds Trustee (to the extent any further contract is deemed necessary) to serve as Sinking Fund Depository for the 2002 B Note.

SECTION 7. AUTHORIZATION TO SUBMIT STATEMENTS TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The Chairman or Vice Chairman of the Board of Commissioners and Chief Clerk of the County are hereby authorized and directed to prepare and to submit to the Department of Community and Economic Development ("DCED") the debt statement required by Section 8110 of the *Act*, the proceedings that authorize the incurrence of non-electoral debt, and any other documents required by the *Act* or DCED.

SECTION 8. LEGAL ADVERTISEMENTS

The advertisement of the enactment of this Ordinance, as required by the *Act*, in the *Bucks County Courier Times*, a newspaper of general circulation, is hereby approved, ratified, and confirmed. The advertisement is hereby directed within ten (10) days following the day of final enactment.


SECTION 9. CONFLICTING ORDINANCES


All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

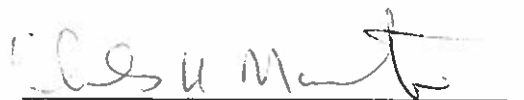
WITNESS WHEREOF, we, the Undersigned, being respectively the Chairman of the Board of Commissioners and the Chief Clerk of the County of Bucks, Commonwealth of Pennsylvania, have hereunto set our signatures and affixed hereto the Seal of the County this 20th day of February, 2002.


[Seal]

ATTEST:


 DAVID G. STEINBACH
 Chief Clerk
 County of Bucks, Pennsylvania


 MICHAEL G. FITZPATRICK
 Chairman of the Board of Commissioners
 County of Bucks, Pennsylvania


 Charles H. Martin, Commissioner
 County of Bucks, Pennsylvania


 Sandra A. Miller, Commissioner
 County of Bucks, Pennsylvania