

**ORDINANCE NO. 97
OF THE BOARD OF COMMISSIONERS
OF THE COUNTY OF BUCKS,
PENNSYLVANIA**

AN ORDINANCE AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT BY THE COUNTY OF BUCKS, PENNSYLVANIA ("COUNTY"), PURSUANT TO THE EXECUTION AND DELIVERY OF A GUARANTY AGREEMENT FOR THE BUCKS COUNTY AIRPORT AUTHORITY ("AUTHORITY"); APPROVING CERTAIN CAPITAL PROJECTS OF THE AUTHORITY; APPROVING THE ISSUANCE AND NEGOTIATED SALE OF THE 1997 NOTE; APPROVING THE FORMS OF THE PROMISSORY NOTE, LOAN AGREEMENT, AND GUARANTY AGREEMENT OF THE 1997 NOTE AND AUTHORIZING EXECUTION AND DELIVERY OF THE GUARANTY AGREEMENT; SETTING FORTH THE AMORTIZATION AND MAXIMUM ANNUAL DEBT SERVICE SCHEDULE OF THE 1997 NOTE; PLEDGING THE FULL FAITH, CREDIT, AND TAXING POWER OF THE COUNTY FOR THE PAYMENT OF THE DEBT SERVICE ON THE 1997 NOTE IN THE EVENT OF A PAYMENT DEFAULT BY THE AUTHORITY; AUTHORIZING THE PREPARATION AND FILING OF ALL NECESSARY DOCUMENTS TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING ADVERTISEMENT OF ENACTMENT; AND REPEALING INCONSISTENT ORDINANCES.

WITNESSETH:

WHEREAS, the Bucks County Airport Authority ("Authority") is a body corporate and politic duly organized by the County of Bucks ("County") under the *Municipality Authorities Act of 1945*, as amended; and

WHEREAS, the Authority owns and operates an airport that services the County; and

WHEREAS, the Authority wishes to undertake capital projects consisting of (i) the current refunding of the Secured Term Loan Note of 1997, (ii) the current refunding of the General Obligation Promissory Note of 1993, (iii) the current refunding of the Judgment Note of 1992, and (iv) the payment of the costs of issuance of the 1997 Note (collectively, the "1997 Project"); and

WHEREAS, the issuance of the 1997 Note will reduce the Authority's total debt service payments; and

WHEREAS, the Authority has determined that the negotiated sale of the 1997 Note to the Delaware Valley Regional Finance Authority ("DVRFA") is in the best financial interest of the Authority; and

WHEREAS, the DVRFA's Purchase Proposal requires the execution and delivery of a Guaranty Agreement among the County, the Authority, and DVRFA as a precondition to the purchase of the 1997 Note; and

WHEREAS, the County has determined that the Authority's 1997 Project will benefit the County and will contribute to the health and general welfare of the County's residents; and

WHEREAS, the County has determined that it would only be obligated to make payments to DVRFA in the event of a payment default by the Authority; and

WHEREAS, the County has determined that the execution of the Guaranty Agreement will allow the Authority to minimize the costs of issuance and the interest costs of the 1997 Note; and

WHEREAS, the execution and delivery of the Guaranty, under which the County shall guarantee the Authority's obligations to pay principal, interest, and other charges due and payable to the DVRFA under the terms of the 1997 Note, will constitute "lease rental debt" under the *Local Government Unit Debt Act ("Act")*, as amended.

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 1997 PROJECT, ESTIMATED USEFUL LIFE OF THE 1997 PROJECT AND AUTHORIZATION OF THE 1997 NOTE

The Board of Commissioners hereby finds that the 1997 Project would be beneficial to and would promote the health and general welfare of the residents of the County. The remaining weighted average useful life of the facilities and land acquired with the proceeds of the Authority's Secured Term Loan Note of 1997, the General Obligation Promissory Note of 1993, and the Judgment Note of 1992 is in excess of the ten year term of the 1997 Note. The terms of the Secured Term Loan Note of 1997, the General Obligation Promissory Note of 1993, and the Judgment Note of 1992 will not be extended by the current refundings from the proceeds of the 1997 Note. The current refundings will reduce the total debt service payable by the Authority. The Board of Commissioners hereby approves the 1997 Project and hereby approves the issuance of the 1997 Note by the Authority to fund the 1997 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 1997 Note to the DVRFA is in the best financial interest of the Authority. The County hereby approves the sale of the 1997 Note in accordance with the terms of the proposal submitted by DVRFA, attached hereto as Exhibit I (the "Purchase Proposal"). The DVRFA will purchase the 1997 Note at a price of \$1,250,000. The Authority shall be responsible for paying the DVRFA's costs to purchase the 1997 Note, in an amount not to exceed \$5,000, as directed by the DVRFA's Program Administrator at the issuance of the 1997 Note. The 1997 Note shall be purchased by the Authority on or about December 9, 1997, or in such installments and/or at such other times as the Authority's Chairman and the DVRFA's Program Administrator shall determine.

SECTION 3. APPROVAL OF THE FORMS OF THE PROMISSORY NOTE, LOAN AGREEMENT AND GUARANTY AGREEMENT AND AUTHORIZATION TO TAKE ALL NECESSARY ACTIONS

The Board of Commissioners hereby approves the substantial forms of the Promissory Note, Loan Agreement, and Guaranty Agreement attached to the DVRFA's Purchase Proposal. The Chairman or Vice Chairman and the Chief Clerk are hereby authorized to execute and deliver the Guaranty Agreement, in the substantial form 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 Guaranty Agreement by the Chairman or Vice Chairman). The Chairman or Vice Chairman and the Chief Clerk also are hereby authorized (i) to execute and deliver such other certificates, instruments, and agreements (including certificates, instruments and agreements required by any institution issuing any municipal bond insurance policy, letter of credit, or similar instrument securing the DVRFA's Bonds) and (ii) to take all actions that may be necessary or beneficial to issue the 1997 Note.

SECTION 4. AMORTIZATION AND MAXIMUM ANNUAL DEBT SERVICE SCHEDULE

The 1997 Note shall bear interest at the floating rate specified in the Loan Agreement and Promissory Note, the substantial forms of which are attached to the Purchase Proposal. The principal amortization schedule and maximum annual debt service payments (within the meaning of the Loan Agreement) for the 1997 Note (based upon the maximum interest rate of 25%) are set forth below:

**Bucks County Airport Authority
Principal Amortization Schedule and
Maximum Annual Debt Service at 25% Interest Rate**

<i>Year Ending</i>	<i>Principal Payment (~)</i>	<i>Maximum Interest Rate</i>	<i>Maximum Interest Payment (2)</i>	<i>Maximum Annual Debt Service</i>
25-Nov-98	\$ 95,000.00	25%	\$ 312,500.00	\$ 407,500.00
25-Nov-99	100,000.00	25%	288,750.00	388,750.00
25-Nov-00	107,000.00	25%	263,750.00	370,750.00
25-Nov-01	113,000.00	25%	237,000.00	350,000.00
25-Nov-02	120,000.00	25%	208,750.00	328,750.00
25-Nov-03	127,000.00	25%	178,750.00	305,750.00
25-Nov-04	134,000.00	25%	147,000.00	281,000.00
25-Nov-05	143,000.00	25%	113,500.00	256,500.00
25-Nov-06	151,000.00	25%	77,750.00	228,750.00
25-Nov-07	160,000.00	25%	40,000.00	200,000.00
Total	\$1,250,000.00		\$1,867,750.00	\$3,117,750.00

(1) Principal is amortized to provide level debt service at an interest rate of 6%. (2) Interest is payable monthly in arrears on the 25th day of the subsequent month.

(2) Interest is payable monthly in arrears on the 25th day of the subsequent month.

SECTION 5. AUTHORIZATION TO INCUR LEASE RENTAL DEBT AND PLEDGE OF FULL FAITH, CREDIT AND TAXING POWER

The County is hereby authorized to incur lease rental debt, as defined in the *Act*, which shall be evidenced by the Guaranty Agreement that secures the 1997 Note. The County hereby pledges its full faith, credit, and taxing power to unconditionally guarantee (i) the full and prompt payment of interest and principal due on the 1997 Note and (ii) the full and prompt payment of any other charges, including the Administrative Fees and Expenses and Monthly Finance Charges or any deficiencies of reserves due under the Loan Agreement for the 1997 Note. The County covenants to include amounts payable under the Guaranty in the budget of the fiscal year in which such amounts are due and payable (provided that such amount was due and payable on the date of adoption of the budget or was reasonably expected to become payable during the period covered by the budget). 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 Guaranty.

All payments required under the Guaranty shall be made to the Authority's Sinking Fund Depository for the 1997 Note. The County shall not claim any right of set-off, counterclaim, reduction or diminution of an obligation, or any other defense against the Authority or DVRFA to reduce its payment obligations under the Guaranty. The County's payment obligations to DVRFA, the holder of the 1997 Note, are absolute and unconditional. The Guaranty Agreement shall remain in full force and effect until the Authority has satisfied all of its obligations to DVRFA under the 1997 Note.

SECTION 6. AUTHORIZATION TO SUBMIT STATEMENTS TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The Chairman or Vice Chairman of the Board of Commissioners and the Chief Clerk of the County are hereby authorized 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 lease rental debt that is evidenced by the Guaranty, and any other documents required by the *Act* or DCED.

SECTION 7. LEGAL ADVERTISEMENTS

The advertising of a summary of this Ordinance, as required by the *Act*, in the *Bucks County Courier Times* and *The Intelligencer Record*, newspapers of general circulation in the County, is hereby approved, ratified, and confirmed.

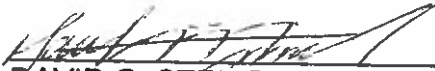
SECTION 8. CONFLICTING ORDINANCES

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


IN 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 5th day of November, 1997.

ATTEST:

[Seal]



DAVID G. STEINBACH
Chief Clerk
County of Bucks, Pennsylvania



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



Charles H. Martin, Commissioner



Sandra A. Miller, Commissioner