

ORDINANCE NO. 94COUNTY OF BUCKS
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE OF THE BOARD OF COMMISSIONERS

APPROVING A BORROWING BY THE BUCKS COUNTY COMMUNITY COLLEGE AUTHORITY FOR THE PURPOSE OF PROVIDING FUNDS FOR A CAPITAL IMPROVEMENT PROGRAM AT BUCKS COUNTY COMMUNITY COLLEGE; APPROVING A REFUNDING OF PRIOR BONDS OF THE AUTHORITY ISSUED FOR COMMUNITY COLLEGE PURPOSES; RECOMMENDING THAT SAID AUTHORITY ACCEPT A PROPOSAL FOR THE PURCHASE OF ITS BONDS; AUTHORIZING THE INCURRENCE OF ELECTORAL DEBT IN THE AMOUNT OF \$7,500,000 AND LEASE RENTAL DEBT IN THE AMOUNT OF \$15,635,000; 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 RENTAL PAYMENTS TO BE MADE UNDER SAID LEASE AGREEMENT, 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, County of Bucks, Pennsylvania (the "County"), as lessee, leases a tract of land in the Township of Newtown, County of Bucks, Pennsylvania, the buildings erected thereon and the alterations thereto, and the furnishings and equipment acquired therefor (collectively, the "Community College Buildings") under an Agreement and Lease dated as of June 15, 1965 as previously supplemented by five supplemental agreements and leases corresponding to five previous projects (collectively, the "Original Lease") with Bucks County Community College Authority (the "Authority"), as lessor, and the Original Lease and the lease rentals payable thereunder are assigned to Mellon Bank, N.A. (formerly, Girard Trust Bank), as trustee (the "Original Trustee"), under a certain Trust Indenture of the Authority dated as of June 15, 1965 as previously supplemented by five supplemental indentures corresponding to five previous projects and financings of the Authority (collectively, the "Original Indenture"); and

WHEREAS, Bucks County Community College (the "College") operates and maintains the Community College Buildings as agent for and on behalf of the County pursuant to an Agreement and Lease dated June 15, 1965 as previously supplemented by five supplemental agreements and leases corresponding to five previous projects (collectively, the "Original Sublease") by and between the County and the College; and

WHEREAS, the Authority, at the request of the College, has determined to finance (i) the construction of certain needed additions, alterations and improvements and acquire related fixtures, furnishings and equipment to the buildings and other facilities of the College as more particularly described in Exhibit A attached hereto and made a part hereof (the "Capital Improvement Program"); and (ii) a refunding program (the "Refunding Program") consisting of the refunding of the Authority's outstanding College Building Revenue and Refunding Bonds, Series of 1967 and Series of 1992 (the "Prior Bonds").

WHEREAS, the Authority has determined to issue its College Building Revenue Bonds, Series of 1997 (collectively the "1997 Bonds") in an aggregate principal amount of \$23,135,000

to provide funds for the Capital Improvement Program and the Refunding Program including the costs of issuance of the 1997 Bonds; and

WHEREAS, the 1997 Bonds will be issued under a new Trust Indenture dated as of January 1, 1997 (the "Indenture"), between the Authority and Mellon Bank, N.A., Pittsburgh and Philadelphia, Pennsylvania, as Trustee (the "Trustee"), and, together with any Additional Bonds to be issued under the Indenture, will be equally and ratably secured under the Indenture by an assignment to the Trustee of a certain Lease and Sublease dated as of January 1, 1997 (the "Lease") of the premises and Community College Buildings and other improvements comprising the College campus (the "Leased Premises") by and among the Authority, as lessor, 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 First American Municipals, Inc., Trevese, Pennsylvania, and CoreStates Capital Markets, Philadelphia, Pennsylvania, investment bankers (collectively, the "Purchasers") a proposal dated January 15, 1997 (the "Purchase Proposal") for the purchase of the 1997 Bonds and the Board of Commissioners desires to recommend to the Authority that it accept said Purchase Proposal and award the 1997 Bonds to the Purchasers; 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 \$15,635,000 by executing and delivering the Lease; and

WHEREAS, \$7,500,000 of the debt authorized to be incurred under this Ordinance will be electoral debt of the County having been approved by the voters at the election held on April 23, 1996, and the existing net debt of the County, as determined under the provisions of Article II of the Local Government Unit Debt Act, being Act No. 185 of July 12, 1972, P.L. 781, reenacted and amended, 53 P.S. §6780-1 et seq. (the "Act"), does not in the aggregate exceed the limitations of the Constitution of the Commonwealth of Pennsylvania or of the Act.

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 and in the Authority's Preliminary Official Statement (as hereinafter defined) for the 1997 Bonds presented at this meeting, 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.

The Authority's proposed borrowing for the purpose of providing moneys for the Refunding Program, as described in the preambles hereof and in the Authority's Preliminary Official Statement of the 1997 Bonds presented at this meeting, is hereby approved. It is hereby determined and stated that the purpose of the Refunding Program is to achieve debt service savings and reduced lease rentals with respect to the debt now evidenced by the Prior Bonds and to enable the Authority to enter into the new Indenture in place of the Original Indenture.

2. Approval of Purchase Proposal, Official Statement and Continuing Disclosure Agreement. The Purchase Proposal of the Purchasers and the award of the 1997 Bonds to the Purchasers is hereby approved on behalf of the County upon the terms and conditions set forth in the Purchase Proposal. 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 Purchase Proposal on behalf of the County.

The form of the Preliminary Official Statement dated December 10, 1996, as supplemented by a Supplement to Preliminary Official Statement dated January 7, 1997 (as supplemented, the "Preliminary Official Statement") as presented to this meeting, the information contained therein concerning the County, and the preparation and distribution thereof are hereby authorized, approved and ratified. The Preliminary Official Statement information concerning the County is hereby deemed "final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12. The Chairman of the Board of Commissioners is hereby authorized, empowered and directed to acknowledge the County's approval by signing, on behalf of the County, either the

Authority's final Official Statement in substantially the form of the Preliminary Official Statement with appropriate insertions to reflect the interest rates and other final details of the 1997 Bonds, or a certificate with respect to such final Official Statement.

The County hereby authorizes and directs the Chairman or Vice Chairman of the Board of Commissioners to execute and deliver a Continuing Disclosure Agreement substantially as described in the Preliminary Official Statement, subject to such changes as the executing officer may approve, such approval to be conclusively evidenced by his or her execution thereof. The County further covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Ordinance, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder or under any lease authorized herein; however, the Trustee for the 1997 Bonds, any Purchaser or any bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the County to comply with its obligations under this paragraph.

3. Authorization of Electoral and Lease Rental Debt. The County shall incur electoral and lease rental debt as defined in the Act, which shall be evidenced by the 1997 Bonds and the Lease, as more fully described in Section 7 hereof. The incurrence of such electoral debt in the amount of \$7,500,000 and lease rental debt in the amount of \$7,100,000 with respect to the Capital Improvement Program and lease rental debt in the amount of \$8,535,000 with respect to the Refunding 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 and the Refunding Program all as set forth in the preambles hereof and in the Official Statement.

4. Useful Lives of the Projects. The realistic estimated average useful lives of the projects comprising the Capital Improvement Program are as set forth in Exhibit A attached hereto and made a part hereof.

5. Approval of Indenture. The 1997 Bonds are to be issued under the Indenture between the Authority and the Trustee, which shall provide, among other things, for (a) the terms of the 1997 Bonds (b) the procedure for disbursement of the proceeds of the 1997 Bonds to pay the costs of the Capital Improvement Program, the Refunding Program and borrowing costs (c) the payment of debt service on the 1997 Bonds, and (d) covenants of the Authority for the benefit of the bondholders. The 1997 Bonds 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. In connection with the execution of the Lease, the Chairman or Vice Chairman of the County Board of Commissioners are hereby authorized to execute such documents as shall be appropriate to terminate the Original Lease and Original Sublease.

The County hereby consents to the assignment of the Lease and all rentals and other amounts payable thereunder to the Trustee, 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 B attached hereto and made a part hereof. It is hereby covenanted with the holders from time to time of the 1997 Bonds 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 Trustee and the registered owners of the 1997 Bonds 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 Trustee such amounts at the dates and places and in the manner stated in the 1997 Bonds, and for such budgeting, appropriation and payment the County pledges its full faith, credit and taxing power.

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 410 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

10. 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.

11. 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.

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

13. 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 15th day of January, 1997.

COUNTY OF BUCKS, PENNSYLVANIA

[SEAL]

Michael Fitzpatrick
County Commissioner

Charles M. ...
County Commissioner

James A. ...
County Commissioner

Attest: [Signature]
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 January 15, 1997; 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 19th day of February, 1997.

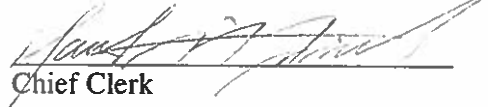

Chief Clerk

EXHIBIT A

Bucks County Community College Authority
\$23,135,000 College Building Revenue Bonds,
Series of 1997
Dated January 1, 1997

Estimated Average Useful Lives of Projects

EXHIBIT B

Bucks County Community College Authority
\$23,135,000 College Building Revenue Bonds,
Series of 1997
Dated January 1, 1997

Semi-annual Lease Rental Payments