ORDINANCE NO. 111
OF THE BOARD OF COMMISSIONERS
OF THE COUNTY OF BUCKS,
 PENNSYLVANIA


WITNESSETH:

WHEREAS, the Bucks County Community College (the "Participant") was founded in 1964 to provide a two-year collegiate institution to serve the citizens of the County; and

WHEREAS, the Participant operates under a sponsorship agreement with the County which expires on October 26, 2019; and

WHEREAS, the Participant wishes to undertake certain capital projects consisting of (i) the acquisition of educational equipment, computers and related equipment, and telephone equipment; (ii) the renovations of and improvements to buildings, structures, and facilities; and (iii) the payment of the costs of issuance of the Participant Note (collectively, the “2003 Project”); and

WHEREAS, the 2003 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 2003 Project, through a lease, management contract, or any other arrangement; and

WHEREAS, the Board of Trustees of the Participant has determined that the negotiated sale of the Participant Note to the Delaware Valley Regional Finance Authority (the “DVRFA”) to fund the 2003 Project is in the best financial interest of the Participant; and

WHEREAS, the DVRFA’s Purchase Proposal requires the execution and delivery of a Guaranty Agreement among the County, the Participant, and the DVRFA as a condition to the purchase of the Participant Note; and

WHEREAS, the County has determined that the 2003 Project will benefit and will contribute to the health and general welfare of the County’s residents; and

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

WHEREAS, the County has determined that the execution of the Guaranty Agreement (the “2003 Guaranty”) will allow the Participant to minimize the costs of issuance and the interest costs of the Participant Note; and
WHEREAS, the execution and delivery of the 2003 Guaranty, under which the County shall guarantee the Participant’s obligations to pay principal, interest, and other charges due and payable to the DVRFA under the terms of the Participant Note and Loan Agreement, will constitute “lease rental debt” under the Local Government Unit Debt Act (the “Debt Act”), as amended and restated.

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:


The Board of Commissioners hereby finds that the 2003 Project would be beneficial to and would promote the health and general welfare of the residents of the County. The estimated useful life of the 2003 Project is seven years, a period in excess of the four year term of the Participant Note. The amortization of the principal of the Participant Note shall begin within two years of the date of issuance of the Participant Note. The principal of the Participant Note shall be amortized to provide approximately level annual debt service. The Board of Commissioners hereby approves the 2003 Project and hereby approves the issuance of the Participant Note to fund the 2003 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 Participant Note to the DVRFA is in the best financial interest of the County and the Participant. The County hereby approves the sale of the Participant 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 Participant Note at a price of $1,640,000. The Participant shall be responsible for paying the DVRFA’s costs to purchase the Participant Note, in an amount not to exceed $6,560, as directed by the DVRFA’s Program Administrator at the issuance of the Participant Note. The Participant Note shall be purchased by DVRFA on or about February 25, 2003, or in such installments and/or at such other times as the Participant’s Chairman and the DVRFA’s Program Administrator shall determine.

SECTION 3. APPROVAL OF THE FORMS OF THE PARTICIPANT NOTE, LOAN AGREEMENT, CONTINUING DISCLOSURE AGREEMENTS, AND GUARANTY AGREEMENT

The Board of Commissioners hereby approves the substantial forms of the Participant Note, Loan Agreement, Continuing Disclosure Agreements, and Guaranty Agreement attached to the DVRFA’s Purchase Proposal. The Chairman or Vice Chairman and the Chief Clerk are hereby authorized and directed to execute and deliver the Guaranty Agreement and Continuing Disclosure 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 Guaranty Agreement and the Continuing Disclosure Agreement 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 certificates, instruments, and agreements required by any institution issuing any financial guaranty insurance policy, letter of credit, or similar instrument securing the Participant Note) and (ii) to take all actions that may be necessary or beneficial to issue the Participant Note.

SECTION 4. AMORTIZATION AND MAXIMUM ANNUAL DEBT SERVICE SCHEDULE

The Participant Note shall bear interest at the floating rate specified in the Loan Agreement and Participant Note, the substantial forms of which are attached to the Purchase Proposal. The annual lease rental payments due under the Guaranty Agreement would range from $0 to $770,833.33. The principal amortization schedule and maximum annual debt service payments for the Participant Note (based upon the maximum interest rate of 25%) are set forth below:
Bucks County Community College  
Guaranteed Revenue Note, Series of 2003  
Principal Amortization Schedule and  
Maximum Annual Debt Service at 25% Interest Rate

<table>
<thead>
<tr>
<th>Period Ending</th>
<th>Principal (1)</th>
<th>Maximum Interest Rate</th>
<th>Maximum Interest Payment (2)</th>
<th>Maximum Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-Feb-03</td>
<td>$ 395,000.00</td>
<td>25%</td>
<td>$ 375,833.33</td>
<td>$ 770,833.33</td>
</tr>
<tr>
<td>25-Jan-04</td>
<td>405,000.00</td>
<td>25%</td>
<td>311,250.00</td>
<td>716,250.00</td>
</tr>
<tr>
<td>25-Jan-05</td>
<td>415,000.00</td>
<td>25%</td>
<td>210,000.00</td>
<td>625,000.00</td>
</tr>
<tr>
<td>25-Jan-06</td>
<td>425,000.00</td>
<td>25%</td>
<td>106,250.00</td>
<td>531,250.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,640,000.00</strong></td>
<td><strong>25%</strong></td>
<td><strong>$ 1,003,333.33</strong></td>
<td><strong>$ 2,643,333.33</strong></td>
</tr>
</tbody>
</table>

(1) Principal is amortized to provide approximately level annual debt service at 2.50%. Principal is payable annually on January 25, commencing January 25, 2004.


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

The County is hereby authorized to incur lease rental debt, as defined in the Debt Act, which shall be evidenced by the 2003 Guaranty that secures the Participant Note and the Loan Agreement. 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 Participant 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 or the Participant Note. The County covenants to include amounts payable under the 2003 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 2003 Guaranty.

All payments required under the 2003 Guaranty shall be made to the Participant’s Sinking Fund Depository for the Participant Note. The County shall not claim any right of set-off, counterclaim, reduction or diminution of an obligation, or any other defense against the Participant or DVRFA to reduce its payment obligations under the 2003 Guaranty. The County’s payment obligations to DVRFA, the holder of the Participant Note, are absolute and unconditional. The 2003 Guaranty shall remain in full force and effect until the Participant has satisfied all of its obligations to DVRFA under the Participant Note and the Loan Agreement.

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 Debt Act, the proceedings that authorize the incurrence of lease rental debt that is evidenced by the 2003 Guaranty and any other documents required by the Debt Act or DCED.

SECTION 7. LEGAL ADVERTISEMENTS

The advertising of a summary of this Ordinance, as required by the Debt Act, in the Bucks County Courier Times, a newspaper 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 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 of Bucks this 22nd day of January, 2003.

ATTEST:

DAVID G. STEINBACH, Chief Clerk
County of Bucks, Pennsylvania

[SEAL]

MICHAEL G. FITZPATRICK, Esq.
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