COUNTY OF BUCKS
Pennsylvania

ORDINANCE #55

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE COUNTY OF BUCKS FOR THE PURPOSE OF PROVIDING FUNDS FOR A PROJECT CONSISTING OF CONSTRUCTION OF THE COUNTY PRISON; DETERMINING THE AMOUNT OF DEBT TO BE INCURRED IN RESPECT OF SAID PROJECT AS $19,000,000; PROVIDING FOR THE EVIDENCING OF SUCH DEBT IN RESPECT OF SUCH PROJECT BY GENERAL OBLIGATION BONDS; DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SECOND SERIES OF 1982, IN THE AGGREGATE PRINCIPAL AMOUNT OF $19,000,000; DECLARING THE REALISTIC ESTIMATED LIFE OF SAID PROJECT; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING WITH THE DEPARTMENT OF COMMUNITY AFFAIRS OF THE DEBT STATEMENT REQUIRED BY SECTION 410 OF THE LOCAL GOVERNMENT UNIT DEBT ACT, THE COUNTY'S BORROWING BASE CERTIFICATE; PROVIDING FOR THE DATE, DESIGNATION, DENomination, REGISTRATION, PLACE OF PAYMENT, NUMBER, MATURITY AMOUNT AND DATE, RATE OF INTEREST AND OTHER TERMS IN RESPECT OF SAID BONDS; ADOPTING A FORM OF COUPON BONDS; AUTHORIZING THE PROPER OFFICERS TO EXECUTE SAID BONDS; ESTABLISHING A CONSTRUCTION FUND; AUTHORIZING PAYMENT OF COSTS LISTED IN A CLOSING STATEMENT; AUTHORIZING THE PREPARATION, DISTRIBUTION AND EXECUTION OF AN OFFICIAL STATEMENT; ESTABLISHING REDEMPTION FEATURES; ASSUMING AND AGREEING TO PAY CERTAIN TAXES IF AND AS LEVIED ON THE PRINCIPAL OR INTEREST OF SAID BONDS; COVENANTING TO PAY THE DEBT SERVICE ON THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY FOR THE PAYMENT THEREOF; ESTABLISHING SINKING FUNDS IN RESPECT OF SUCH BONDS; PROVIDING FOR A SINKING FUND DEPOSITORY, REGISTRAR, FISCAL AGENT AND PAYING AGENT; RESTRICTING INVESTMENT OF THE PROCEEDS OF SAID BONDS; FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST INTEREST OF THE COUNTY; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS, SETTING FORTH THE FORM OF BONDS AND COUPONS, FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION; DEBT SERVICE SCHEDULE AND REQUISITION FORM; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the Board of County Commissioners of the County of Bucks (the "County") deems it in the best interest of the County that the County undertake a project (the "Project") consisting of the construction and equipping of a new 367-cell County Prison, including the expansion of certain county water and sewer facilities and connections; and

WHEREAS, the Board of County Commissioners proposes to undertake a financing in respect of the Project in accordance with the Local Government Unit Debt Act (the "Debt Act"), being Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, as amended and reenacted by Act. No. 52 of the 1978 General Assembly of the Commonwealth of Pennsylvania; and

WHEREAS, in accordance with the Debt Act, the Board of County Commissioners has reviewed estimates by the County's Project Manager, O'Donnell and Naecarato (the "Project Manager") of the cost of the Project and has determined that the total estimated cost of the Project is $18,993,100, the County's financial advisors estimate costs of financing of approximately $608,700, and capitalized interest of $1,307,200, less interest earnings during
construction of approximately $1,909,000; and

WHEREAS, the financing of the Project will require a borrowing of $19,000,000, such calculation and costs being more fully set forth in the Schedule of Estimated Project Costs contained in Section 19 hereof;

NOW, THEREFORE, the Board of County Commissioners of the County of Bucks, Pennsylvania, hereby ORDAINS and ENACTS that:

Section 1. The description of the Project set forth in the recitals hereto is hereby incorporated by reference and is hereby approved as if here recited at length. The Board of County Commissioners hereby designates the Project as a project for the financing of which it desires to incur debt of the County.

Section 2. The useful life of the Project is hereby declared to be 50 years.

Section 3. For the purpose of providing funds for and toward the payment of the costs (as such term is used in the Debt Act) of the Project, the incurring of $19,000,000 of non-electoral debt by the County is hereby authorized. Such debt shall be evidenced by the issuance of general obligation bonds of the County in the aggregate principal amount of $19,000,000, all of such Bonds to be sold and delivered as hereinafter provided.

Section 4. The County Controller and the Chief Clerk of the County, or any duly appointed successor, as the case may be, are hereby authorized and directed to prepare, certify and file with the Department of Community Affairs, in accordance with the Debt Act, a certified copy of the debt statement required by Section 410 of said Act; and the County Controller and the Chief Clerk, or, in the alternative, an independent certified public accountant, are hereby authorized and directed to prepare and execute a certificate stating the County's borrowing base, as such term is defined in the Debt Act, for submission to the Department of Community Affairs.

Section 5. The Bonds shall be designated as the County's "General Obligation Bonds, Second Series of 1982", shall be issued in the denomination of $5,000 each, shall be in coupon form, registrable as to principal only, shall be dated December 16, 1982, and shall bear interest from such date, payable at the principal corporate trust office of the Paying Agent on March 1 and September 1, commencing September 1, 1983, at the rates of interest specified in Section 6 hereof.

Section 6. The Bonds shall be numbered, shall mature on September 1 of the years and in the amounts and shall bear interest all as follows:

<table>
<thead>
<tr>
<th>BC- (Inclusive)</th>
<th>Interest Rate</th>
<th>Principal Amount</th>
<th>Maturity Date (September 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-83</td>
<td>6.00%</td>
<td>$415,000</td>
<td>1984</td>
</tr>
<tr>
<td>84-183</td>
<td>6.50%</td>
<td>$500,000</td>
<td>1985</td>
</tr>
<tr>
<td>184-289</td>
<td>6.75%</td>
<td>$530,000</td>
<td>1986</td>
</tr>
<tr>
<td>290-421</td>
<td>7.00%</td>
<td>$660,000</td>
<td>1987</td>
</tr>
<tr>
<td>422-583</td>
<td>7.40%</td>
<td>$810,000</td>
<td>1988</td>
</tr>
</tbody>
</table>
Section 7. The form of Bonds and of the coupons shall be substantially as provided by Section 19 hereof. The Bonds shall be executed by the facsimile signatures of at least two of the Commissioners, and shall have a facsimile of the corporate seal of the County of Bucks printed thereon, duly attested by the Chief Clerk (or any duly appointed successor for such purpose) of the Board of County Commissioners. The Bonds shall be manually authenticated by the Fiscal Agent provided by Section 14 hereof. The Chairman of the Board of County Commissioners and the Chief Clerk (or any duly appointed successor for such purpose) are further authorized and directed to deliver the Bonds to the purchaser of the Bonds upon the terms and conditions hereinafter provided for such delivery and to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the issuance and sale of the Bonds, all in accordance with this Ordinance and the Debt Act.

Section 8. Until disbursed as hereinafter provided, the proceeds of the Bonds remaining after payment of costs approved by §9 hereof shall be held by the Fiscal Agent provided in Section 14 in a special account to be designated "The County of Bucks, General Obligation Bonds, Second Series of 1982 Construction Fund" (the "Construction Fund"), which Construction Fund shall be held separate and apart from all other funds of the County. Monies held in the Construction Fund shall be applied exclusively toward the costs of the Project, including without limitation any costs of constructing, installing and equipping the Project; amounts payable to contractors and suppliers (including fees for designing the Project where designs are provided by the contractor or supplier); costs of labor, services, materials and equipment furnished to the County (including shipping costs); engineering and other professional fees; costs of insurance, fees and permits and utility charges; interest on the Bonds; and costs of financing. Disbursements from the Construction Fund shall be made only upon receipt by the Fiscal Agent of requisitions, in substantially the form contained in Section 19 hereof, setting forth in reasonable detail the amounts to be disbursed, the payees, and the obligations in respect of which the disbursements are to be made.

Until paid out upon requisition for project costs, Bond proceeds, interest or income thereon or other amounts shall be held for the benefit and security of the holders of the Bonds.

The County hereby covenants that all amounts remaining in the Construction Fund after
completion of construction of the Project shall be applied to pay interest on the Bonds, to redeem Bonds or to pay the costs of other capital projects of the County with useful lives of more than five years, all to the extent authorized by and in accordance with the Debt Act and as to be provided by ordinance of the Board of County Commissioners.

Section 9. The contents of the Closing Statement listing costs incurred with respect to the issuance of the Bonds and other Project costs presented to this meeting are hereby approved and the Chairman of the Board of County Commissioners any any other Commissioner and the Chief Clerk are hereby authorized to execute such Closing Statement, provided only that where the amounts on such Closing Statement are indicated as estimates, the actual payment made at Closing with respect to that item shall not exceed the estimated amount. The Chairman of the Board of County Commissioners and at least one other Commissioner are hereby authorized, on behalf of the County, to sign a Preliminary Official Statement in respect of the Bonds in substantially the form presented to this meeting, and to sign a final Official Statement following such investigation as he deems necessary, when he is satisfied as to the contents thereof.

Section 10. The Bonds maturing on or after September 1, 1993 are subject to redemption, at the option of the County, on or after September 1, 1992, as a whole at any time, or in part from time to time on any interest payment date, in inverse order of maturities, and within a maturity by lot, at a redemption price equal to 100% of the principal amount plus interest accrued to the date of redemption. The Bonds maturing on September 1, 1998 and September 1, 2003 shall be subject to redemption in order of maturity by the County prior to maturity at the principal amount thereof, plus interest accrued to the date of redemption, in part, by lot, on September 1 of the years 1995 through 1997 and 1999 through 2002, inclusive, from moneys required by Section 13 hereof to be deposited for the purpose of such redemptions in the sinking fund established under said Section 13 and in accordance with the provisions of the forms of Bonds set forth in Section 13.

Any redemption under the preceding paragraph shall be made upon notice of redemption published once a week for two successive weeks (the first publication to be at least thirty days, but not more than sixty days, before the redemption date) in a newspaper of general circulation within the County and in The Bond Buyer or any successor publication. If the Board shall have duly published notice of redemption and shall have provided funds for the payment of the principal of the Bonds so called for redemption and the interest to the date of redemption, interest on such Bonds shall cease to accrue after said redemption date.

When a notice of redemption is first published as provided above, the County shall mail a similar notice at least 30 days, but not more than sixty days, prior to the redemption date to all registered owners of Bonds to be redeemed at their registered addresses, to any holders of unregistered Bonds who have filed their names and addresses with the Paying Agent for
the purpose of receiving such notices, and also to Standard & Poor's Corporation, Moody's Investors Service, and The Bond Buyer or their respective successors, if any, but failure to mail any such notice or any defect in the mailed notice or in the mailing thereof shall not affect the validity of the redemption. Such notices of redemption shall contain the applicable CUSIP numbers pertaining to the Bonds called for redemption (if then generally in use) but shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in the notice and that reliance may be placed only on the identification numbers printed on the Bonds prefixed "BC".

Section 11. The principal of and interest on the Bonds shall be payable without deduction of, and the County assumes and agrees to pay, any tax or taxes which the County or the Treasurer thereof may be required to pay thereon or retain therefrom under or by virtue of any present or future law of the Commonwealth of Pennsylvania, except gift, succession or inheritance taxes.

Section 12. The County hereby covenants with the holders from time to time of the Bonds and coupons outstanding pursuant to this Ordinance that it (i) shall include the amount of the debt service (as specified, subject to the appropriate adjustment in the event of the optional redemption of the Bonds prior to maturity, in the Debt Service Schedule contained in Section 19 hereof, the amounts therein being hereby incorporated in this covenant by reference) and any taxes payable pursuant to Section 11 hereof on said Bonds for each fiscal year in which such sums are payable in its budget for that year, (ii) shall appropriate such amount from its general revenues for the payment of such debt service and taxes covenanted to be paid and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established pursuant to Section 13 hereof, or any other of its revenues or funds, the principal of every Bond and the interest thereon at the dates and places and in the manner stated therein and in the coupons thereto appertaining, according to the true intent and meaning thereof and for such budgeting, appropriation and payment the County does hereby pledge its full faith, credit, and taxing power. As provided in the Debt Act, the foregoing covenant shall be specifically enforceable.

Section 13. There is hereby established a Sinking Fund to be known as "Sinking Fund, County of Bucks General Obligation Bonds, Second Series of 1982", into which the County covenants to deposit and into which the Treasurer is hereby authorized and directed to deposit, on or before March 1 and September 1 in each year commencing September 1, 1983 (each of such dates being hereinafter called a "Payment Date"), an amount sufficient to pay the (i) interest due on Bonds on that Payment Date, (ii) the principal of any Bonds maturing on that Payment Date and not previously redeemed, as provided in the Debt Service Schedule contained in Section 19 hereof and (iii) on the Payment Dates shown in the table below, the redemption amount for the respective date, viz:
Payment Date (September 1) | Redemption Amount
---|---
1995 | $590,000
1996 | $650,000
1997 | $720,000
1999 | $830,000
2000 | $910,000
2001 | $1,005,000
2002 | $1,100,000

The Sinking Fund Depository designated in Section 14 hereof is hereby irrevocably directed to call for redemption on each date shown in the above table a principal amount of Bonds equal to the redemption amount shown in the table for such date, the particular Bonds to be redeemed to be selected by the said Depository in accordance with Section 10 hereof and the terms of such redemption recited in the form of Bonds recited in Section 19 hereof, provided that the amount of Bonds to be redeemed on any such Payment Date shall be reduced by the principal amount of any Bonds maturing on the next succeeding Bond maturity date which are surrendered to the Sinking Fund Depository by the County not less than 75 days before such Payment Date for credit against the Sinking Fund and not previously so credited. All sums in the Sinking Fund shall be applied exclusively to the payment of said principal and interest covenanted to be paid by Section 12 hereof and the taxes covenanted to be paid by Section 11 hereof on the Bonds as the same shall from time to time become due and payable and the balance of said money over and above the sum so required shall remain in the Sinking Fund, such balance to be applied in reduction of future required deposits or to the redemption of Bonds before maturity as provided in Section 10 hereof subject, however, to withdrawal for investment or deposit at rates of interest as authorized by law, which investments or deposits and interest thereon shall be held exclusively for the purposes of the Sinking Fund aforesaid. Said Sinking Fund shall be kept in a separate account at the principal office of the Sinking Fund Depository provided for in Section 14 hereof, until such time as the Board of County Commissioners by Resolution shall provided for a similar separate account in another bank, trust company or bank and trust company located and lawfully conducting a banking or trust business in the Commonwealth of Pennsylvania. The said Sinking Fund Depository, without further authorization than is herein contained, shall pay from the moneys in the Sinking Fund the interest on and the principal of the Bonds, and the taxes covenanted to be paid thereon, if any, as and when the same shall become due.

Section 14. The Chief Clerk is hereby authorized and directed to contract with Industrial Valley Bank, Jenkintown, Pennsylvania for its service as sinking fund depository (the "Sinking Fund Depository"), registrar (the "Registrar"), fiscal agent (the "Fiscal Agent") and paying agent (the "Paying Agent"), said Bank being hereby appointed to such positions in respect of the County's General Obligation Bonds, Series 1982.

Section 15. The County hereby covenants with the holders from time to time of the
Bonds that it will make no use of the proceeds of the Bonds which, if such use had been reasonably expected on the date of the issuance of such Bonds, would have caused such Bonds to be "arbitrage bonds" within the meaning of Section 103(e) of the Internal Revenue Code of 1954 and the regulations thereunder and that it will comply with the requirements of said Section and the regulations throughout the term of the Bonds.

Neither the Treasurer nor any other official of the County shall make any investment inconsistent with the foregoing covenants.

Section 16. The Board of County Commissioners hereby finds that a private sale of the Bonds by negotiation is in the best financial interest of the County. The Bonds shall be sold at negotiated sale upon receipt of an acceptable proposal for the purchase thereof, which proposal shall be in compliance with the provisions of the Debt Act.

Section 17. The proposal by Janney Montgomery Scott Inc., Butcher & Singer Inc., Dolphin & Bradbury, and Kidder, Peabody & Co. (the "Purchaser"), has been presented to the Board of County Commissioners at a public meeting on the date of this Ordinance. Such proposal, being dated such date and being in conformity with the requirement of Section 16 of this Ordinance for the purchase at negotiated sale of the County's $19,000,000 General Obligation Bonds, Second Series of 1982, at a price of $18,608,030, is hereby accepted and the Bonds are hereby awarded to the Purchaser. The Chief Clerk is hereby directed to notify the Purchaser of such action and to file a copy of said proposal with the records of the County. The officers of the County are hereby authorized to deliver the Bonds to the Purchaser upon receipt of the aforesaid purchase price and upon compliance with all conditions precedent to such delivery required by the Debt Act, this Ordinance and said proposal.

Section 18. All prior ordinances or parts thereof inconsistent herewith are hereby repealed.

Section 19. The respective forms of the Bonds, the interest coupons appertaining thereto, the Fiscal Agent's Certificate of Authentication, the Debt Service Schedule, Schedule of Estimated Project Costs and requisition form shall be substantially as follows, the terms and conditions set forth in such forms being hereby incorporated by reference and adopted as if fully recited at length herein and said forms are hereby approved.

FORM OF COUPON BOND

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF BUCKS

GENERAL OBLIGATION BOND, SERIES OF 1982

No. BC- $5,000

The County of Bucks, Pennsylvania (the "County"), for value received, promises to pay to the bearer hereof, or if the ownership hereof is registered, to the registered owner hereof, upon surrender hereof, on September 1, ___, the principal sum of Five Thousand Dollars
and to pay interest thereon from the date hereof until maturity at the rate of ____% per
annum, on March 1 and September 1 in each year commencing September 1, 1983, but, until
maturity, only upon surrender of the interest coupons hereto attached as they severally
mature. Should this Bond be presented for payment at maturity and payment not be made
in accordance with the terms hereof, the principal sum hereof shall thereafter (without
prejudice to the right of the holder thereof to pursue any other remedy available at law
or equity) bear interest until paid at the rate of interest hereinabove stated.

Principal and interest will be payable in such coin or currency of the United States
of America as, at the time of payment, shall be legal tender for the payment of public and
private debts at the principal corporate trust office of Industrial Valley Bank, Jenkintown,
Pennsylvania, or at the duly designated office of any duly appointed alternate or successor
paying agent, without deduction of, and the County assumes and agrees to pay, any tax or
taxes which the County or the Treasurer thereof may be required to pay thereon or retain
therefrom under any present or future law of the Commonwealth of Pennsylvania except
gift, succession or inheritance taxes.

This Bond is one of the series, which series has been approved by the Department of
Community Affairs of the Commonwealth of Pennsylvania, of 3800 Bonds of like date, amount
and tenor, in the aggregate principal amount of $19,000,000 (the "Bonds") issued in accordance
with the Local Government Unit Debt Act, Act No. 185 of the 1972 General Assembly of the
Commonwealth of Pennsylvania, as amended and re-enacted by Act No. 52 of the 1978 General
Assembly of the Commonwealth of Pennsylvania, and by virtue of an Ordinance of the Board of
County Commissioners of the County of Bucks duly enacted (the "Ordinance") and the sworn
statement of the duly authorized officer of the County filed with the Department of
Community Affairs.

OPTIONAL REDEMPTION

The Bonds maturing on and after September 1, 1983 are subject to redemption, at the
option of the Board of County Commissioners, on or after September 1, 1992, as a whole at
any time, or in part from time to time, on any interest payment date, in inverse order of
maturities and within a maturity by lot, at a redemption price equal to 100% of the
principal amount plus interest accrued to the date of redemption.

MANDATORY REDEMPTION

The Bonds maturing on September 1 of the years 1998 and 2003 are subject to mandatory
redemption at the principal amount thereof, plus accrued interest, in part by lot on September 1
of the years 1995 through 1997 and 1999 through 2002, inclusive, from moneys required by said
Ordinance to be deposited for the purposes of such redemptions in the Sinking Fund, County of
Bucks General Obligation Bonds, Second Series of 1982, established under the Ordinance.

Any redemption under the preceding provisions shall be made upon notice of redemption
published once a week for two successive weeks (the first publication to be at least thirty days but not more than sixty days before the redemption date) in a newspaper of general circulation in Bucks County and mailed postage prepaid to all registered owners of Bonds to be redeemed as their addresses appear in the Bond Registry Book, to all owners of unregistered Bonds who have filed their names and addresses with the paying agent for the purpose of receiving such notices, and to Standard & Poor's Corporation, Moody's Investors Service, and The Bond Buyer, or their successors, if any; provided, however, that if notice by publication is duly given, failure to mail any such notice or any defect in the notice so mailed or in the mailing thereof shall not affect the validity of the proceedings for such redemption, and provided further, that if the Board of County Commissioners shall have duly published notice of redemption and shall have provided funds for the payment of the principal of the Bonds so called for redemption and interest thereon to the date of redemption, interest on such Bonds shall cease to accrue after said redemption date. In connection with any such notice of redemption, any CUSIP numbers assigned to the Bonds may be used, but reliance shall be placed only on the identification number prefixed "BC" printed hereon.

It is hereby certified that all acts, conditions and things required to be done, happen or be performed precedent to and in the issuance of this Bond or in the creation of the debt of which this is evidence, have been done, happened and been performed in regular and due form and manner as required by law, and that the debt represented by this Bond together with all other debt of the County, is not in excess of any constitutional or statutory limitation, and for the prompt payment of all the obligations of this Bond the full faith, credit and taxing power of the County of Bucks are hereby irrevocably pledged.

This Bond shall pass by delivery, except when it is registered as to principal (other than to Bearer) upon the Bond Registry Book of the County of Bucks to be kept at the principal corporate trust office of Industrial Valley Bank, Jenkintown, Pennsylvania, and such registration is noted hereon by an officer for the time being of such Bank. After such registration no transfer hereof shall be valid unless made at said office by the registered owner in person or by his duly authorized attorney and similarly noted hereon, and entered in the Bond Registry Book; but this Bond may be discharged from registration and its negotiability may be restored by like transfer to bearer, and shall continue subject to successive registration or transfer to bearer at the option of the holder or holders for the time being. Such registration shall not affect the transferability by delivery of the interest coupons hereeto attached.

The County of Bucks and any agent thereof may treat the bearer of this Bond, if it is not registered, or, if it is registered, the registered owner, as the absolute owner hereof, and the bearer of any interest coupon appertaining hereto as the absolute owner thereof for all purposes, whether or not this Bond or such coupon shall be overdue, and shall not be affected by any notice to the contrary.
Neither this Bond nor any coupons for interest hereon shall be entitled to any security or benefit hereof or be valid or become obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Fiscal Agent.

IN WITNESS WHEREOF, the County of Bucks has caused this Bond to be signed in its name by the facsimile signatures of the County Commissioners and the facsimile of its corporate seal to be hereunto affixed, duly attested by the facsimile signature of the Chief Clerk of the County and has caused the coupons hereto attached to be authenticated by the facsimile signature of its Treasurer.

Dated: December 16, 1982

ATTESTING to the seal of the County

Chief Clerk

COUNTY OF BUCKS

Andrew L. Warren, Chairman

Elaine P. Zettick

Carl F. Penash