

COUNTY OF BUCKS  
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE OF THE BOARD OF COMMISSIONERS

ORDINANCE NO. 129

APPROVING A FINANCING BY THE BUCKS COUNTY COMMUNITY COLLEGE AUTHORITY FOR THE PURPOSE OF PROVIDING FUNDS FOR THE REFUNDING OF 1997 BONDS OF THE AUTHORITY ISSUED FOR COMMUNITY COLLEGE PURPOSES; APPROVING THE REFUNDING OF A 1999 NOTE OF THE AUTHORITY ISSUED FOR COMMUNITY COLLEGE PURPOSES; RECOMMENDING THAT SAID AUTHORITY ACCEPT A PROPOSAL FOR THE PURCHASE OF ITS 2007 BONDS; AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT IN AN AMOUNT NOT EXCEEDING \$16,500,000; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF A LEASE AND SUBLEASE AMONG THE AUTHORITY, THE COUNTY AND THE COLLEGE; SETTING FORTH THE MAXIMUM 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 certain tracts of land in the County and the buildings and improvements thereon comprising the main campus of the Bucks County Community College (the "College Facilities") under a Lease dated as of January 1, 1997 (the "1997 Lease") with Bucks County Community College Authority (the "Authority"), as lessor; and

WHEREAS, the County subleases the College Facilities to the Bucks County Community College (the "College") under a Sublease dated as of January 1, 1997 (the "1997 Sublease," together with the 1997 Lease, the "1997 Lease and Sublease"), the 1997 Lease and Sublease and the lease rentals payable thereunder are assigned to The Bank of New York Trust Company, N.A. (successor to Mellon Bank, N.A.), as trustee (the "1997 Trustee"), under a certain Trust Indenture of the Authority dated as of January 1, 1997 (the "1997 Indenture"); and

WHEREAS, the Authority has heretofore issued its College Building Revenue Bonds, Series of 1997 Bonds (the "1997 Bonds") pursuant to the 1997 Indenture to finance certain additions, alterations and improvements to the College Facilities for use and operation by the College and to refund the Authority's outstanding College Revenue and Refunding Bonds, Series of 1967 and Series of 1992; and

WHEREAS, the County, as lessee, leases certain tracts of land of the College Facilities under a Lease dated as of August 10, 1999 (the "1999 Lease") with the Authority, as lessor,

WHEREAS, the County subleases certain tracts of the College Facilities to the College under a Sublease dated as of August 10, 1999 (the "1999 Sublease," together with the 1999 Lease, the "1999 Lease and Sublease"), and the 1999 Lease and Sublease and the lease rentals payable thereunder are assigned to Wachovia Corporation (as successor to First Union National Bank), under a certain Loan Agreement of the Authority dated as of August 10, 1999 (the "1999 Loan Agreement"); and

WHEREAS, the Authority has previously issued its Revenue Note, Series of 1999 (the "1999 Note") pursuant to the 1999 Loan Agreement to finance certain additions, alterations and improvements to the College Facilities for use and operation by the College; and

WHEREAS, at the request of the College, the Authority has determined to issue its College Building Revenue Bonds, Series of 2007 (collectively the "2007 Bonds") in an aggregate principal amount not exceeding \$16,500,000 to provide funds to (i) currently refund the outstanding 1997 Bonds (ii) currently refund the 1999 Note and (iii) pay the costs of issuing the 2007 Bonds (as defined herein) (collectively the "Refunding Program"); and

WHEREAS, the 2007 Bonds will be issued under a new Trust Indenture (the "Indenture"), between the Authority and The Bank of New York Trust Company, N.A. 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 new Lease and Sublease (the "Lease and Sublease") of the premises and College Facilities 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 authorized the acceptance of a proposal for the purchase of the 2007 Bonds from the investment banking firms of A.G. Edwards & Sons, Inc. and First American Municipal (the "Underwriters"), and the Board of Commissioners desires to recommend to the Authority that it award the 2007 Bonds to the Underwriters and proceed with the Refunding Program; and

WHEREAS, the Board of Commissioners has determined, among other things that the County will incur lease rental debt in an amount not exceeding \$16,500,000 by executing and delivering the Lease and Sublease; and

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board of Commissioners as follows:

1. Approval of Refunding Program. The Authority's proposed borrowing for the purpose of providing moneys for the Refunding Program, as described in the preambles hereof 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 1997 Bonds and the 1999 Note and to enable the Authority to enter into the Indenture which will terminate and replace the 1997 Indenture and the 1999 Loan Agreement.

2. Approval of Purchase Contract, Official Statement and Continuing Disclosure Agreement. 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 Contract on behalf of the County, and to approve the award of the 2007 Bonds to the Underwriters.

The County hereby authorizes the distribution by the Underwriters of a Preliminary Official Statement (the "Preliminary Official Statement") to potential investors. The Preliminary Official Statement shall be in form as shall be approved by the Authority and the Authority is authorized to deem it "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 2007 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 2007 Bonds, any Underwriter 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 Lease Rental Debt. The County shall incur lease rental debt as defined in the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 et seq., as amended (the "Act") which shall be evidenced by the 2007 Bonds and the Lease and Sublease, as more fully described in Sections 5 and 6 hereof. The incurrence of such lease rental debt in an amount not exceeding \$16,500,000 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 Refunding Program all as set forth in the preambles hereof and in the Official Statement. The maximum amount of the lease rental payments under the Lease and Sublease, in each year which are guaranteed by the County, is set out in Exhibit A attached to this Ordinance and made a part hereof.

4. Approval of Indenture. The 2007 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 2007 Bonds (b) the procedure for disbursement of the proceeds of the 2007 Bonds to pay the costs of the Refunding Program (c) the payment of debt service on the 2007 Bonds, and (d) covenants of the Authority for the benefit of the bondholders. The 2007 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 and Sublease.

5. Approval of Lease and Sublease; Authorization of Termination of the 1997 Lease and Sublease, and the 1999 Lease and Sublease. The Chairman or Vice Chairman of the Board of Commissioners is hereby authorized, empowered and directed to execute the Lease and Sublease on behalf of the County, 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 and Sublease on behalf of the County. In connection with the execution of the Lease and Sublease, 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 1997 Lease and Sublease, and the 1999 Lease and Sublease.

The County hereby consents to the assignment of the Lease and Sublease 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 and Sublease.

6. Approval of Lease and Sublease Terms. The payments to be paid by the County under the Lease and Sublease shall be payable semiannually from the tax and other general revenues of the County in amounts and on dates as set forth in the Indenture. It is hereby covenanted with the holders from time to time of the 2007 Bonds that the County shall meet all of its obligations under the Lease and Sublease 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 2007 Bonds that it will include amounts payable in respect of the Lease and Sublease 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 2007 Bonds, and for such budgeting, appropriation and payment the County pledges its full faith, credit and taxing power.

7. 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 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 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 or self-liquidating debt.

8. 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 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.

9. Severability. In case any one or more of the provisions contained in this Ordinance or in the Lease and Sublease 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 Sublease, and this Ordinance or the Lease and Sublease shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

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

11. 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 23<sup>rd</sup> day of May, 2007.

[SEAL]

COUNTY OF BUCKS, PENNSYLVANIA

[Signature]  
County Commissioner

ABSTAIN  
County Commissioner

[Signature]  
County Commissioner

Attest: [Signature]  
Chief Clerk