

COUNTY OF BUCKS, PENNSYLVANIA

ORDINANCE NO. 50

Enacted December 31, 1980

TO AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF A GENERAL OBLIGATION TERM LOAN NOTE OF THE COUNTY OF BUCKS, PENNSYLVANIA, IN THE MAXIMUM PRINCIPAL AMOUNT OF TWO MILLION SIX HUNDRED THOUSAND (\$2,600,000) DOLLARS FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARD THE COST OF THE COUNTY OF BUCKS BRIDGE RECONSTRUCTION PROGRAM, AND THE COSTS RELATING TO THE ISSUANCE OF SUCH NOTE; STATING THE REALISTIC ESTIMATED USEFUL LIFE OF THE PROJECT FOR WHICH SAID NOTE IS ISSUED; DIRECTING ANY MEMBER OF THE BOARD OF COMMISSIONERS AND THE CHIEF CLERK OF THE COUNTY TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT; COVENANTING THAT THE COUNTY SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; PROVIDING FOR A FULLY REGISTERED NOTE, DENOMINATION, PRINCIPAL AND INTEREST PAYMENT DATES AND PROVISION FOR PREPAYMENT OF THE NOTE; STATING THE NOTE SHALL BE PAYABLE WITHOUT DEDUCTION FOR TAXES; PROVIDING FOR THE METHOD OF EXECUTING THE NOTE; APPROVING THE FORM OF A SINKING FUND; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO CONTRACT WITH A BANK FOR ITS SERVICES AS SINKING FUND DEPOSITARY AND PAYING AGENT; AUTHORIZING AND DIRECTING THE CHIEF CLERK TO CERTIFY AND FILE WITH THE DEPARTMENT OF COMMUNITY AFFAIRS CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; COVENANTING THAT THE PROCEEDS OF THE NOTE SHALL NOT BE USED IN SUCH MANNER AS TO CAUSE THE NOTE TO BE AN ARBITRAGE BOND UNDER FEDERAL TAX LAW PROVISIONS; AUTHORIZING PROPER OFFICERS OF THE COUNTY TO DO ALL THINGS NECESSARY TO CARRY OUT THE ORDINANCE; AND REPEALING ALL INCONSISTENT ORDINANCES.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF BUCKS, COMMONWEALTH OF PENNSYLVANIA ("COUNTY"), AS FOLLOWS:

Section 1. The corporate authorities of the County do hereby authorize and direct the incurring of non-electoral debt through the issuance of a general obligation term loan note (the "Note") of the County in the principal amount of \$2,600,000 for the purpose of providing funds for a certain capital project known as the County of Bucks Bridge Reconstruction Program consisting of extraordinary repairs or rebuilding of bridges and to pay the costs of financing.

Section 2. The County has received assurances from the Farmers Home Administration of the United States Department of Agriculture that such Administration will, upon maturity of this Note, purchase the County's forty-year term Bond in like principal amount at an interest rate of 5% per annum.

Section 3. The realistic estimated useful life of the project for which the proceeds of the Note are to be used is stated to be in excess of 40 years.

Section 4. Any member of the Board of Commissioners and the Chief Clerk of the County are hereby authorized and directed to prepare and certify a Debt Statement required by Section 410 of the Pennsylvania Local Government Unit Debt Act of July 12, 1972, as amended and re-enacted by the Act of April 28, 1978 (the "Act").

Section 5. The Note when issued will be a general obligation note of the County. It is covenanted with the holders from time to time of the Note that the County shall (i) include the amount of the debt service for each fiscal year in which such sums are payable in its budget for that year, (ii) appropriate such amounts from its general revenues for the payment of such debt service, and (iii) duly and punctually pay or cause to be paid from its sinking fund the principal of, and the interest on, the Note at the dates and places and in the manner stated in the Note, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditor' rights. Nothing in this Section shall be construed to give the County any taxing power not granted by another provision of law.

Section 6. The Note shall be in fully registered form, in the aggregate principal sum of \$2,600,000, shall be dated and bear interest from the date of the Note, payable semi-annually on the 15th day of January and July of each and every year, commencing July, 1981, until maturity at the rate of 58% of the Floating Prime Rate of Industrial Valley Bank and Trust Company with a minimum interest rate on the Note of 5.8% and a maximum interest rate of 11.6%. The maturity date of the Note shall be three years from and after the date of the first advance under the Note.

The Note may be prepaid as a whole at any time or in part from time to time, without premium or penalty, provided that any such partial payment shall be in the inverse order of maturities only.

Section 7. The Note shall be payable as to both principal and interest in lawful money of the United States of America at the Jenkintown office of Industrial Valley Bank and Trust Company, Jenkintown, Pennsylvania, or at the designated office of any

additional or appointed alternate or successor paying agent or agents ("Paying Agents"), without deduction of any tax or taxes, except gift, succession, franchise, excise or inheritance taxes, now or hereafter levied or assessed thereon under any present or future laws of the Commonwealth of Pennsylvania, all of which taxes, except as above provided, the County assumes and agrees to pay.

Section 8. The Note shall be executed by the Chairman or any member of the Board of Commissioners and shall have the corporate seal of the County affixed thereto, duly attested by the Chief Clerk of the County, and the said officers are hereby authorized to execute the Note in such manner. The Chairman or any member of the Board of Commissioners is authorized and directed to deliver, or cause to be delivered, the Note to the purchaser thereof against the full payment of the purchase price therefor.

Section 9. The form of the Note shall be substantially as follows:

GENERAL OBLIGATION TERM LOAN NOTE

\$2,600,000.00
(Principal Sum)

Dated: 19

FINAL MATURITY DATE: February , 1984

For value received and intending to be legally bound hereby, Bucks County, Pennsylvania (the "Local Government Unit") promises to pay to the order of INDUSTRIAL VALLY BANK AND TRUST COMPANY at its Jenkintown Office located in Jenkintown, Pennsylvania, the Principal Sum set forth above on February , 1984.

Interest on the unpaid principal from the date hereof shall be payable semi-annually and at maturity, at a rate of 58% of the Floating Prime Rate of Industrial Valley Bank and Trust Company with a minimum interest rate on the Note of 5.8% and a maximum interest rate of 11.6%, such interest rate to change automatically from time to time effective as of the date of each change in such prime rate. The prime interest rate shall be the prime interest rate on 90 day loans to substantial and responsible commercial borrowers in effect at Industrial Valley Bank and Trust Company from time to time.

The Treasurer of the Local Government Unit shall deposit money sufficient for the payment of the principal of and interest upon this Note into a sinking fund on or before the date of such

payment of principal and interest. Such sinking fund, known as the "General Obligation Term Loan Note Sinking Fund" of the Local Government Unit, has been established at the office of Industrial Valley Bank and Trust Company at which this Note is payable.

The Local Government Unit shall have the right at its option to prepay this Note, as a whole at any time or in part from time to time, without premium or penalty, provided that any such partial prepayment shall be in the inverse order of maturities only.

The Local Government Unit hereby covenants with the holder hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, appropriate such amounts from its general revenues for the payment of such debt service, and duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the entire principal hereof and the interest thereon on the dates, at the places and in the manner set forth above, according to the true intent and meaning hereof, and for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power.

The Local Government Unit hereby covenants that it will make no use of the proceeds issued pursuant to this Note which, if such use had been reasonably expected as of the date hereof, would have caused this Note to be considered an "arbitrage bond", as that term is defined by the regulations of the United States Treasury Department. In the event that this Note is for any reason considered to be an arbitrage bond, it shall bear interest at the taxable equivalent of the interest rate.

In the event of a default (other than a breach of the arbitrage covenant above) hereunder, the entire balance shall be and become immediately due and payable without notice or demand.

This Note is issued under the authority of Act 52 of 1978, the Pennsylvania Local Government Unit Debt Act, as reenacted and amended, and pursuant to an Ordinance duly adopted on December 31, 1980 by the governing body of the Local Government Unit and reference is hereby made to the said Act and Ordinance for a statement of the rights of the holder hereof. Proceedings with respect to the

issuance of this Note were approved by the Department of Community Affairs of the Commonwealth of Pennsylvania on _____, 19____, and it is hereby certified and recited that all conditions, acts and things required by law to exist, to have been performed and to have happened precedent to and in connection with the issuance of this Note do exist, have been performed and have happened and that this Note is within every debt and other limitation prescribed by law.

WITNESS the due execution hereof by two officers of the Local Government Unit thereunto duly authorized.

COUNTY OF BUCKS

By: _____
Name

Title

By: _____

SEAL

In each of the following fiscal years the following shall be pledged to pay the debt service on the Note, and such amounts are annually hereby appropriated to the Sinking Fund for the payment thereof:

<u>Fiscal Year</u>	
1981	Interest
1982	Interest
1983	Interest
1984	Principal and Interest

Section 10. The Board of Commissioners hereby accepts the bid for the Note submitted by, and awards the Note at private sale to, Industrial Valley Bank and Trust Company at the price of par and accrued interest to the date of delivery, upon the terms set forth in its proposal, a copy of which is attached hereto and made a part hereof. As set forth in such proposal, the Note shall bear annual interest on the unpaid principal amount thereof at 58% of the Floating Prime Rate of Industrial Valley Bank and Trust Company with a minimum interest rate on the Note of 5.8% and a maximum interest rate of 11.6%.

Section 11. There is hereby established a separate fund for the County to be known as "General Obligation Term Loan Note Sinking Fund" and into said Fund there shall be paid all moneys necessary to pay the debt service on the Note when as the

same are collected, and said Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the Note and to the principal thereof at maturity or prior redemption and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid.

Section 12. The proper officers of the County are hereby authorized and directed to contract with Industrial Valley Bank and Trust Company for its services as sinking fund depository and paying agent with respect to the Note.

Section 13. The Chief Clerk of the County is hereby authorized to certify to and file with the Department of Community Affairs, in accordance with Section 411 of the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement hereinabove referred to and to pay the filing fees necessary in connection therewith.

Section 14. It is hereby covenanted that the County will make no use of the proceeds of the Note at any time during the term thereof which, if such use had been reasonably expected on the date of issuance of the Note, would have caused such Note to be an arbitrage bond within the meaning of Section 103(d) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations.

Section 15. The proper officers of the County are hereby authorized and empowered on behalf of the County to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of this Ordinance.

Section 16. All ordinances or parts thereof inconsistent hereby be and the same hereby are repealed.

ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF BUCKS this 31st day of DECEMBER , 1980.

COUNTY OF BUCKS


By: *John J. Waw*
Chairman

(SEAL)

Attest: *R. Newman*
Chief Clerk

I HEREBY CERTIFY that the foregoing is a true and correct copy of an Ordinance duly enacted by the affirmative vote of a majority of the members of the Board of Commissioners of Bucks County, Pennsylvania, at a meeting held the 31st day of December , 1980; that the proper notice of such meeting was duly given as required by law, and that said Ordinance has been duly recorded upon the Minutes of said County showing how each members voted thereon.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County this 8th day of JANUARY , 1981.



Chief Clerk