

COUNTY OF BUCKS
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE OF THE BOARD OF COMMISSIONERS

ORDINANCE NO. 132

APPROVING A FINANCING BY THE BUCKS COUNTY COMMUNITY COLLEGE AUTHORITY FOR THE PURPOSE OF PROVIDING FUNDS FOR THE FINANCING OF A CAPITAL EXPANSION PROGRAM; RECOMMENDING THAT SAID AUTHORITY ACCEPT A PROPOSAL FOR THE PURCHASE OF ITS 2008 BONDS; AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT IN AN AMOUNT OF \$20,285,000.00; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL LEASE AND SUBLEASE AMONG THE AUTHORITY, THE COUNTY AND THE COLLEGE; SETTING FORTH THE RENTAL PAYMENTS TO BE MADE UNDER SAID FIRST SUPPLEMENTAL 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 June 15, 2007 (the "Original 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 June 15, 2007 (the "Original Sublease," together with the Original Lease, the "Original Lease and Sublease"), the Original Lease and Sublease and the lease rentals payable thereunder are assigned to The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), under a certain Trust Indenture of the Authority dated as of June 15, 2007 (the "Original Indenture"); and

WHEREAS, the County owns certain tracts of land in the County and the buildings and improvements therein comprising the fire training center and burn building (the "Fire Training Premises"); and

WHEREAS, the Authority has previously issued its College Building Revenue Bonds, Series of 2007 Bonds (the "2007 Bonds") pursuant to a Trust Indenture dated as of June 15, 2007 (the "Original Indenture") for the purpose of financing: (i) the current refunding of all outstanding College Building Revenue Bonds, Series of 1997; (ii) the current refunding of the Authority's Revenue Note, Series of 1999 and (iii) a portion of the costs of issuing the 2007 Bonds to finance certain capital projects 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 2008 (the "2008 Bonds") in an aggregate principal amount of \$20,285,000.00 to provide funds to (a) undertake a project consisting of (i) the construction of academic buildings at the College's Upper Bucks Campus; (ii) construction of the Lower Bucks fire training center and burn building and (iii) Phase II of the ADA Code Compliance Renovations of the College's Newtown Campus ((i) through (iii) are, collectively, the "Improvements") and (b) pay the costs of issuance for the 2008 Bonds (the "Financing Program"); and

WHEREAS, the 2008 Bonds will be issued as Additional Bonds pursuant to the Original Indenture as amended and supplemented by a First Supplemental Indenture dated as of

June 15, 2008 (the "First Supplemental Indenture," together with the Original Indenture, the "Indenture"), between the Authority and the Trustee, and, together with 2007 Bonds and any Additional Bonds to be issued thereunder, will be equally and ratably secured under the Indenture by an assignment to the Trustee of the Original Lease and Sublease, as amended and supplemented by a First Supplemental Lease and Sublease dated as of June 15, 2008 (the "First Supplemental Lease and Sublease" and, together with the Original Lease and Sublease, the "Lease and Sublease") of the premises and College Facilities and other improvements comprising the College campus (the "College 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, pursuant to the First Supplemental Lease and Sublease, the Fire Training Premises will be leased from the County to the Authority and subleased back to the County (the Fire Training Premises, together with the College Premises, the "Leased Premises"); and

WHEREAS, the County and College will negotiate a Sub-Sublease (the "Sub-Sublease") separate and distinct from the Lease in which the County will sub-lease the Fire Training Premises to the College to be used by the College for the life of the Bonds and any Additional Bonds issued under the Indenture; and

WHEREAS, the Authority, in connection with the Financing Program, has authorized the acceptance of a proposal for the purchase of the 2008 Bonds (the "Purchase Contract") from the investment banking firms of Wachovia Securities and First American Municipal (the "Underwriters"), and the Board of Commissioners desires to recommend to the Authority that it award the 2008 Bonds to the Underwriters and proceed with the Financing Program; and

WHEREAS, the Board of Commissioners has determined, among other things that the County will incur lease rental debt in an amount of \$20,285,000.00 by executing and delivering the First Supplemental Lease and Sublease.

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

1. Approval of Financing Program. The Authority's proposed borrowing for the purpose of providing moneys for the Financing Program, as described in the preambles hereof is hereby approved. The estimated useful life of the Financing Program is in excess of 30 years. **[PLEASE CONFIRM]**

2. Approval of Purchase Contract, Official Statement and First Supplement to 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 a Purchase Contract on behalf of the County, and to approve the award of the 2008 Bonds to the Underwriters.

A Preliminary Official Statement (the "Preliminary Official Statement") has been approved by the Authority and the Authority has deemed 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 (the "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 2008 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 First Supplement to 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 First Supplement to 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 2008 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 2008 Bonds and the First Supplemental Lease and Sublease, as more fully described in Sections 5 and 6 hereof. The incurrence of such lease rental debt in an amount of \$20,285,000.00 with respect to the Financing 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 Financing Program all as set forth in the preambles hereof and in the Official Statement. The amount of the lease rental payments under the First Supplemental 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 First Supplemental Indenture. The 2008 Bonds are to be issued under the First Supplemental Indenture between the Authority and the Trustee, which shall provide, among other things, for (a) the terms of the 2008 Bonds (b) the procedure for disbursement of the proceeds of the 2008 Bonds to pay the costs of the Financing Program and (c) the payment of debt service on the 2008 Bonds. The 2008 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 First Supplemental Lease and Sublease.

5. Approval of First Supplemental Lease and Sublease. The Chairman or Vice Chairman of the Board of Commissioners is hereby authorized, empowered and directed to execute the First Supplemental 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 First Supplemental Lease and Sublease on behalf of the County.

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

6. Approval of First Supplemental Lease and Sublease Terms. The payments to be paid by the County under the First Supplemental Lease and Sublease shall be payable quarterly beginning in July 2009 from the tax and other general revenues of the County in amounts and on dates as set forth in the First Supplemental Indenture. It is hereby covenanted with the holders from time to time of the 2008 Bonds that the County shall meet all of its obligations under the First Supplemental 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 2008 Bonds that it will include amounts payable in respect of the First Supplemental Lease and Sublease, beginning in 2009, for each fiscal year in which such sums are payable in its budget for that year, it will appropriate such amounts to the payment of its obligations thereunder, and it 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 2008 Bonds, and for such budgeting, appropriation and payment the County pledges its full faith, credit and taxing power.

The County covenants that any lease rental payments made under the First Supplemental Lease by the College during 2008 and 2009 will be guaranteed by the County.

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

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 First Supplemental 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 First Supplemental Lease and Sublease, and this Ordinance or the First Supplemental 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 21st day of May, 2008.

COUNTY OF BUCKS, PENNSYLVANIA

[SEAL]

C. C. Sumner
County Commissioner

Debra E. Johnson
County Commissioner

ABSTAIN
County Commissioner

Attest: David M. Smith
Chief Clerk