



Office of the Commissioners

• Michael J. Washo • Corey D. O'Brien • A.J. Munchak •

October 1, 2010

For Immediate Release
Contact: Lynne Shedlock
Lackawanna County Communications Director
570-963-6800 ext. 1854

Lackawanna County Responds to Luzerne County on Baseball

Scranton, PA – Earlier today, the Lackawanna County Commissioners answered the complaint filed by Luzerne County with a Counter-Claim, which calls on Luzerne County to reimburse the taxpayers of Lackawanna County for half of the over \$20 million expended by Lackawanna County taxpayers to keep Triple A baseball in Northeastern Pennsylvania over the last 22 years.

The Lackawanna County Commissioners made the following comments:

“While Lackawanna and Luzerne taxpayers brought triple A baseball to NEPA through their initial investments, the expenses associated with keeping baseball here since 1989 have been shouldered by Lackawanna County taxpayers.”

“The value of this franchise has been built upon the backs of Lackawanna County taxpayers, who have underwritten all expenses since the inception of baseball. Our taxpayers’ investment is the singular reason for Triple A baseball remaining in this region for the last 22 years.”

“We have been willing to underwrite these expenses because of the positive economic impact that baseball has had on the region. However, enough is enough. We will not stand by while our friends in Luzerne County attempt to demand the benefits of baseball while not accepting the burdens.”

“Luzerne County has rolled the dice and turned its back on a \$2.5 million state assistance package, not including the \$20 million stadium renovation funds, and guaranteed construction jobs for its residents in favor of a risky strategy that guarantees nothing but protracted and expensive litigation.”

“We intend to vigorously defend our taxpayers’ rights and fight the lawsuit filed by Luzerne County with all of the resources at our disposal. We expect to be successful as this lawsuit plays out in the years to come.”

Michael J. Washo

Corey D. O'Brien

A.J. Munchak

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COUNTY OF LUZERNE,

Plaintiff

v.

THE MULTI-PURPOSE STADIUM
AUTHORITY OF LACKAWANNA
COUNTY & COUNTY OF
LACKAWANNA,

Defendants

: IN THE COURT OF COMMONWEALTH OF PENNSYLVANIA
: OF LACKAWANNA COUNTY, PA

200 OCT -1 A 10: 35

: JURY TRIAL DEMANDED
: CLERK OF JUDICIAL RECORDS CIVIL DIVISION

: NO. 10-CV-6079

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NOTICE

YOU HAVE BEEN SUED IN COURT. IF YOU WISH TO DEFEND AGAINST THE CLAIMS SET FORTH IN THE FOLLOWING PAGES, YOU MUST TAKE ACTION WITHIN TWENTY (20) DAYS AFTER THIS COMPLAINT AND NOTICE ARE SERVED, BY ENTERING A WRITTEN APPEARANCE PERSONALLY OR BY ATTORNEY AND FILING IN WRITING WITH THE COURT YOUR DEFENSES OR OBJECTIONS TO THE CLAIMS SET FORTH AGAINST YOU. YOU ARE WARNED THAT IF YOU FAIL TO DO SO THE CASE MAY PROCEED WITHOUT YOU AND A JUDGMENT MAY BE ENTERED AGAINST YOU BY THE COURT WITHOUT FURTHER NOTICE FOR ANY MONEY CLAIMED IN THE COMPLAINT OR FOR ANY OTHER CLAIM OR RELIEF REQUESTED BY THE PLAINTIFF. YOU MAY LOSE MONEY OR PROPERTY OR OTHER RIGHTS IMPORTANT TO YOU.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER. IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

Pa. Lawyer Referral Service
P.O. Box 1086
100 South Street
Harrisburg, PA 17108
(800) 692-7375
(570) 238-6715

Northern Pa. Legal Services
Scranton Electric Bldg., Suite 300
507 Linden Street
Scranton, PA 18503
(570) 342-0184

Lackawanna Bar Association
204 Wyoming Avenue, suite 205
Scranton, PA 18503-1410
(570) 969-9600

COUNTY OF LUZERNE,

Plaintiff

v.

THE MULTI-PURPOSE STADIUM
AUTHORITY OF LACKAWANNA
COUNTY & COUNTY OF
LACKAWANNA,

Defendants

: IN THE COURT OF COMMON PLEAS
: OF LACKAWANNA COUNTY, PA

: JURY TRIAL DEMANDED

: NO. 10-CV-6079

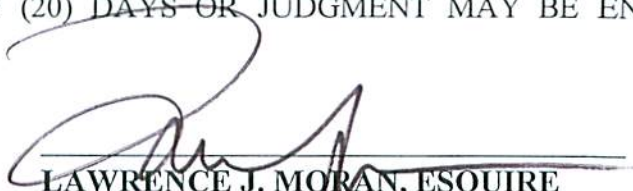
MARY F. RINALDI
CLERK OF JUDICIAL
RECORDS CIVIL DIVISION
2010 OCT -1 A 10:35

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NOTICE TO PLEAD

TO: COUNTY OF LUZERNE

YOU ARE HEREBY NOTIFIED TO PLEAD TO THE ENCLOSED NEW MATTER AND COUNTERCLAIM WITHIN TWENTY (20) DAYS OR JUDGMENT MAY BE ENTERED AGAINST YOU.


LAWRENCE J. MORAN, ESQUIRE
General Counsel for Litigation
Attorney for Defendant and
Counterclaim Plaintiff
County of Lackawanna

116 North Washington Avenue
Suite 400
P.O. Box 234
Scranton, PA 18501-0234
(570) 346-2097

DATED: October 1, 2010

COUNTY OF LUZERNE,

Plaintiff

v.

THE MULTI-PURPOSE STADIUM
AUTHORITY OF LACKAWANNA
COUNTY & COUNTY OF
LACKAWANNA,

Defendants

: IN THE COURT OF COMMON PLEAS
: OF LACKAWANNA COUNTY, PA
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: JURY TRIAL DEMANDED
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: NO. 10-CV-6079

MARY F. RINALDI
LACKAWANNA COUNTY
2010 OCT -1 A 10:35
CLERK OF JUDICIAL
RECORDS CIVIL DIVISION

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**ANSWER, NEW MATTER AND COUNTERCLAIM
TO PLAINTIFF'S COMPLAINT**

NOW COMES defendant and counterclaim plaintiff, COUNTY OF LACKAWANNA, by and through its counsel, LAWRENCE J. MORAN, ESQUIRE, General Counsel for Litigation, and hereby answers plaintiff's Complaint and asserts the following New Matter and Counterclaim as follows:

NATURE OF ACTION

1. Denied. The allegations of paragraph 1 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at trial. By way of further answer, answering defendant references and incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

PARTIES

2. Admitted in part and denied in part. It is admitted that Luzerne County is a political subdivision of the Commonwealth of Pennsylvania and is a county of the third class. It is admitted that its principal place of business is 200 North River Street, Wilkes-Barre, Pennsylvania 18711. The answering

defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining averments contained in paragraph 2 of plaintiff's Complaint. Accordingly, all the allegations contained in paragraph 2 of plaintiff's Complaint are denied and strict proof thereof is demanded at the time of trial. Moreover, the allegations contained in paragraph 2 are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

3. Admitted in part and denied in part. It is admitted that defendant MPAS is a municipal authority of the Commonwealth of Pennsylvania duly organized and existing under the Constitution and laws of the Commonwealth of Pennsylvania, including, without limitation, the Municipality Authorities Act, 53 Pa.C.S. §5601 et seq., with its principal place of business located at Lackawanna County Stadium, Lackawanna County Plaza, 235 Montage Mountain Road, Moosic, and Lackawanna County, Pennsylvania 18507. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining averments contained in paragraph 3 of plaintiff's Complaint. Moreover, the averments of paragraph 3 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

4. Admitted in part and denied in part. It is admitted that Lackawanna County is a political subdivision of the Commonwealth of Pennsylvania and is a county of the third class. It is admitted that its principal place of business is 200 Adams Avenue, Scranton, Pennsylvania 18503. It is admitted that the chief governing body of Lackawanna County is its Board of Commissioners. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining averments contained in paragraph 4 of plaintiff's Complaint. Moreover, the allegations of paragraph 4 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

VENUE

5. Admitted.

FACTUAL BACKGROUND

6. Admitted in part and denied in part. It is admitted that MPSA owns and operates a multi-purpose stadium located at Lackawanna County Plaza, 235 Montage Mountain Road, Moosic, Lackawanna County, Pennsylvania 18507, and was formed on or about April 25, 1985. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the remaining averments contained in paragraph 6 of plaintiff's Complaint. Moreover, the allegations of paragraph 6 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

7. Denied. The allegations of paragraph 7 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

8. Denied. The allegations of paragraph 8 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

9. Denied. The allegations of paragraph 9 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

10. Denied. The allegations of paragraph 10 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

11. Denied. The allegations of paragraph 11 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

12. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 12 of plaintiff's Complaint. Accordingly, all of the allegations of paragraph 12 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

13. Denied. The allegations of paragraph 13 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

14. Denied. The allegations of paragraph 14 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

15. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 15 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 15 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

16. Denied. The allegations of paragraph 16 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

17. Denied. The allegations of paragraph 17 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

18. Denied. The allegations of paragraph 18 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

19. Denied. The allegations of paragraph 19 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

20. Denied. The allegations of paragraph 20 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim. By way of further answer, the allegations contained in paragraph 20 refer to writings which are not attached to the pleadings and which writing speaks for itself. Any characterization or mischaracterization of the writings is denied.

21. Denied. The allegations of paragraph 21 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim. By way of further answer, the allegations contained in paragraph 21 refer to writings which are not attached to the pleadings and which writing speaks for itself. Any characterization or mischaracterization of the writings is denied.

22. Denied. The allegations of paragraph 22 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

23. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 23 of plaintiff's Complaint. Accordingly, all of the allegations of paragraph 23 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

24. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 24 of plaintiff's Complaint. Accordingly, all of the allegations of paragraph 24 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

25. Denied. The allegations of paragraph 25 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

26. Denied. The allegations of paragraph 26 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

27. Denied. The allegations of paragraph 27 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

28. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 28 of plaintiff's Complaint. Accordingly, all of the allegations of paragraph 28 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

29. Denied. The allegations of paragraph 29 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim. Moreover, the allegations contained in paragraph 29 rely on a writing, which speaks for itself, and any characterization or mischaracterization of the writing is denied.

30. Denied. The allegations of paragraph 30 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

31. Denied. The allegations of paragraph 31 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

32. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 32 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 32 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

33. Denied. The allegations of paragraph 33 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim. By way of further answer, to the extent that the allegations of paragraph 33 of plaintiff's Complaint rely on a writing, the writing speaks for itself, and any characterization of mischaracterization of the writing is denied.

34. Denied. The allegations of paragraph 34 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

35. Denied. The allegations of paragraph 35 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim. By way of further answer, to the extent that the allegations of paragraph 35 of plaintiff's Complaint rely on a writing, the writing speaks for itself, and any characterization of mischaracterization of the writing is denied.

36. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 36 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 36 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

37. Denied. The allegations of paragraph 37 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, to the extent that paragraph 37 of plaintiff's Complaint contains allegations based upon a writing, the writing speaks for itself, and any characterization of mischaracterization of the writing is denied.

38. Denied. The allegations of paragraph 38 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

39. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 39 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 39 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

40. Denied. The allegations of paragraph 40 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, to the extent that the allegations of paragraph 40 of plaintiff's Complaint rely on a writing, the writing speaks for itself, and any characterization of mischaracterization of the writing is denied. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

41. Denied. The allegations of paragraph 41 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, to the extent that the allegations of paragraph 41 of plaintiff's Complaint rely on an agreement, the agreement speaks for itself, and any characterization of mischaracterization of the agreement is denied.

42. Denied. The allegations of paragraph 42 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, to the extent that the allegations of paragraph 42 of plaintiff's Complaint rely on a

42. Denied. The allegations of paragraph 42 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, to the extent that the allegations of paragraph 42 of plaintiff's Complaint rely on a writing, the writing speaks for itself, and any characterization of mischaracterization of the writing is denied. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

43. Denied. The allegations of paragraph 43 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

44. Denied. The allegations of paragraph 44 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

45. Denied. The allegations of paragraph 45 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

46. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 46 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 46 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

47. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 47 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 47 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial. By way of further answer, the allegations contained in paragraph 47 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required.

48. Denied. The allegations of paragraph 48 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

49. Denied. The allegations of paragraph 49 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, to the extent that the allegations of paragraph 49 of plaintiff's Complaint rely on a writing, the writing speaks for itself, and any characterization of mischaracterization of the writing is denied.

50. Denied. The allegations of paragraph 50 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

51. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 51 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 51 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

52. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 52 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 52 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial. Moreover, the allegations contained in paragraph 52 of plaintiff's Complaint contain conclusions of fact and law to which no responsive pleading is required.

53. Denied. The allegations of paragraph 53 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

By way of further answer, to the extent that the allegations of paragraph 53 of plaintiff's Complaint rely on a writing, the writing speaks for itself, and any characterization of mischaracterization of the writing is denied.

54. Denied. The allegations of paragraph 54 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

By way of further answer, to the extent that the allegations of paragraph 54 of plaintiff's Complaint rely on a writing, the writing speaks for itself, and any characterization of mischaracterization of the writing is denied. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

55. Denied. Answering defendant is without sufficient knowledge or information to form a belief as to the truth or falsity of the averments contained in paragraph 55 of plaintiff's Complaint. Accordingly, all of the allegations contained in paragraph 55 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

56. Admitted.

57. Denied. The allegations of paragraph 57 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required.

58. Denied. The allegations of paragraph 58 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

59. Denied. The allegations of paragraph 59 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial.

By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

60. Denied. The allegations of paragraph 60 of plaintiff's Complaint are conclusions of fact and law to which no responsive pleading is required. To the extent an answer is deemed necessary, all allegations are specifically and categorically denied and strict proof thereof is demanded at time of trial. By way of further answer, answering defendant incorporates by reference the allegations set forth in the below New Matter and Counterclaim.

WHEREFORE, answering defendant, County of Lackawanna, respectfully requests this Honorable Court deny any and all relief requested of the plaintiff; dismiss the plaintiff's action; and enter judgment in favor of County of Lackawanna and against the plaintiff, County of Luzerne.

COUNT II – BREACH OF CONTRACT
(Luzerne County v. MPSA)

61-63. Denied. The allegations contained in paragraph 61 through paragraph 63 of plaintiff's Complaint are directed to another defendant and, therefore, require no response by answering defendant, County of Lackawanna. To the extent a response is required, the allegations contained in paragraph 61 through paragraph 63 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

COUNT III – BREACH OF CONTRACT
(Luzerne County v. MPSA)

64-71. Denied. The allegations contained in paragraph 64 through paragraph 71 of plaintiff's Complaint are directed to another defendant and, therefore, require no response by answering defendant, County of Lackawanna. To the extent a response is required, the allegations contained in paragraph 61 through paragraph 63 of plaintiff's Complaint are denied and strict proof thereof is demanded at time of trial.

NEW MATTER

Defendant and Counterclaim Plaintiff County of Lackawanna, by and through its undersigned counsel, hereby assert the following New Matter against Plaintiff, County of Luzerne, as follows:

72. County of Luzerne's claims are barred by the Doctrine of Unjust Enrichment.
73. County of Luzerne's claims are barred by the Doctrine of Waiver.
74. County of Luzerne's claims are barred by the Doctrine of Laches.
75. County of Luzerne's claims are barred by the Doctrine of Ripeness.
76. County of Luzerne's claims are barred by and County of Lackawanna pleads the affirmative defense of illegality.
77. County of Luzerne's claims are barred by and County of Lackawanna pleads the affirmative defense of unclean hands.
78. County of Luzerne's claims are barred by the Statute of Limitations.
79. County of Luzerne's claims are barred by the Doctrine of Collateral Estoppel.
80. County of Luzerne's claims are barred for lack of consideration.
81. County of Luzerne's claims are barred because Luzerne County is not a party to the agreement attached as Exhibit "B" to the Complaint.
82. County of Lackawanna is entitled to an offset for the reasons set forth in the below Counterclaim, incorporated herein by reference.

COUNTERCLAIM

Defendant and Counterclaim Plaintiff County of Lackawanna (“Lackawanna”), by and through its undersigned counsel, hereby asserts the following Counterclaim against Plaintiff and Counterclaim Defendant County of Luzerne (“Luzerne”):

1. Lackawanna is a county duly formed, organized and existing under the laws of the Commonwealth of Pennsylvania, with a principle place of business at 200 Adams Avenue, Scranton, Pennsylvania 18503.

2. Luzerne is a county duly formed, organized and existing under the laws of the Commonwealth of Pennsylvania, with a principle place of business at 200 North River Street, Wilkes-Barre, Pennsylvania 18711.

3. In or around 1986, Lackawanna and Luzerne each agreed to finance and fund up to 50% of the \$2 million purchase price for the acquisition of a class AAA baseball franchise (the “Franchise”) by Northeast Baseball, Inc. (“NBI”). Lackawanna and Luzerne provided such financing through Northeastern Pennsylvania Sports Development Corporation (“Northeast Sports”), a newly created Pennsylvania non-stock/non-profit corporation jointly established by Lackawanna and Luzerne to “foster economic and sports development in the Northeastern Pennsylvania”. (A true and correct copy of the Articles of Incorporation for Northeast Sports is attached hereto and incorporated herein by reference as Exhibit “A”).

4. After securing the necessary funding, NBI acquired the operational rights to the Franchise in or around September, 1986, which were then transferred to the Multi-Purpose Stadium Authority of Lackawanna County (“Stadium Authority”) by Agreement dated October 20, 1986, a true and correct copy of which is attached to Luzerne’s Complaint as Exhibit “B” (hereinafter the “Agreement”). Lackawanna and Luzerne are not parties to that Agreement.

5. Following approval by the International League of Baseball Clubs, Inc. (the "League"), the Stadium Authority became the record owner of the Franchise.

6. In its Complaint, Luzerne alleges that in the event the Franchise is sold, it is entitled to half of the "gross" proceeds of any such sale based on a provision contained in the Agreement between NBI and the Stadium Authority which states, in pertinent part, that "Lackawanna and Luzerne shall share equally in the distribution of any such proceeds". (Luzerne Complaint, Exhibit "B" at ¶ 7).

7. Despite its allegation that the parties discussed, intended and agreed to a distribution of "gross" proceeds, the provision of the Agreement relied by Luzerne makes no reference to "gross" proceeds as alleged by Luzerne. (Luzerne Complaint, Exhibit "B" at ¶ 7). In fact, the term "gross" was excluded from the Agreement because it was agreed upon by all parties, including Luzerne, that revenues generated from the operation or sale of the Franchise would first be used to retire Stadium Authority debt.

8. To that end, since the acquisition of the Franchise in 1986, the Stadium Authority experienced mounting obstacles and/or financial obligations related to franchise operations which threatened the viability and continued existence of AAA baseball in the area. In fact, if not properly and/or timely remedied, there existed a strong possibility that the League would terminate and/or reacquire the Franchise.

9. To prevent that from happening, and as a means of protecting, preserving and/or enhancing the value of the Franchise as contemplated by Lackawanna and Luzerne in its Articles of Incorporation filed for Northeast Sports (see Exhibit "A"), Lackawanna committed substantial additional resources, personnel and/or funds towards the operation of the Franchise. In fact, since the acquisition of the Franchise in 1986, Lackawanna invested in excess of \$20 million of taxpayer monies towards franchise operations including, but not limited to, debt service payments, marketing/promotions, stadium repairs, and stadium renovations.

10. Although similar financial commitments were repeatedly requested from Luzerne -- its 50% partner in Northeast Sports (see Luzerne Complaint, ¶ 19) -- Luzerne refused to provide any financial or other assistance toward the preservation of the Franchise and the continued existence of professional baseball in Northeastern Pennsylvania. In fact, other than its initial investment in 1986, Luzerne has not contributed any monies toward franchise operations. That financial burden was assumed solely by Lackawanna County and its taxpayers.

11. Through its substantial commitments and investments outlined herein, Lackawanna protected its initial investment in the Franchise, as well as the initial investment of Luzerne, and also carried out the purpose of both counties through the creation of Northeast Sports -- to “foster economic and sports development in the Northeastern Pennsylvania”. (See Exhibit “A”). Indeed, but for Lackawanna’s actions, there would not be AAA baseball in Northeastern Pennsylvania.

12. More importantly, Lackawanna’s efforts have preserved and/or enhanced the value of the Franchise, thereby ensuring its marketability to potential purchasers, including the SWB Yankees, LLC, which purports to hold an option to purchase **the Franchise**.

COUNT I

(Action for Declaratory Relief – Jury Trial Demanded)

13. The foregoing paragraphs of this Counterclaim are incorporated herein by reference as though set forth at length.

14. This is an action for declaratory relief pursuant to the Declaratory Judgments Act, 42 Pa.C.S.A. §§ 7531, *et seq.* and Rules 1601 through 1604 of the Pennsylvania Rules of Civil Procedure.

15. To the extent that the Agreement attached to Luzerne’s Complaint as Exhibit “B” is enforceable, Lackawanna is entitled to a declaration of its rights under the Agreement.

16. Specifically, Lackawanna is entitled to a declaration that the term proceeds as referenced in paragraph 7 of the Agreement means “net” proceeds and, accordingly, that Luzerne is not entitled to one-half of any Franchise sale proceeds until Lackawanna is reimbursed in full for the investments referenced above.

WHEREFORE, Counterclaim Plaintiff County of Lackawanna respectfully requests a declaration that the term proceeds as referenced in paragraph 7 of the Agreement means “net” proceeds; a declaration that Luzerne is not entitled to one-half of any Franchise sale proceeds until Lackawanna is reimbursed in full for the investments referenced above; and such other and further relief the Court deems just and appropriate.

Count II

(Unjust Enrichment)

17. The foregoing paragraphs of this Counterclaim are incorporated herein by reference as though set forth at length.


18. As set forth more fully above, Lackawanna preserved and enhanced the value and marketability of the Franchise by making substantial financial investments towards Franchise operations.

19. In doing so, Lackawanna carried out the stated purpose agreed to by both counties in the Articles of Incorporation for Northeast Sports -- to “foster economic and sports development in the Northeastern Pennsylvania”. (See Exhibit “A”).

20. Despite the fact that Lackawanna invested in excess of \$20 million in the Franchise compared to Luzerne’s \$0, and despite the fact that Luzerne sat passively aside and appreciated the benefits of Lackawanna’s investment for the past twenty-four (24) years, Luzerne now asserts that it is entitled to the same amount of potential sale proceeds without repayment to Lackawanna for the substantial investments it made to preserve the value and marketability of the Franchise.

21. Regardless of the intent of the parties and/or the interpretation of the term "proceeds" as referenced above, it would be inequitable, unconscionable and/or unjust for Luzerne to accept, appreciate and/or retain one-half of the gross sale proceeds without repayment to Lackawanna for Luzerne's proportionate share (50%) of in excess of \$20 million invested by Lackawanna as outlined above.

WHEREFORE, to the extent that Luzerne is entitled to one-half of any Franchise sale proceeds as alleged in the Complaint, Counterclaim Plaintiff County of Lackawanna respectfully demands that said proceeds be paid to Lackawanna in an amount not to exceed one-half (1/2) of Lackawanna County's investment, which amount exceeds the compulsory arbitration limits of the Court, together with such other and further relief the Court deems just and appropriate.



LAWRENCE J. MORAN, ESQUIRE
General Counsel for Litigation
Attorney for Defendant and
Counterclaim Plaintiff
County of Lackawanna

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Suite 400
P.O. Box 234
Scranton, PA 18501-0234
(570) 346-2097

DATED: October 1, 2010

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A

APPLICANT'S ACCT NO.

ISCB 15-7316 (Rev. 11-72)

High Fee: \$75
UM-9
Articles of
Incorporation—
Domestic Nonprofit Corporation

86571773

(Line for numbering)

941710

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
CORPORATION BUREAU

Filed this 30th day of September 1986
Commonwealth of Pennsylvania
Department of State

Secretary of the Commonwealth

(Box for Certification)

In compliance with the requirements of 15 Pa.C.S. §7316 (relating to articles of incorporation) the undersigned, desiring to be incorporated as a nonprofit corporation, hereby certifies (certify) that:

1. The name of the corporation is:

Northeastern Pennsylvania Sports Development Corporation, Inc.

2. The location and post office address of the initial registered office of the corporation in this Commonwealth is:

1151 Oak Street

(NUMBER)

(STREET)

Pittston

(CITY)

Pennsylvania

18640

(ZIP CODE)

(40)

3. The corporation is incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania for the following purpose or purposes:

To engage in and do any lawful act concerning any and all lawful business for which non-profit corporations may be incorporated under the Nonprofit Corporation Law of 1972, including, but not limited to, borrowing money and making grants to foster economic and sports development in Northeastern Pennsylvania.

This corporation is formed by and on behalf of the Counties of Lackawanna and Luzerne in accordance with Section 102(c)(1.1) of the Pennsylvania Local Government Unit Debt Act, 53 P.S. §6780-2(c)(1.1).

The corporation does not contemplate pecuniary gain or profit, incidental or otherwise.
Certification#: 9004098-1 Page 1 of 1

4. The term for which the corporation is to exist is: Perpetual

COUNTY OF LUZERNE,

Plaintiff

v.

THE MULTI-PURPOSE STADIUM
AUTHORITY OF LACKAWANNA
COUNTY & COUNTY OF
LACKAWANNA,

Defendants

: IN THE COURT OF COMMON PLEAS
: OF LACKAWANNA COUNTY, PA

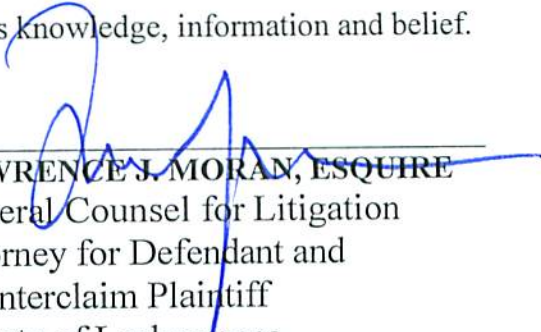
: JURY TRIAL DEMANDED

: NO. 10-CV-6079

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VERIFICATION

LAWRENCE J. MORAN, ESQUIRE, being duly sworn according to law, deposes and says that he is General Counsel for Litigation for the County of Lackawanna, a defendant in the above-captioned matter, and that as such, he is authorized to make this affidavit on behalf of the Defendant, County of Lackawanna, and that the facts set forth in the within ANSWER, NEW MATTER AND COUNTERCLAIM are true and correct to the best of his knowledge, information and belief.


LAWRENCE J. MORAN, ESQUIRE
General Counsel for Litigation
Attorney for Defendant and
Counterclaim Plaintiff
County of Lackawanna

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P.O. Box 234
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(570) 346-2097

DATED: October 1, 2010

COUNTY OF LUZERNE,	:	IN THE COURT OF COMMON PLEAS
	:	OF LACKAWANNA COUNTY, PA
Plaintiff	:	
v.	:	
	:	
THE MULTI-PURPOSE STADIUM	:	JURY TRIAL DEMANDED
AUTHORITY OF LACKAWANNA	:	
COUNTY & COUNTY OF	:	
LACKAWANNA,	:	
	:	
Defendants	:	NO. 10-CV-6079

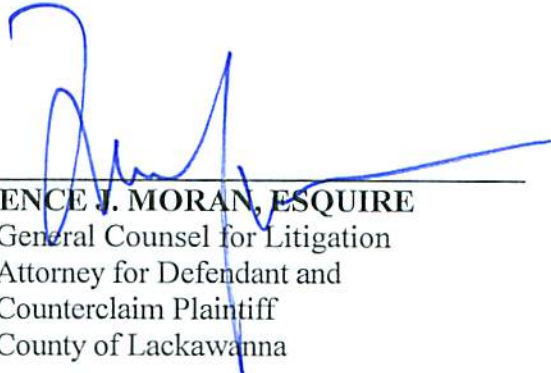
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CERTIFICATE OF SERVICE

I, Lawrence J. Moran, Esquire, hereby certify that I have caused to be served on this day, a true and correct copy of the foregoing Answer, New Matter and Counterclaim on all counsel of record, via first class mail, addressed as follows:

Henry F. Reichner, Esq.
 REED SMITH LLP
 2500 One Liberty Place
 1650 Market Street
 Philadelphia, PA 19103

Frank J. Tunis, Jr., Esq.
 WRIGHT & REIHNER, P.C.
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DATED: October 1, 2010