

**ORDINANCE NO. 168 OF THE COUNTY OF
LACKAWANNA, PENNSYLVANIA**

FIRST READING – November 7, 2005

SECOND READING – December 20, 2005

TO AUTHORIZE AND DIRECT THE UNDERTAKING OF AN ADVANCEMENT OF FUNDS IN THE AMOUNT OF Three Hundred Eighty Thousand Five Hundred DOLLARS (\$380,500) FROM COMCARE IN ORDER TO PROVIDE FUNDS FOR WORKING CAPITAL (THE "ADVANCEMENT"); AUTHORIZING THE EXECUTION OF AN IMPLEMENTATION ADVANCEMENT AGREEMENT (THE "ADVANCEMENT AGREEMENT") AND ANY OTHER DOCUMENTS NECESSARY IN CONNECTION WITH THE ADVANCEMENT; MAKING CERTAIN COVENANTS WITH REGARD TO THE RISK OF NON-APPROPRIATION OF FUNDS FOR PAYMENTS DUE UNDER THE ADVANCEMENT AGREEMENT; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE COUNTY TO DO ALL THINGS NECESSARY, INCLUDING THE PAYMENT OF ANY FEES RELATED TO THE ADVANCEMENT, TO CARRY OUT THIS ORDINANCE; AND REPEALING ALL INCONSISTENT ORDINANCES.

WHEREAS, the Pennsylvania Department of Public Welfare (the "DPW") has implemented a waiver program known as "HealthChoices" under § 1915(b) of Title XIX of the Social Security Act (49 Stat. 620, 42 U.S.C. §1396n(b)) to provide mandatory managed physical and behavioral health services to eligible recipients of Medicaid in the Commonwealth of Pennsylvania; and

WHEREAS, under HealthChoices counties have been provided with the first opportunity to bid to contract with DPW to provide behavioral health services to their residents who are eligible Medicaid recipients; and

WHEREAS, in order to assist counties with their resulting financial needs in undertaking the provision of these services, County Commissioners Association of Pennsylvania has established a program for making interest-free advancements of funds to counties through COMCARE, a Pennsylvania intergovernmental cooperation agreement; and

WHEREAS, the Board of Commissioners (the "Governing Body") of the County of Lackawanna (the "County") has determined to bid, and if successful, manage the delivery of behavioral health services to eligible Medicaid recipients and, where feasible, base service recipients (the "Services"), to further serve these needs of its citizens; and

WHEREAS, in furtherance of this determination, the Governing Body of the County has entered into an Intergovernmental Cooperation Agreement acting through and under the name of Northeast Behavioral Health Care Consortium (the "Joinder") with certain other counties to facilitate the delivery of Services to persons residing in the counties which are parties to the Joinder; and

WHEREAS, in order to provide the Services and to further the intent of and fulfill its obligations under the Joinder, it is necessary for the County to obtain funds to provide working capital (the "Advancement"); and

Section 3. Discontinuation of the Program or County's Participation in the Program. In the event that (a) the Program is discontinued by the Commonwealth of Pennsylvania and is not replaced by a similar program from which County can reasonably expect to obtain payment for Services, or (b) the County or a Joinder to which the County is a party determines that it will not provide Services under the Program (a "Discontinuation Event"), then COMCARE shall not thereafter bring any action to recover the remaining balance of the Advancement (provided, always, that County disbursed the Advancement for purposes permitted under the Advancement Agreement). If a Discontinuation Event occurs, the undersigned officers or officials of County (or their successors in office) shall immediately certify such Discontinuation Event to COMCARE in writing. A Discontinuation Event shall not affect the liability of any guarantor or surety.

Section 4. Deposit, investment and expenditure of advancement proceeds. County shall deposit the proceeds of the Advancement in a segregated account identified to the Advancement Agreement (the "Advancement Account"), and shall disburse funds from the Advancement Account solely for the purpose of providing Services for which County expects to receive payment under the Program. If a Non-Appropriation Event or a Discontinuation Event occurs, then County shall immediately deliver the entire remaining balance in the Advancement Account to COMCARE.

Section 5. Incidental Actions. The proper officers of the County are hereby authorized, directed and empowered on behalf of the County to execute any and all agreements, papers and documents and to do or cause to be done any and all acts and things necessary or proper, including the payment of any origination or other fees in connection with the Advancement, for the carrying out of the purposes of this Ordinance.

Section 6. Inconsistent Ordinances. All ordinances or parts of ordinances inconsistent herewith be and the same are hereby repealed.

Section 7. Effective Date. This Ordinance shall take effect ten (10) days after enactment.

COUNTY OF LACKAWANNA

ATTEST:

Chief of Staff

Approved as to form and legality:

County Solicitor

Commissioner

Commissioner

Commissioner

EXHIBIT "A"

[Copy of Advancement Agreement]

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...

The principal sum of the Advancement under this Agreement shall be payable in lawful money of the United States of America at the principal office of COMCARE in Harrisburg, Pennsylvania.

AUTHORIZATION

This Agreement is authorized and executed pursuant to Ordinance No. 168 duly enacted by the governing body of County on December 20, 2005 (the "Official Act"). Reference is hereby made to the Official Act for a complete statement of the terms and conditions hereof and the rights and limitations of rights of COMCARE under this Agreement, all of which are hereby incorporated herein by reference and to all of which COMCARE by accepting this Agreement assents. COMCARE's acceptance of this Agreement is set forth following the signatures hereupon by proper officials of County. Pursuant the Section 8002(a)(3) of the Local Government Unit Debt Act, as amended (53 Pa.C.S. §8001 *et seq.*), County's covenant to redeliver the principal sum of the Advancement does not constitute "Debt" of County.

PURPOSE

The Advancement is made by COMCARE to County for the purpose of providing managed care behavioral health services to Medicaid recipients and, where feasible, base service recipients residing in County (the "Services"), for which County expects to receive payment from the Commonwealth of Pennsylvania, Department of Public Welfare under the "Health Choices" Program (the "Program"), all as more fully set forth in the Official Act. Notwithstanding any limitation on the right of COMCARE to bring an action against County to recover the remaining balance of the Advancement after a Non-Appropriation Event or a Discontinuation Event, County shall reimburse COMCARE for any portion of the Advancement which is not disbursed for the purpose of providing or preparing to provide Services for which the County expects to receive payment under the Program. This paragraph shall survive any Non-Appropriation Event or Discontinuation Event (both as hereinafter defined). If County is a party to an intergovernmental cooperation agreement (a "Joinder"), among County and one or more other counties in the Commonwealth of Pennsylvania (collectively the "Joinder Counties"), for the purpose of providing provide the Services to residents of the Joinder Counties (the "Joinder Services"), for which County or the Joinder Counties expect to receive payment under the Program, then for purposes of this paragraph the term "County" shall mean and include all of the Joinder Counties, and the term "Services" shall mean and include the Joinder Services, and all of the Joinder Counties, having entered into an agreement substantially the same as this Agreement, shall be bound by the terms of this paragraph. Notwithstanding any limitation on the right of COMCARE to bring an action against County to recover the remaining balance of the Advancement after a Non-Appropriation Event or a Discontinuation Event, County shall reimburse COMCARE for any portion of the Advancement which is not disbursed for the purpose of providing Services for which the County expects to receive payment under the Program. This paragraph shall survive any Non-Appropriation Event or Discontinuation Event (both as hereinafter defined).

The principal sum of the Advancement, or any portion thereof, may be redelivered at any time prior to the dates set forth in Redelivery Schedule, without premium or penalty, at the option of County by redelivery of such amount to COMCARE or any assignee of this Agreement.

If County shall fail to make any redelivery of a portion of the principal sum of the Advancement to COMCARE under this Agreement when the same shall become due, and shall fail to make such redelivery within thirty (30) days after written notice from COMCARE of such nondelivery, then the portion of the principal sum of the Advancement due in each fiscal year of County in which funds necessary for redelivery of the Advancement have been appropriated, and not previously redelivered, shall, at the option of COMCARE, become due by acceleration for immediate redelivery, without presentment, demand, notice, protest, notice of protest or other notice of dishonor, all of which are hereby expressly waived by County. From and after the date on which the principal sum of the Advancement or a portion thereof is due for redelivery under this Agreement, either at the final redelivery date or by acceleration under this paragraph, any undelivered portion thereof will bear interest, until redelivered or duly provided for, at an annual rate equal to the average prime rate published in the *Wall Street Journal* on such date (or, if the *Wall Street Journal* is not published on such date, in the most recent edition of the *Wall Street Journal*).

GENERAL TERMS

No recourse shall be had for the payment of the principal of this Agreement, or for any claim based hereon or on the Official Act, against any member, officer or employee, past, present or future, of County or of any successor body, either directly or through County or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the execution and delivery of this Agreement.

It is hereby certified that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed exist, have happened and have been performed in regular and due form and manner and as required by law; and that all existing indebtedness of County is within every limitation prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania.

County shall deliver to COMCARE, promptly upon completion thereof, a copy of its audited financial statements for each fiscal year of County in which any portion of the Advancement remains outstanding.

All redeliveries of the principal sum (or portion thereof) of the Advancement due under this Agreement shall be due and received no later than 5:00 p.m., Harrisburg time, on the day when due. Such deliveries shall be made to COMCARE at its office in United States dollars in immediately available funds without setoff, counterclaim or other deduction of any nature.

COMCARE's agreement to make the Advancement is conditioned upon its receiving: (1) this Agreement, duly authorized, executed and delivered by County; (2) the approving opinion of County's Solicitor as to the due authorization, execution, delivery and enforceability of this

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed, sealed and attested, all as of the _____ day of _____, 2005

ATTEST:

COUNTY OF LACKAWANNA
COMMONWEALTH OF PENNSYLVANIA

Name:
Title: Chief of Staff

Name:
Title: Chairman, Board of County Commissioners

[SEAL]

Name:
Title: Controller

Name:
Title: Treasurer

COMCARE:

By:
Name:
Title:

By:
Name:
Title:

COUNTY OF LACKAWANNA
COMMONWEALTH OF PENNSYLVANIA
\$ 380,500 IMPLEMENTATION ADVANCEMENT AGREEMENT

GENERAL CERTIFICATE

This certificate is made in connection with the execution and delivery by Lackawanna County, Pennsylvania (the "County") of the Implementation Advancement Agreement described below. As used herein, the following terms have the indicated meaning:

"IMPLEMENTATION ADVANCEMENT AGREEMENT" The County's Implementation Advancement Agreement with COMCARE in the principal amount of \$380,500

"Ordinance" The Ordinance of the County enacted December 20, 2005, authorizing the execution and delivery of the Implementation Advancement Agreement.

I, THE UNDERSIGNED OFFICER OF THE COUNTY, HEREBY CERTIFY THAT:

1. The Implementation Advancement Agreement has been executed and delivered in consideration of an advancement from COMCARE.
2. The persons below are now and have been since the adoption of the Ordinance, the duly elected or appointed incumbents of the designated offices of the County, and the signatures of such officers who executed the Implementation Advancement Agreement or other documents delivered in connection with closing are:

<u>Name</u>	<u>Specimen Signature</u>	<u>Official Title</u>
_____	_____	Chairman, Board of County Commissioners
_____	_____	Controller
_____	_____	Treasurer
_____	_____	Chief of Staff

[TO BE PLACED ON COUNTY SOLICITOR'S LETTERHEAD]

, 2005

COMCARE
2789 Old Post Road
P.O. Box 60769
Harrisburg, PA 17106-0769

Re: \$ 380,500 Implementation Advancement Agreement
dated _____, 2005, between the County of
Lackawanna, Pennsylvania, and COMCARE

Ladies and Gentlemen:

This opinion is being rendered in connection with the execution and delivery by the County of Lackawanna, Pennsylvania (the "County"), of its Implementation Advancement Agreement, in the principal amount of \$ 380,500 (the "Agreement").

As Solicitor for the County, I am familiar with certain actions taken and documents executed and delivered by the County in connection with the Agreement, and I have made such further investigation as I have deemed necessary in connection with this opinion.

Based upon the foregoing, I am of the opinion that:

1. The Ordinance authorizing the execution, delivery and performance under the Agreement is Ordinance No. _____ of 2005 (the "Ordinance"). The Ordinance was duly enacted by the County in accordance with all applicable laws, at a duly convened and properly advertised meeting of its governing body, and remains in full force and effect on the date hereof, not having been altered or amended.

2. The documents listed on the Closing Agenda with respect to the Agreement, and required to be executed on behalf of the County, have been duly authorized by all necessary actions of the County's governing body, and have been duly executed and delivered by the appropriate officers of the County.

3. To the best of my knowledge, after reasonable investigation, there are no legal proceedings pending against the County (a) contesting or affecting the execution or delivery of the Agreement, the transactions contemplated by the Agreement, the validity or

**BORROWING BASE CERTIFICATE -
PREPARED PURSUANT TO SECTION 8002
OF THE LOCAL GOVERNMENT UNIT DEBT ACT**

BORROWING BASE CERTIFICATE

Prepared as of November 1, 2004

	<u>FISCAL YEAR</u>		
	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues Received	108,933,644	120,261,790	117,379,764
<u>Less:</u>			
(1) State and Federal subsidies and reimbursements related to a particular project financed by debt	0	0	0
(2) Revenues, receipts, assessments, etc., pledged for self-liquidating debt	0	0	0
(3) Interest on moneys in sinking funds pledged for debt	59,336	37,293	35,550
(4) Grants and gifts-in-aid measured by construction or acquisition of specific projects	39,060,978	42,377,941	39,829,943
(5) Disposition of capital assets and non-recurring times	0	0	0
TOTAL REVENUES	<u>69,813,330</u>	<u>77,846,556</u>	<u>77,514,271</u>
 TOTAL NET REVENUES	 <u>225,174,157</u>		
 BORROWING BASE	 <u>75,058,052</u>		


 Robert C. Cordaro
 Chairman, Board of County Commissioners

RECEIVED

OCT 24 2005

DEPARTMENT
OF HUMAN SERVICES

The undersigned authorized officials of Lackawanna County, Pennsylvania (the "County") do hereby verify the foregoing Borrowing Base as a full and accurate statement of the borrowing base of the County as of the date first above written.

ATTEST:

BOARD OF COMMISSIONERS
LACKAWANNA COUNTY,
PENNSYLVANIA

Chief of Staff

By: Chairman

[SEAL]

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GUARANTY, SURETYSHIP AND SECURITY AGREEMENT

AGREEMENT dated this _____ day of _____, 2005, made by NORTHEAST BEHAVIORAL HEALTH CARE CONSORTIUM, a Pennsylvania nonprofit corporation ("Guarantor") to and for the benefit of COMCARE, a Pennsylvania intergovernmental cooperation agreement ("COMCARE").

WITNESSETH, that pursuant to an Implementation Advancement Agreement of even date herewith (the "Advancement Agreement"), Lackawanna County (the "County") is obtaining an advance in the principal amount of \$380,500 from COMCARE (the "Advance"). The County is obtaining the Advance for the purpose of contributing the proceeds thereof to the Guarantor, to enable the Guarantor to provide managed care behavioral health services to Medicaid recipients and, where feasible, base service recipients residing in, for which County expects to receive payment from the Commonwealth of Pennsylvania, Department of Public Welfare under the "Health Choices" Program. As a condition to funding the Advance, COMCARE has required this Agreement to be executed. In order to induce COMCARE to fund the Advance under the Advancement Agreement, the Guarantor is willing to guaranty and become surety for the performance by the County of all of its obligations under the Advancement Agreement, and to grant to COMCARE a security interest in all of its assets as security for the such obligations.

NOW THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Guarantor hereby agrees as follows:

1. Guaranty and Suretyship Agreement. The Guarantor irrevocably, unconditionally and absolutely guaranties to COMCARE and becomes surety for the prompt redelivery of the Advance, together with any interest thereon under the Advancement Agreement, and the prompt and complete compliance with and performance by the County of all representations, warranties, covenants, agreements and other obligations to COMCARE under the terms of the Advancement Agreement (the "Obligations"). This Agreement shall be a continuing guaranty and suretyship agreement and shall remain in full force and effect until all of the Obligations are fully, finally and irrevocably redelivered, complied with and performed, and shall continue to be effective or shall be reinstated, as the case may be, if at any time any redelivery, compliance or performance of any of the Obligations is rescinded or must otherwise be returned by COMCARE, all as though such a redelivery had not been made. If an event of default occurs under the Advancement Agreement and continues beyond applicable notice and grace periods set forth therein: (a) the Guarantor shall redeliver, comply with and perform such of the Obligations as COMCARE shall direct, irrespective of whether the Obligations directed by COMCARE to be paid, complied with and performed by the Guarantor are those which give rise to the event of default; and (b) COMCARE shall have the right to require the Guarantor to redeliver, comply with and perform all of the Obligations and shall have the right to proceed immediately against the Guarantor for such redelivery, compliance and performance without being required to make

(e) all rents, receipts, issues, profits and other income of any and all kinds (including deposits) received or receivable and due or to become due from the sale or lease of any property, goods or materials or from the rendering of services; and (f) any securities or guaranties held by the Guarantor with respect to any of the matters described above, and any notes, drafts, acceptances, chattel paper, documents or other instruments evidencing the same (collectively the "Collateral").

3. Obligations with respect to Collateral. Anything herein to the contrary notwithstanding, (a) the Guarantor shall remain liable under any contracts and agreements included in the Collateral to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by COMCARE of any of the rights hereunder shall not release the Guarantor from any of its duties or obligations under any contracts and agreements included in the Collateral, and (c) COMCARE shall not have any obligation or liability under any contracts and agreements included in the Collateral by reason of this Agreement, nor shall COMCARE be obligated to perform any of the obligations or duties of the Guarantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. The powers conferred on COMCARE hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for monies actually received by it hereunder, COMCARE shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve any right of, or against other parties pertaining to any Collateral. The Guarantor agrees to indemnify COMCARE from and against any and all claims, losses and liabilities growing out of, or resulting from this Agreement (including, without limitation, enforcement of this Agreement) or COMCARE's interest in the Collateral, except claims, losses or liabilities resulting from COMCARE's gross negligence or willful misconduct.

4. Representations, Warranties and Covenants. The Guarantor represents and covenants that: (a) its chief place of business, its chief executive office and the office where its records are kept concerning accounts, contract rights and other similar Collateral, are located at Northeast Behavioral Health Care Consortium, 1212 South Abington Road, Clarks Summit, PA 18411 (the "Office"); (b) all the Collateral is kept at the Office; (c) it conducts business solely under and through the name first above written; (d) it shall promptly notify and provide COMCARE with a complete description of the opening of any new places of business, the closing of any existing places of business, the conduct of business under any names or through any entities other than those set forth above, the relocation of any of the Collateral; (e) it shall furnish to COMCARE from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as COMCARE may reasonably request, all in reasonable detail; (f) it has good title to the Collateral, free and clear of any liens and encumbrances, except the security interest granted hereby; (g) this Agreement creates a valid and enforceable first lien security interest in the Collateral securing the redelivery and performance of the Obligations, and upon the filing of the necessary financing statements, such security interest will be a perfected security interest; and (h) no authorization, approval or other action by, and no notice to, or filing with, any governmental authority or regulatory body is required either

nominees, any of the Collateral which may come into the possession, custody or control of COMCARE or any of its agents; (b) COMCARE shall have, with respect to the Collateral, all of the rights and remedies of a secured party under the Pennsylvania Uniform Commercial Code or any other applicable law and all rights provided herein or in any other applicable security, loan or other agreement, all of which rights and remedies shall, to the full extent permitted by law, be cumulative; (c) COMCARE may require the Guarantor at its expense to assemble the Collateral or any part thereof and make it available to COMCARE at a place to be designated by COMCARE which is reasonably convenient to COMCARE and the Guarantor; and (d) COMCARE may sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of COMCARE's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as COMCARE may deem commercially reasonable. Any notice of sale, disposition or other intended action by COMCARE, sent to the Guarantor at the address specified above, or such other address of the Guarantor as may from time to time be shown on COMCARE's records, at least five (5) days prior to such action, shall constitute reasonable notice to the Guarantor. No right or remedy conferred upon or reserved to COMCARE under the Advancement Agreement or with respect to any Collateral, or now or hereafter existing at law or in equity or by statute or other legislative enactment, is intended to be exclusive of any other such right or remedy and each and every such right or remedy shall be cumulative and concurrent, and shall be pursued separately, concurrently, successively or otherwise, at the sole discretion of COMCARE, and shall not be exhausted by any one exercise thereof but may be exercised as often as occasion therefore shall occur. No act of COMCARE shall be deemed or construed as an election to proceed under any one such right or remedy to the exclusion of any other such right or remedy; furthermore, each such right or remedy of COMCARE shall be separate, distinct and cumulative and none shall be given effect to the exclusion of any other. The failure to exercise or delay in exercising any such right or remedy, or the failure to insist upon strict performance of any term of the Advancement Agreement, shall not be construed as a waiver or release of the same, or of any event of default thereunder, or of any obligation or liability of the Guarantor thereunder. The recovery of any judgment by COMCARE or the levy or execution under any judgment upon the Collateral shall not affect in any manner, or to any extent, the lien of this Agreement, or any security interest in any other Collateral, or any rights, remedies or powers of COMCARE under the Advancement Agreement or with respect to any Collateral, but such lien and such security interest and such rights, remedies and powers of COMCARE shall continue unimpaired as before. Further, the entry of any judgment by COMCARE shall not affect in any way the interest payable hereunder or under any of the other Advancement Agreement on any amounts due to COMCARE, but interest shall continue to accrue on such amounts at the rate set forth therein after the entry of any judgment and continuing until distribution of the proceeds of any Sheriff's sale.

6. Waiver and Release. The Guarantor hereby waives presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor and, except as otherwise specifically provided in this Agreement, any and all other notices in connection with any default in the redelivery of, or any enforcement of, the Obligations. To the extent permitted by law, the Guarantor waives the right to any stay of execution and the benefit of all exemption laws now or

the undersigned under this Agreement, all of such rights of subrogation and participation being hereby expressly waived and released.

7. CONFESSION OF JUDGMENT. THE GUARANTOR HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF RECORD, OR THE PROTHONOTARY OR CLERK OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, TO APPEAR FOR THE GUARANTOR IN ANY SUCH COURT AT ANY TIME AND FROM TIME TO TIME FOLLOWING THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER ANY OF THE LOAN DOCUMENTS, AND THEREIN TO CONFESS OR ENTER JUDGMENT AGAINST THE GUARANTOR IN FAVOR OF THE LENDER FOR THE FULL AMOUNT OF THE OBLIGATIONS, AS EVIDENCED BY AN AFFIDAVIT SIGNED BY A DULY AUTHORIZED DESIGNEE OF THE LENDER SETTING FORTH SUCH AMOUNT, PLUS ATTORNEYS' FEES, WITH COSTS OF SUIT, RELEASE OF ERRORS AND WITHOUT RIGHT OF APPEAL. IF A COPY OF THIS AGREEMENT, VERIFIED BY AN AFFIDAVIT, SHALL HAVE BEEN FILED, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY. IN CONNECTION THEREWITH, THE GUARANTOR WAIVES THE RIGHT TO ANY STAY OF EXECUTION AND THE BENEFIT OF ALL EXEMPTION LAWS NOW OR HEREAFTER IN EFFECT. NO SINGLE EXERCISE OF THE FOREGOING WARRANT OR POWER TO CONFESS JUDGMENT SHALL BE DEEMED TO EXHAUST THE WARRANT OR POWER, BUT THE WARRANT AND POWER SHALL CONTINUE UNDIMINISHED AND MAY BE EXERCISED FROM TIME TO TIME AS OFTEN AS THE LENDER SHALL ELECT, UNTIL ALL OF THE OBLIGATIONS HAVE BEEN PAID, COMPLIED WITH AND PERFORMED AS THE CASE MAY BE.

8. JURISDICTION AND VENUE; WAIVER OF JURY TRIAL. THE GUARANTOR AGREES THAT ANY ACTION OR PROCEEDING AGAINST IT TO ENFORCE THIS AGREEMENT MAY BE COMMENCED IN THE COURT OF COMMON PLEAS OF DAUPHIN COUNTY, PENNSYLVANIA, AND THE GUARANTOR EXPRESSLY WAIVES ANY AND ALL DEFENSES TO AN EXERCISE OF PERSONAL JURISDICTION BY ANY SUCH COURT. THE GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED UPON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GENERAL SECURITY AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE GUARANTOR OR THE LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO FUND THE BORROWINGS.

9. Costs and expenses. Following the occurrence of any event of default under the Advancement Agreement or this Agreement, the Guarantor shall pay upon demand all reasonable costs and expenses (including all amounts paid to attorneys, accountants and other

waiver of any subsequent default. Unless the context otherwise requires, all terms used herein which are defined in the Uniform Commercial Code as enacted in the Commonwealth of Pennsylvania shall have the meanings therein stated. All notices required or permitted hereunder or under the Advancement Agreement shall be deemed to have been sufficiently given if mailed by certified mail, return receipt requested, delivered in person or by nationally recognized courier service, to the following addresses:

If to the Guarantor: Northeast Behavioral Health Care Consortium
1212 South Abington Road Clarks Summit, PA
18411

If to COMCARE: COMCARE
2789 Old Post Road
P.O. Box 60769
Harrisburg, PA 17106-0769
Facsimile: 717-526-1020

12. Continuing obligation. This Agreement shall be a continuing, absolute and unconditional guaranty, suretyship and security agreement, regardless of the validity, regularity, enforceability or legality of (a) any of the Obligations, (b) any collateral securing the Obligations, or (c) any term of any document evidencing or relating to any of the Obligations including the Advancement Agreement. In the event that for any reason one or more of the provisions of this Agreement or their application to any person or circumstance shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal and enforceable in any such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the Guarantor has executed this Agreement as of the day and year first above written.

[SEAL]

GUARANTOR:

Attest: _____
(Assistant) Secretary

By

(Vice) President

EXHIBIT "A"
TO UCC-1 FINANCING STATEMENT

1. All machinery, apparatus, equipment, furniture, furnishings, fixtures, inventory, goods, appliances and other property of every kind and nature whatsoever, together with replacements thereof and accessories, parts or accessions thereto, owned by the Debtor or in which the Debtor has or shall have an interest, and any and all proceeds of any of the foregoing;
2. All general intangibles owned by the Debtor, including but not limited to all licenses, permits and agreements from or with all boards, agencies, departments, public utilities, governmental or otherwise, all names under which or by which the Debtor may at any time be operated or known and all rights to carry on business under any such names or any variations thereof, all trademarks and goodwill in any way relating to the Debtor, all shares of stock or other evidence of ownership of any enterprise owned by the Debtor alone or in common with others;
3. All insurance policies and all proceeds of any unearned premiums on any such insurance policies including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof belonging to the Debtor;
4. All leases, subleases, agreements of sale and other agreements, whether heretofore or hereafter executed and all rights of the Debtor to payment under any such lease, sublease or agreement;
5. All rents, receipts, issues, profits and other income of any and all kinds (including deposits) received or receivable and due or to become due from the sale or lease of any property, goods or materials or from the rendering of services;
6. Any securities or guaranties held by the Debtor with respect to any of the matters described above, and any notes, drafts, acceptances, chattel paper, documents or other instruments evidencing the same.

**COUNTY OF LACKAWANNA
COMMONWEALTH OF PENNSYLVANIA**

**\$ 125,000 GENERAL OBLIGATION NOTE, SERIES OF 2005
(SMALL CAPITAL BORROWING)**

CLOSING AGENDA

Closing Document	File/Tab Number	Document Number
Authorizing Ordinance	1	98972
Issuer's General Certificate	2	98976
County Solicitor's Opinion	3	98980
County's Borrowing Base Certificate	4	98985
County's Small Capital Borrowing Certificate	5	98990
County's Debt Statement	6	County to provide.
County's Financial Statements	7	County to provide.
Pennsylvania Local Government Unit Debt Act Filing A. Transmittal Letter B. PaDCED Filing Receipt	8	County to provide.
Note Purchase Proposal	9	98994
Small Capital Borrowing General Obligation Note	10	99000
Transmittal and Receipt	11	99005
Guaranty, Suretyship and Security Agreement	12	99009
UCC-1 Financing Statement	13	98925

*Sample only. County must prepare on its own form.