



# County of Lackawanna

Lackawanna County  
Administration Building  
200 Adams Avenue  
Scranton, Pennsylvania  
18503

## Certified Copy

Ordinance: 12-0018

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**File Number: 12-0018**

**Ordinance #213**

**Second Reading**

General Obligation Notes

**Ordinance #213**

**First Reading: February 22, 2012**

**Second Reading: March 14, 2012**

ORDINANCE #213

OF THE  
BOARD OF COUNTY COMMISSIONERS  
OF THE  
COUNTY OF LACKAWANNA, PENNSYLVANIA

ENACTED MARCH 14, 2012

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE TWO SERIES OF FEDERALLY TAXABLE AND/OR TAX EXEMPT GENERAL OBLIGATION NOTES OF THE COUNTY IN AN AGGREGATE PRINCIPAL AMOUNT OF EIGHT MILLION EIGHT HUNDRED ELEVEN THOUSAND DOLLARS (\$8,811,000) (COLLECTIVELY, THE "NOTES") PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, PA.C.S. 53, CHAPTERS 80-82, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE COUNTY; DETERMINING THAT SUCH NOTES SHALL EVIDENCE NONELECTORAL DEBT OF THE COUNTY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR CERTAIN PROJECTS OF THE COUNTY CONSISTING OF ALL OR ANY OF THE FOLLOWING: (1) CURRENTLY REFUNDING THE COUNTY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES A OF 2002; (2) CURRENTLY REFUNDING THE COUNTY'S OUTSTANDING TAXABLE GENERAL OBLIGATION BONDS, SERIES B OF 2002; AND (3) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE NOTES; SETTING FORTH THE REASONABLE ESTIMATED USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE REFINANCED BY THE NOTES; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH NOTES AT PRIVATE SALE BY NEGOTIATION;

PROVIDING THAT SUCH NOTES, WHEN ISSUED, SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE COUNTY; FIXING THE DENOMINATIONS, SERIES DESIGNATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES, REDEMPTION PROVISIONS, AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTES; AUTHORIZING SPECIFIED OFFICERS OF THE COUNTY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE NOTES; SETTING FORTH THE SUBSTANTIAL FORMS OF THE NOTES EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTES; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTES TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY IN SUPPORT THEREOF; CREATING A SINKING FUND FOR EACH SERIES OF NOTES TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH NOTES WHEN DUE; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE COUNTY AND THE ESCROW AGENT NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF ANY OR ALL OF THE PRIOR BONDS; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH NOTES; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE COUNTY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE PROJECT; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE COUNTY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE NOTES, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH NOTES, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE COUNTY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE COUNTY TO DELIVER THE NOTES UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; IF APPLICABLE, SETTING FORTH CERTAIN COVENANTS PRECLUDING THE COUNTY FROM TAKING ACTIONS WHICH WOULD CAUSE THE 2012A NOTE TO BECOME AN "ARBITRAGE BOND" OR A "PRIVATE ACTIVITY BOND," AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES

OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH.

**WHEREAS**, the County of Lackawanna, Pennsylvania (the "County"), is a home rule charter county operating under the Home Rule Charter and Optional Plans Law of the Commonwealth of Pennsylvania (the "Commonwealth"); and

**WHEREAS**, the County has heretofore issued \$19,540,000 original principal amount General Obligation Bonds, Series A of 2002 (the "2002A Bonds"); and

**WHEREAS**, the County has heretofore issued \$4,425,000 original principal amount Taxable General Obligation Bonds, Series B of 2002 (the "2002 Bonds", and together with the 2002A Bonds, the "Prior Bonds"); and

**WHEREAS**, the Board of Commissioners of the County (the "Board") has determined to issue its General Obligation Note, Series A of 2012, in the principal amount of \$6,085,000 (the "2012A Note"), and its Federally Taxable General Obligation Note, Series B of 2012, in the principal amount of \$2,726,000 (the "2012B Note" and together with the 2012A Note, the "Notes"); and

**WHEREAS** the project to be funded with the proceeds of the Notes (collectively, the "Project") is as follows: (1) currently refunding the 2002A Bonds; (2) currently refunding the 2002B Bonds; and (3) paying the costs and expenses of issuance of the Notes; and

**WHEREAS**, the County desires to authorize the current refunding of the 2002A Bonds for the purpose of reducing the total debt service over the life of the 2002A Bonds; and

**WHEREAS**, the 2012A Note which is being issued to currently refund the 2002A Bonds will not be outstanding through a maturity date that could not have been included in the issue of the 2002A Bonds; and

**WHEREAS**, if necessary, a portion of the proceeds of the 2012A Note shall be deposited in escrow pursuant to the terms of an escrow agreement (the "2002A Bonds Escrow Agreement"), to be executed by and between the County and an escrow agent named therein (the "2002A Bonds Escrow Agent"), such that a portion of the proceeds of the 2012A Note, together with interest to be earned thereon (if any), will be held by the 2002A Bonds Escrow Agent in a separate escrow account and irrevocably pledged for the redemption of the 2002A Bonds, all as shall be set forth more fully in the 2002A Bonds Escrow Agreement; and

**WHEREAS**, the County desires to authorize the current refunding of the 2002B Bonds for the purpose of reducing the total debt service over the life of the 2002B Bonds; and

**WHEREAS**, the 2012B Note which is being issued to currently refund the 2002B Bonds will not be outstanding through a maturity date that could not have been included in the issue of the 2002B Bonds; and

**WHEREAS**, if necessary, a portion of the proceeds of the 2012B Note shall be deposited in escrow pursuant to the terms of an escrow agreement (the "2002B Bonds Escrow Agreement"), to be executed by and between the County and an escrow agent named therein (the "2002B Bonds Escrow Agent"), such that a portion of the proceeds of the 2012B Note, together with interest to be earned thereon (if any), will be held by the 2002B Bonds Escrow Agent in a separate escrow account and irrevocably pledged for the redemption of the 2002B Bonds, all as shall be set forth more fully in the 2002B Bonds Escrow Agreement; and

**WHEREAS**, it is necessary that the indebtedness of the County be increased for the purpose of funding the Project; and

**WHEREAS**, the proposed increase of debt, together with its electoral indebtedness, nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the County, pursuant to constitutional and statutory authority, to be exceeded; and

**WHEREAS**, the County received a commitment letter for the financing of the Project (the "Commitment Letter") from Landmark Community Bank, Pittston, Pennsylvania, the purchaser of the Notes (the "Purchaser"); and

**WHEREAS**, the County desires to formally approve the Project, to accept the Commitment Letter and to authorize the incurrence of nonelectoral debt under the Act, and the execution and delivery of the Commitment Letter.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the County of Lackawanna, Pennsylvania, and it is hereby enacted by the Board of the County as follows:

SECTION 1. Authorization of the Notes. The aggregate principal amount of the Notes of the County proposed to be issued pursuant to this Ordinance and the Act is \$8,811,000. The Notes shall be issued for the purpose of financing the Project and shall be incurred as nonelectoral debt of the County.

SECTION 2. Approval of the Project; Determination of Useful Life of the Project. The County hereby approves the Project to be undertaken collectively consisting of providing funds for the following: (1) currently refunding the 2002A Bonds; (2) currently refunding the 2002B Bonds; and (3) paying the costs and expenses of issuance of the Notes.

The proceeds of the 2012A Note will be used to fund a project (the "2012A Project") consisting of (1) currently refunding the 2002A Bonds; and (2) paying the costs and expenses of issuance of the 2012A Note.

It is hereby determined and declared that the remaining estimated useful lives of the capital projects originally financed and refinanced by the 2002A Bonds and to be refinanced with a portion of the proceeds of the 2012A Note are at least 10 years. It is hereby certified that an aggregate principal amount of the 2012A Note at least equal to the realistic estimated cost of such project shall mature prior to the end of the useful life of such project.

The proceeds of the 2012B Note will be used to fund a project (the "2012B Project")

consisting of (1) currently refunding the 2002B Bonds; and (2) paying the costs and expenses of issuance of the 2012B Note.

It is hereby determined and declared that the remaining estimated useful lives of the capital projects originally refinanced by the 2002B Bonds and to be refinanced with a portion of the proceeds of the 2012B Note are at least 10 years. It is hereby certified that an aggregate principal amount of the 2012B Note at least equal to the realistic estimated cost of such project shall mature prior to the end of the useful life of such project.

Stated installments or maturities of principal of the Notes will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project, if any, or two years from the date of issuance of the Notes.

The Board hereby finds and determined that the realistic cost estimates have been obtained for the costs of the Project from County officials, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

In connection with the issuance and sale of the 2012A Note, the Board, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the current refunding of the 2002A Bonds is to reduce the total debt service over the life of the 2002A Bonds; and (b) that the current refunding of the 2002A Bonds is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The Board further finds and determines that the final maturity date of the 2012A Note issued to effect the current refunding of the 2002A Bonds does not extend to a date that could not have been included in the 2002A Bonds issue.

The Board hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the current refunding of the 2002A Bonds, including, but not limited to providing notice to Community Bank National Association d/b/a First Liberty Bank & Trust, as paying agent for the 2002A Bonds, and to call the 2002A Bonds for redemption in full on April 11, 2012, or such other date as shall be selected by the Chairman of the Board. In accordance with Section 8246 of the Act, it is the intent of the Board that the 2002A Bonds shall no longer be outstanding from and after the date of the issuance of the 2012A Note.

In connection with the issuance and sale of the 2012B Note, the Board, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the current refunding of the 2002B Bonds is to reduce the total debt service over the life of the 2002B Bonds; and (b) that the current refunding of the 2002B Bonds is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The Board further finds and determines that the final maturity date of the 2012B Note issued to effect the current refunding of the 2002B Bonds does not extend to a date that could not have been included in the 2002B Bonds issue.

The Board hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the current refunding of the 2002B Bonds, including, but not limited to providing notice to Community Bank National Association d/b/a First Liberty Bank & Trust, as paying agent for the 2002B Bonds, and to call the 2002B Bonds for redemption in full on April 11, 2012, or such other date as shall be selected by the Chairman of the Board. In accordance with Section 8246 of the Act, it is the intent of the Board that the 2002B Bonds shall no longer be outstanding from and after the date of the issuance of the 2012B Note.

SECTION 3. Approval of the Notes; Terms of Repayment. The indebtedness to be incurred hereunder shall be evidenced by two series of general obligation notes of the County, to be designated as "County of Lackawanna, Pennsylvania, General Obligation Note, Series A of 2012", and "County of Lackawanna, Pennsylvania, Federally Taxable General Obligation Note, Series B of 2012.

The 2012A Note will be issued in the principal amount of \$6,085,000, dated and bearing interest from the date of issue, at a maximum annual rate of interest specified in the Commitment Letter, payable on the unpaid balance of the 2012A Note during the term of the 2012A Note. Interest is payable on the unpaid balance of the 2012A Note during its term until paid. The 2012A Note shall mature in the installments of principal at the rate of interest as shown on the attached Schedule hereinafter referred to as "Exhibit A-1 - Tax-Exempt Rate", or if interest on the 2012A Note is determined to be taxable, the 2012A Note shall mature in the installments of principal at the maximum rate of interest as shown on the attached Schedule hereinafter referred to as "Exhibit A-2 - Maximum Taxable Rate".

The 2012B Note will be issued in the principal amount of \$2,726,000, dated and bearing interest from the date of issue, at a fixed annual rate of interest specified in the Commitment Letter, payable on the unpaid balance of the 2012B Note during the term of the 2012B Note. Interest is payable on the unpaid balance of the 2012A Note during its term until paid. The 2012B Note shall mature in the installments of principal at the rate of interest as shown on the attached Schedule hereinafter referred to as "Exhibit B".

The County reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payment dates thereof, in accordance with the limitations as specified in the Commitment Letter, if any.

The principal and interest on the Notes shall be payable at the office of the sinking fund depository selected for the Notes as hereinafter provided.

SECTION 4. General Obligation Notes of the County. The Notes, when issued, will be general obligations of the County. The County hereby covenants that (a) it shall include the amount of debt service on the Notes for each fiscal year in which such sums are payable in its budget for that year; (b) it shall appropriate such amounts from its general revenues for the payment of such debt service; and (c) it shall duly and punctually pay or cause to be paid from its general revenues the principal of the Notes and the interest thereon at the dates and places and in the manner stated in the Notes according to the true intent and meaning thereof, and (d) for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the County are hereby irrevocably pledged.

The amounts which the County hereby covenants to pay in each of the fiscal years that the 2012A Note is outstanding on the basis of the tax-exempt rate of interest as specified in the Commitment Letter are shown on "Exhibit A-1 - Tax-Exempt Rate" attached hereto. If interest on the 2012A Note is determined to be taxable, the maximum amounts which the County hereby covenants to pay in each of the fiscal years that the 2012A Note is outstanding on the basis of the maximum taxable rate of interest as specified in the Commitment Letter are shown on "Exhibit A-2 -

Maximum Taxable Rate” attached hereto.

The amounts which the County hereby covenants to pay in each of the fiscal years that the 2012B Note is outstanding on the basis of the rate of interest as specified in the Commitment Letter are shown on “Exhibit B” hereto.

SECTION 5. Covenants Regarding Use of Proceeds and Compliance with Tax Code Requirements. The County covenants to and with the registered owner of the 2012A Note, that it will make no use of the proceeds of such issues or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such 2012A Note, would cause the 2012A Note to be an "arbitrage bond" or a "private activity bond" as those terms are defined in Section 148 and Section 141 of the Code and the applicable regulations thereunder. The County further covenants that it will comply with the requirements of such Section 148 and Section 141 and with the regulations thereunder throughout the term of this issue. In addition, the Chairman or any other Commissioner of the Board, being the official(s) responsible for issuing the 2012A Note, attested by the Chief of Staff or Assistant Chief of Staff of the County, are hereby authorized and directed to execute and deliver, in the name and on behalf of the County, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the 2012A Note is not an "arbitrage bond" or a "private activity bond" within the meaning of Section 148 and Section 141 of the Code and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the 2012A Note, which certificate shall set forth the reasonable expectations of the County as to the amount and use of the proceeds of the 2012A Note.

SECTION 6. Forms of Notes. The form of the 2012A Note shall be as shown on the attached “Exhibit C”. The form of the 2012B Note shall be as shown on the attached “Exhibit D”.

SECTION 7. Execution of the Notes and Other Documents and Instruments; Delivery and Payment. The Notes shall be executed in the name and under the corporate seal of the County by the Chairman or any other Commissioner of the Board, and attested to by the Chief of Staff or Assistant Chief of Staff of the County. Such Notes shall be in the forms attached hereto together with such changes, modifications, insertions and deletions as such officers, with the advice of counsel, deem necessary and appropriate; their execution and delivery thereof shall be conclusive evidence of the approval and authorization by the County of the final terms of the Notes. The Chief of Staff, the Assistant Chief of Staff, the Treasurer or any other proper officer of the County is hereby authorized and directed to deliver the Notes to the Purchaser, and receive payment therefor on behalf of the County. The Chairman or any other Commissioner of the Board and the Chief of Staff or Assistant Chief of Staff of the County are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act, and to take other necessary action, including, if necessary or desirable, the filing, either before or after the issuance of the Notes, additional debt statements or any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 8. Designation of Sinking Fund Depository and Paying Agent. The Chairman or any other Commissioner of the Board and the Chief of Staff or Assistant Chief of Staff of the County are hereby authorized, empowered and directed to contract with Landmark Community Bank, Pittston, Pennsylvania, or another bank or trust company authorized to do business in the Commonwealth of Pennsylvania, as selected by the Chairman of the Board (the "Paying Agent"), for its services as paying agent and sinking fund depository in accordance with the terms of the Proposal, this Ordinance and the Act, and there is hereby created and established with the Paying Agent a sinking fund for each series of the Notes to be known as (a) "County of Lackawanna, Pennsylvania, Sinking Fund - General Obligation Note, Series A of 2012" (the "2012A Note Sinking Fund"), and (b) "County of Lackawanna, Pennsylvania, Sinking Fund - Federally Taxable General Obligation Note, Series B of 2012" (the "2012B Note Sinking Fund", and together with the 2012A Note Sinking Fund, the "Sinking Funds"). The Sinking Funds shall be maintained until the Notes have been paid in full. The Chief of Staff, the Assistant Chief of Staff, the Treasurer or any other proper officer of the County shall deposit into the Sinking Funds amounts sufficient for the payment of the principal and interest on the Notes no later than the date upon which such debt service on the Notes becomes due and payable. The Paying Agent shall, as and when said payments are due, without further action or direction by the County withdraw available monies in the Sinking Funds and apply said monies to payment of the principal of and interest on the Notes.

SECTION 9. Sale of Notes; Acceptance of Commitment Letter. In compliance with Section 8161 of the Act, the Board has determined that a private sale by negotiation, rather than public sale, is in the best financial interest of the County. The Commitment Letter is hereby accepted and the Notes in the aggregate principal amount of \$8,811,000, herein authorized to be issued and sold, is hereby awarded and sold to the Purchaser in accordance with its commitment to purchase the Notes at par; provided the Notes are dated the date of delivery thereof to the Purchaser and is in substantially the forms attached hereto with such changes as may be approved by the officers of the County executing such Notes; and further provided that the proceedings have been approved by the Department of Community and Economic Development as required under the provisions of the Act. A copy of said Commitment Letter shall be attached hereto as "Exhibit E" and is hereby incorporated herein by reference.

SECTION 10. Investment of Proceeds. If necessary, the County hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "Investments") for investment of the proceeds of the Notes in connection with the Project. The County hereby authorizes and directs the Chairman or any other Commissioner of the Board, to execute, and the Chief of Staff or Assistant Chief of Staff of the County to attest any investment agreement on behalf of the County, in the form approved by the Solicitor and Bond Counsel to the County. The Investments shall be limited to those authorized under law for proceeds of the Notes.

SECTION 11. 2002A Bonds and 2002B Bonds Escrow Agreements. If necessary, on the date of delivery of the 2012A Note, to the extent required for a lawful defeasance of the 2002A Bonds, the proper officers of the County are hereby authorized, empowered and directed to execute, attest and deliver the 2002A Bonds Escrow Agreement in the form approved by such officers with

the advice of the Solicitor to the County. The 2002A Bonds Escrow Agreement shall provide for, among other things, the following: (i) a certification to the 2002A Bonds Escrow Agent of the amount required to pay the principal of, premium, if any, and interest on, the 2002A Bonds maturing on or after October 1, 2012, (ii) the deposit with the 2002A Bonds Escrow Agent of an amount which, when taken together with the interest to be earned thereon, will be in the amount necessary to pay on April 11, 2012, or such other date as shall be selected by the Chairman of the Board, the principal of, premium, if any, and interest on the 2002A Bonds which mature on or after October 1, 2012, (iii) the investment of the amounts deposited with and held by the 2002A Bonds Escrow Agent, (iv) a direction to the 2002A Bonds Escrow Agent to cause notice of redemption to be given to the holders of the 2002A Bonds, and (v) the irrevocable pledge and escrow of, and grant of a security interest in favor of the 2002A Bonds Escrow Agent of all investments held by it pursuant to the 2002A Bonds Escrow Agreement.

If necessary, on the date of delivery of the 2012A Note, to the extent required for a lawful defeasance of the 2002A Bonds, the proper officers of the County are hereby authorized, empowered and directed to execute, attest and deliver the 2002A Bonds Escrow Agreement in the form approved by such officers with the advice of the Solicitor to the County. The 2002A Bonds Escrow Agreement shall provide for, among other things, the following: (i) a certification to the 2002A Bonds Escrow Agent of the amount required to pay the principal of, premium, if any, and interest on, the 2002A Bonds maturing on or after October 1, 2012, (ii) the deposit with the 2002A Bonds Escrow Agent of an amount which, when taken together with the interest to be earned thereon, will be in the amount necessary to pay on April 11, 2012, or such other date as shall be selected by the Chairman of the Board, the principal of, premium, if any, and interest on the 2002A Bonds which mature on or after October 1, 2012, (iii) the investment of the amounts deposited with and held by the 2002A Bonds Escrow Agent, (iv) a direction to the 2002A Bonds Escrow Agent to cause notice of redemption to be given to the holders of the 2002A Bonds, and (v) the irrevocable pledge and escrow of, and grant of a security interest in favor of the 2002A Bonds Escrow Agent of all investments held by it pursuant to the 2002A Bonds Escrow Agreement.

The County hereby authorizes and directs the proper officers, agents and employees to execute any and all other documents and to take any and all action necessary in connection with the Project to cause the Prior Bonds to "no longer be deemed to be outstanding" as of the date of delivery of the Notes, within the meaning and for the purposes of Section 8250 of the Act and to pay the principal of and interest due on the Prior Bonds when due.

SECTION 12. Appointment of Bond Counsel. The Board hereby appoints and engages Stevens & Lee, a professional corporation, to act as Bond Counsel to the County in connection with the issuance of the Notes and to facilitate the intent of this Ordinance.

SECTION 13. Payments of Expenses. All expenses incurred in connection with issuance of the Notes shall be paid out of the proceeds derived from the issuance of the Notes and the Chairman or any other Commissioner of the Board is authorized to approve requests for payment of such expenses and to pay such expenses.

SECTION 14. Legal Advertisements. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in a newspaper of general circulation in the County,

is ratified and confirmed. The advertisement of enactment in said newspaper is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 15. Delivery of Documents and Instruments. The proper officers of the County are hereby authorized, empowered and directed to execute and deliver such other documents, certificates, agreements, and other instruments and to take such other action as may be necessary, proper or desirable to effect the completion of the financing or the intent and purposes of this Ordinance.

SECTION 16. Severability. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the County that the remainder of this Ordinance shall remain in full force and effect.

SECTION 17. Conflicts. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

SECTION 18. Effective Date. This Ordinance shall be effective in accordance with Section 8003 of the Act.

DULY RESOLVED AND ENACTED THIS 14TH DAY OF MARCH, 2012.

COUNTY OF LACKAWANNA

  
JIM WANSACZ

  
COREY D. O'BRIEN

  
PATRICK M. O'MALLEY

ATTEST:

  
MARIA ELKINS  
CHIEF OF STAFF

Approved as to form and legality:

  
\_\_\_\_\_  
JOHN R. O'BRIEN, ESQUIRE  
COUNTY SOLICITOR

BORROWING BASE CERTIFICATE

County of Lackawanna, Pennsylvania

Prepared as of March 8, 2012

The borrowing base is the arithmetic average of total revenues received for the three preceding fiscal years as set forth in a certificate stating the total revenues for each year and stating the average. The certificate may be executed by any authorized official of the local government unit or an independent accountant. The computation of the borrowing base must be done in accordance with the definition of revenues in Section 8002(c)(16) of the Local Government Unit Debt Act. The following method may be used:

	FISCAL YEAR (ending December 31)		
	<u>2011*</u>	<u>2010</u>	<u>2009</u>
Total Revenues Received (money from <u>all</u> sources)	\$133,083,729	\$136,487,765	\$154,942,083
<u>Less:</u>			
I. (1) State and Federal subsidies and reimbursements related to a particular project financed by debt	\$	\$	\$
II. (1) Revenues, receipts, assessments, etc., pledged or self-liquidating debt	\$	\$	\$
III. (1) Interest on moneys in sinking funds pledged for debt	\$ 136	\$ 2,075	\$ 5,745
IV. (1) Grants and gifts-in-aid measured by construction or acquisition of specific projects	\$ 50,846,955	\$ 53,511,663	\$ 53,443,028
V. (1) Nonrecurring Receipts	\$ _____	\$ _____	\$ _____
SUBTOTAL	\$ 82,236,638	\$ 82,974,027	\$101,493,310
TOTAL NET REVENUES			\$266,703,975
BORROWING BASE (Total Net Revenues divided by 3)			\$ 88,901,325

\_\_\_\_\_  
\* Unaudited Amounts

COUNTY OF LACKAWANNA, PENNSYLVANIA



JIM WANSACZ, CHAIRMAN



COREY D. O'BRIEN, VICE CHAIRMAN



PATRICK M. O'MALLEY

ATTEST:



MARIA ELKINS, CHIEF OF STAFF

(SEAL)

DEBT STATEMENT PURSUANT TO  
LOCAL GOVERNMENT UNIT DEBT ACT

Local Government Unit - County of Lackawanna Pennsylvania, Pennsylvania

Statement as of March 14, 2012

	<u>Electoral</u>	<u>Nonelectoral</u>	<u>Lease Rental</u>
<b>I. GROSS INCURRED DEBT</b>			
List and identify by year of issue			
A. Bonds outstanding	\$ _____	\$ 8,690,000 (2001AB)*\$ _____	\$ _____
	\$ _____	\$ 6,825,000 (2004AC)	\$ _____
	\$ _____	\$ 6,935,000 (2004D)	\$ _____
	\$ _____	\$ 32,205,000 (2007AB)	\$ _____
	\$ _____	\$ 15,355,000 (2008E)	\$ _____
	\$ _____	\$ 7,345,000 (2009A)	\$ _____
	\$ _____	\$ 58,490,000 (2010B)	\$ _____
 B. Notes outstanding	\$ _____	\$ 44,520,000 (2008A)	\$ _____
	\$ _____	\$ 13,858,652 (2008D)	\$ _____
	\$ _____	\$ 26,480,000 (2009B)	\$ _____
	\$ _____	\$ 2,884,000 (2010A)	\$ _____
	\$ _____	\$ 20,650,000 (2011)	\$ _____
TOTAL	\$ -0-	\$244,237,652	\$ -0-
<b>II. CREDITS AND EXCLUSIONS</b>			
<u>Less:</u>			
(where applicable)			
1. Sinking funds, reserve accounts, bond proceeds	\$ _____	\$ _____	\$ _____
2. Current unpaid appropriations	\$ _____	\$ _____	\$ _____
3. Uncollected special assessments	\$ _____	\$ _____	\$ _____
4. Delinquent taxes and liens	\$ _____	\$ _____	\$ _____
5. Surplus cash	\$ _____	\$ _____	\$ _____
6. Solvent debts due	\$ _____	\$ _____	\$ _____
7. Indemnifying insurance	\$ _____	\$ _____	\$ _____
8. Self-liquidating and Self-Sustaining Debt (excluded under Sections 8024, 8025 and 8026 and Pension Bonds)	\$ _____	\$ _____	\$ _____
TOTAL NET INDEBTEDNESS	\$ -0-	\$244,237,652	\$ -0-

\*Nonelectoral debt for this issue was approved in 2001 but issued as 2002A and 2002 B (GOB-14446)

III. The maximum aggregate principal amount of bonds or notes being issued or evidencing lease rental debt:.....	\$ 8,811,000
IV. The principal amount of bonds or notes which will no longer be deemed to be outstanding pursuant to Section 1110(b) after settlement of the issue:.....	\$ 8,690,000*
V. The borrowing base as shown by appended borrowing base certificate:.....	\$ 88,901,325
VI. Applicable debt limitations	
(a) nonelectoral (300%) of the borrowing base).....	\$266,703,975
(b) nonelectoral plus lease rental (400%) of borrowing base).....	\$355,605,300

\*Nonelectoral debt for this issue was approved in 2001 but issued as 2002A and 2002 B (GOB-14446)

COMMONWEALTH OF PENNSYLVANIA :  
 :  
 :SS  
COUNTY OF LUZERNE :

On this 15th day of March, 2012, before me, a notary public, the undersigned officer, personally appeared Brian P. Koscelansky, known to me (or satisfactorily proven) to be a member of the Bar of the highest court of the Commonwealth of Pennsylvania and a subscribing witness to the within instrument, and certifies that he was personally present when Jim Wansacz, Corey D. O'Brien, Patrick M. O'Malley and Maria Elkins, whose names are subscribed to the within instrument, executed the same and the persons acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 15<sup>th</sup> day of March, 2012.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, the undersigned officers of the County of Lackawanna Pennsylvania, and being authorized to prepare, certify and file the foregoing debt statement, have hereunto set our hands and affixed the seal of the County this 14th day of March, 2012.

COUNTY OF LACKAWANNA, PENNSYLVANIA

  
JIM WANSACZ, CHAIRMAN

  
COREY D. O'BRIEN, VICE CHAIRMAN

  
PATRICK M. O'MALLEY

ATTEST:

  
MARIA ELKINS, CHIEF OF STAFF

(SEAL)

Witness:

\_\_\_\_\_  
Brian P. Koscelansky, Esquire

EXHIBIT "A-1"

Tax-Exempt Rate Amortization Schedule – 2012A Note

**LACKAWANNA COUNTY**  
LACKAWANNA COUNTY, PENNSYLVANIA

**GENERAL OBLIGATION NOTE, SERIES A OF 2012**

DEBT SERVICE REQUIREMENTS

DATE	PRINCIPAL	RATE	INTEREST	DEBT SERVICE	FISCAL YEAR DEBT SERVICE
11-Apr-12					
1-Oct-12	0.00	3.940%	113,214.81	113,214.81	113,214.81
1-Apr-13			119,874.50	119,874.50	-
1-Oct-13	138,000.00	3.940%	119,874.50	257,874.50	377,749.00
1-Apr-14	-		117,155.90	117,155.90	-
1-Oct-14	51,000.00	3.940%	117,155.90	168,155.90	285,311.80
1-Apr-15	-		116,151.20	116,151.20	-
1-Oct-15	673,000.00	3.940%	116,151.20	789,151.20	905,302.40
1-Apr-16	-		102,893.10	102,893.10	-
1-Oct-16	709,000.00	3.940%	102,893.10	811,893.10	914,786.20
1-Apr-17	-		88,925.80	88,925.80	-
1-Oct-17	739,000.00	3.940%	88,925.80	827,925.80	916,851.60
1-Apr-18	-		74,367.50	74,367.50	-
1-Oct-18	768,000.00	3.940%	74,367.50	842,367.50	916,735.00
1-Apr-19	-		59,237.90	59,237.90	-
1-Oct-19	792,000.00	3.940%	59,237.90	851,237.90	910,475.80
1-Apr-20	-		43,635.50	43,635.50	-
1-Oct-20	2,215,000.00	3.940%	43,635.50	2,258,635.50	2,302,271.00
	<b>6,085,000.00</b>		<b>1,557,697.61</b>	<b>7,642,697.61</b>	<b>7,642,697.61</b>

OPTIONAL REDEMPTION DATE: ANYTIME AT PAR

PURPOSE OF THE ISSUE: CURRENT REFUNDING OF THE 2002 A BONDS

EXHIBIT "A-2"

Maximum Taxable Rate Amortization Schedule – 2012A Note

**LACKAWANNA COUNTY**  
LACKAWANNA COUNTY, PENNSYLVANIA

**GENERAL OBLIGATION NOTE, SERIES A OF 2012**

**MAXIMUM DEBT SERVICE REQUIREMENTS**

DATE	PRINCIPAL	RATE	INTEREST	DEBT SERVICE	FISCAL YEAR DEBT SERVICE
11-Apr-12					
1-Oct-12			517,225.00	517,225.00	517,225.00
1-Apr-13			547,650.00	547,650.00	-
1-Oct-13	138,000.00	18.000%	547,650.00	685,650.00	1,233,300.00
1-Apr-14	-		535,230.00	535,230.00	-
1-Oct-14	51,000.00	18.000%	535,230.00	586,230.00	1,121,460.00
1-Apr-15	-		530,640.00	530,640.00	-
1-Oct-15	673,000.00	18.000%	530,640.00	1,203,640.00	1,734,280.00
1-Apr-16	-		470,070.00	470,070.00	-
1-Oct-16	709,000.00	18.000%	470,070.00	1,179,070.00	1,649,140.00
1-Apr-17	-		406,260.00	406,260.00	-
1-Oct-17	739,000.00	18.000%	406,260.00	1,145,260.00	1,551,520.00
1-Apr-18	-		339,750.00	339,750.00	-
1-Oct-18	768,000.00	18.000%	339,750.00	1,107,750.00	1,447,500.00
1-Apr-19	-		270,630.00	270,630.00	-
1-Oct-19	792,000.00	18.000%	270,630.00	1,062,630.00	1,333,260.00
1-Apr-20	-		199,350.00	199,350.00	-
1-Oct-20	2,215,000.00	18.000%	199,350.00	2,414,350.00	2,613,700.00
	<b>6,085,000.00</b>		<b>7,116,385.00</b>	<b>13,201,385.00</b>	<b>13,201,385.00</b>

EXHIBIT "B"

Amortization Schedule – 2012B Note

**LACKAWANNA COUNTY**  
LACKAWANNA COUNTY, PENNSYLVANIA

**GENERAL OBLIGATION NOTE, SERIES B OF 2012**

DEBT SERVICE REQUIREMENTS

DATE	PRINCIPAL	RATE	INTEREST	DEBT SERVICE	FISCAL YEAR DEBT SERVICE
11-Apr-12					
1-Oct-12	167,000.00	5.640%	72,602.47	239,602.47	239,602.47
1-Apr-13	-		72,163.80	72,163.80	-
1-Oct-13	261,000.00	5.640%	72,163.80	333,163.80	405,327.60
1-Apr-14	-		64,803.60	64,803.60	-
1-Oct-14	275,000.00	5.640%	64,803.60	339,803.60	404,607.20
1-Apr-15	-		57,048.60	57,048.60	-
1-Oct-15	299,000.00	5.640%	57,048.60	356,048.60	413,097.20
1-Apr-16	-		48,616.80	48,616.80	-
1-Oct-16	307,000.00	5.640%	48,616.80	355,616.80	404,233.60
1-Apr-17	-		39,959.40	39,959.40	-
1-Oct-17	324,000.00	5.640%	39,959.40	363,959.40	403,918.80
1-Apr-18	-		30,822.60	30,822.60	-
1-Oct-18	346,000.00	5.640%	30,822.60	376,822.60	407,645.20
1-Apr-19	-		21,065.40	21,065.40	-
1-Oct-19	363,000.00	5.640%	21,065.40	384,065.40	405,130.80
1-Apr-20	-		10,828.80	10,828.80	-
1-Oct-20	384,000.00	5.640%	10,828.80	394,828.80	405,657.60
	<b>2,726,000.00</b>		<b>763,220.47</b>	<b>3,489,220.47</b>	<b>3,489,220.47</b>

OPTIONAL REDEMPTION DATE:

ANYTIME AT PAR

PURPOSE OF THE ISSUE:

CURRENT REFUNDING OF THE 2002 B BONDS

EXHIBIT "C"

Form of 2012A Note

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF LACKAWANNA

GENERAL OBLIGATION NOTE  
SERIES A OF 2012

\$6,085,000

Dated: April 11, 2012

KNOW ALL MEN BY THESE PRESENTS, that the County of Lackawanna, Pennsylvania (the "County"), a home rule charter county operating under the Home Rule Charter and Optional Plans Law of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself indebted and promises to pay to Landmark Community Bank, Pittston, Pennsylvania (the "Bank" or the "Purchaser"), or registered assigns, the sum of \$6,085,000, with interest at the rate specified and computed in accordance with the terms of the Commitment Letter of the Bank (the "Commitment Letter") attached hereto as Exhibit "A", payable on the unpaid balance of said Note (hereinafter-defined) during the term of said Note. Payments of principal of and interest on this Note are payable as shown on the attached Exhibit "B".

If the due date for payment of interest on or principal of this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to close with the same force and effect as if made on the due date for payment of principal or interest and no interest shall accrue thereon for any period after such due date.

Both principal and interest are payable in such coin or currency as on the respective date of payment thereof and shall be legal tender for the payment of public and private debts, at the office of Landmark Community Bank, the paying agent, located in Pittston, Pennsylvania.

This General Obligation Note, Series A of 2012 (the "Note") is issued under and pursuant to provisions of the Ordinance enacted by the Board of Commissioners of the County on March 14, 2012 (the "Ordinance"). This Note is authorized to be issued under the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act"), without the assent of electors, and pursuant to the Ordinance. This Note shall be issued in the principal amount of \$6,085,000 and is subject to provisions and is entitled to the benefit of provisions of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

Taxable Interest. On and after the occurrence of a Determination of Taxability, the County promises to pay interest on the unpaid principal balance of this Note at an annual rate equal to the Taxable Rate.

Additional Interest. Notwithstanding the prepayment or repayment of this Note, the County also promises to pay, within fifteen (15) days after written notice from the Bank (but only out of the sources hereinafter set forth) (i) additional interest, if any, in an amount which, together with the interest actually received for the period commencing upon an Event of Taxability and ending on the date of a Determination of Taxability, shall equal interest calculated on the various outstanding monthly principal balances under this Note during such period at the Taxable Rate, (ii) any deficiency (as defined in Section 6211 of the Code) assessed by the Internal Revenue Service by the issuance of a statutory notice under Section 6212 of the Code alleging that all or some part of the interest paid or payable with respect to this Note is not exempt from income taxation under Section 103(a) of the Code (plus statutory interest and penalties due thereon) on account of such Event of Taxability, and (iii) all other charges, costs, fees, penalties or assessments paid or payable by the Bank as the result of a Determination of Taxability. Neither the County nor the Bank shall have an obligation to contest a Determination of Taxability. Any notice from the Bank to the County shall be conclusive as to the occurrence of a Determination of Taxability or an Event of Taxability specified therein and as to the correctness of the amount of additional payments therein, absent manifest error.

U.S. Law Change. In the event of a U.S. Law Change as determined by the Bank in good faith and based upon an opinion of counsel to the Bank, the County shall, following receipt of written notice of such U.S. Law Change, which notice shall set forth in reasonable detail the nature and effective date thereof, make additional interest payments in an amount designated by the Bank in such notice as being the sum necessary to compensate the Bank for the adverse effect of the U.S. Law Change. Upon request of the County, the Bank shall furnish to the County a copy of the counsel opinion described in the immediately preceding sentence for the County's information only. With respect to payments to the Bank, the additional interest payments as aforesaid shall be payable commencing on the later of (1) the interest payment date next following the date of receipt by the County of such notice or (2) on the interest payment date immediately preceding the effective date of the U.S. Law Change if such notice shall have been given prior to the effective date thereof, and the initial payment shall include the entire amount due in respect of any periods up to and including the aforesaid next interest payment date. Any such notice to the County shall be conclusive as to the occurrence of the U.S. Law Change specified therein and as to the correctness of the amount of additional payments specified therein, absent manifest error.

The definitions set forth below shall have the meanings for purposes of this Note as follows:

“Determination of Taxability” means

(a) the issuance by the Internal Revenue Service to the Bank or other holder of this Note of a letter proposing to assess a deficiency with respect to the interest on this Note (a “30-Day Letter”), the receipt of which shall establish that an Event of Taxability with respect to

the Note has occurred; or

(b) the delivery of written notice to the County by the Bank or other holder of this Note declaring that an Event of Taxability has occurred on a specified date (other than by reason of the event described in paragraph (a) above).

“Event of Taxability” means (i) a change in law or fact (or the interpretation thereof), (ii) the occurrence or recognition of a fact, circumstance or situation, (iii) a determination, regulation, ruling or decision issued or made in regard to Sections 103 and/or 141 through 150 of the Code by any court or judicial or quasi-judicial body or by the Commissioner or any District Director of the Internal Revenue Service, or (iv) the enactment of any legislation, which, with respect to any of the foregoing clauses (i), (ii), (iii), and (iv), recognized bond counsel selected by the Bank (which counsel may be the Bank’s counsel), is of the opinion requires the interest payable on this Note to be includable in the gross income of any person (other than a person who is a “substantial user” or “related person” as such terms are defined in the Code and the regulations thereunder as then in effect).

“Taxable Rate” means the floating annual rate of interest equal to the Prime Rate, as such rate may change from time to time, plus two percent (2%). The term "Prime Rate" means a floating annual rate of interest equal to the highest Prime Rate of interest as published in the Wall Street Journal (the base rate on corporate loans posted by at least 75% of the nation’s 30 largest banks) as it changes from time to time. The term "Prime Rate" is used solely for the convenience of the Bank and in no way is it to be construed as meaning lowest, favored or best rate. In the event the Prime Rate of interest as published in the Wall Street Journal, is no longer reported, the Bank reserves the right to substitute a reasonable alternate index at its sole option. Such variable per annum rate shall change each and every time the Prime Rate of interest changes and will adjust to the then new Prime Rate, as herein defined, changes effective on and as of the date of the change, all in accordance with the provisions set forth herein. The Taxable Rate on this Note shall not at any time exceed eighteen percent (18%) per annum.

“U.S. Law Change” means a change in (i) the Code or any successor statute or (ii) the Treasury Regulations thereunder (collectively referred to as the “U.S. Tax Law”) which, when compared to the U.S. Tax Law in effect on the date of the Note, has resulted, or will result, in a reduction in the amount of interest paid on the Note which may be treated as tax exempt by the Bank and/or any person or persons deriving or having derived an interest in the Note through the Bank. “U.S. Law Change” shall not mean a change in the income tax rates imposed on corporations by U.S. Tax Law.

The County shall not be obligated to pay and the Bank shall not collect interest at a rate in excess of the maximum permitted by law or the maximum that will not subject the Bank to any civil or criminal penalties. If, because of the acceleration of maturity, the payment of interest in advance or any other reason, the County is required to pay interest at a rate in excess of such maximum rate, the rate of interest under such provisions shall immediately and automatically be reduced to such maximum rate, and any payment made in excess of such maximum rate, together with interest thereon at the rate provided herein from the date of such payment, shall be immediately and automatically applied to the reduction of the unpaid principal

balance of this Note as of the date on which such excess payment was made. If the amount to be so applied to reduction of the unpaid balance exceeds the unpaid principal balance, the amount of such excess shall be refunded by the Bank to the County.

The County has covenanted in the Ordinance, to and with the registered owner(s) hereof, that it (i) shall include the amount of the debt service for this Note, for each fiscal year of the County in which such amounts are payable, in its budget for that fiscal year, (ii) that it shall appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year, and (iii) that it shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal amount of this Note and the interest due thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof and for such budgeting, appropriation and payment the County has pledged, irrevocably, its full-faith, credit and taxing power.

In the Ordinance, the County has covenanted to and with registered owners of this Note that it will make no use of the proceeds of this Note, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Note, would cause this Note to be an "arbitrage bond" or a "private activity bond" as such terms are defined in Section 148 and 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder. The County has further covenanted that it will comply with the requirements of such Section 148 and 141 and with the regulations thereunder throughout the term of this Note.

The County shall have the privilege to prepay the unpaid principal indebtedness of this Note, in whole or in part, at any time, and from time to time, without premium or penalty, in accordance with the provisions of the Commitment Letter.

The Note does not pledge the credit or taxing power of the Commonwealth; nor shall this Note be deemed an obligation of the Commonwealth; nor shall the Commonwealth be liable for payment of the principal of or interest on this Note.

The Purchaser shall have the right to exercise the remedies set forth in the Act. Any failure by the Purchaser to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the County or of any successor body, as such, either directly or through the 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 issuance of the Note.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the County to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of

the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the County are within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the County has established with the Paying Agent, as sinking fund depository, a sinking fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the County are hereby irrevocably pledged.

*[The remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, the Board of Commissioners of the County of Lackawanna, Pennsylvania, has caused this Note to be properly executed by its Chairman or Vice Chairman and its corporate seal to be hereto affixed, attested to by its Chief of Staff or Assistant Chief of Staff as of the 11th day of April, 2012.

COUNTY OF LACKAWANNA,  
PENNSYLVANIA

---

JIM WANSACZ, CHAIRMAN

ATTEST:

---

MARIA ELKINS, CHIEF OF STAFF

(SEAL)

EXHIBIT "D"

Form of 2012B Note

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF LACKAWANNA

FEDERALLY TAXABLE GENERAL OBLIGATION NOTE  
SERIES B OF 2012

\$2,726,000

Dated: April 11, 2012

KNOW ALL MEN BY THESE PRESENTS, that the County of Lackawanna, Pennsylvania (the "County"), a home rule charter county operating under the Home Rule Charter and Optional Plans Law of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself indebted and promises to pay to Landmark Community Bank, Pittston, Pennsylvania (the "Bank" or the "Purchaser"), or registered assigns, the sum of \$2,726,000, with interest at the rate specified and computed in accordance with the terms of the Commitment Letter of the Bank (the "Commitment Letter") attached hereto as Exhibit "A", payable on the unpaid balance of said Note (hereinafter-defined) during the term of said Note. Payments of principal of and interest on this Note are payable as shown on the attached Exhibit "B".

If the due date for payment of interest on or principal of this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to close with the same force and effect as if made on the due date for payment of principal or interest and no interest shall accrue thereon for any period after such due date.

Both principal and interest are payable in such coin or currency as on the respective date of payment thereof and shall be legal tender for the payment of public and private debts, at the office of Landmark Community Bank, the paying agent, located in Pittston, Pennsylvania.

This Federally Taxable General Obligation Note, Series B of 2012 (the "Note") is issued under and pursuant to provisions of the Ordinance enacted by the Board of Commissioners of the County on March 14, 2012 (the "Ordinance"). This Note is authorized to be issued under the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act"), without the assent of electors, and pursuant to the Ordinance. This Note shall be issued in the principal amount of \$2,726,000 and is subject to provisions and is entitled to the benefit of provisions of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

The County has covenanted in the Ordinance, to and with the registered owner(s) hereof, that it (i) shall include the amount of the debt service for this Note, for each fiscal year of

the County in which such amounts are payable, in its budget for that fiscal year, (ii) that it shall appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year, and (iii) that it shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal amount of this Note and the interest due thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof and for such budgeting, appropriation and payment the County has pledged, irrevocably, its full-faith, credit and taxing power.

The County shall have the privilege to prepay the unpaid principal indebtedness of this Note, in whole or in part, at any time, and from time to time, without premium or penalty, in accordance with the provisions of the Commitment Letter.

The Note does not pledge the credit or taxing power of the Commonwealth; nor shall this Note be deemed an obligation of the Commonwealth; nor shall the Commonwealth be liable for payment of the principal of or interest on this Note.

The Purchaser shall have the right to exercise the remedies set forth in the Act. Any failure by the Purchaser to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the County or of any successor body, as such, either directly or through the 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 issuance of the Note.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the County to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the County are within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the County has established with the Paying Agent, as sinking fund depository, a sinking fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the County are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Board of Commissioners of the County of Lackawanna, Pennsylvania, has caused this Note to be properly executed by its Chairman or Vice Chairman and its corporate seal to be hereto affixed, attested to by its Chief of Staff or Assistant Chief of Staff as of the 11th day of April, 2012.

COUNTY OF LACKAWANNA,  
PENNSYLVANIA

\_\_\_\_\_  
JIM WANSACZ, CHAIRMAN

ATTEST:

\_\_\_\_\_  
MARIA ELKINS, CHIEF OF STAFF

(SEAL)

EXHIBIT "E"

Commitment Letter



February 15, 2012

Mr. Thomas Durkin  
Chief Financial Officer  
County of Lackawanna  
200 Adams Avenue 6th Floor  
Scranton, PA 18503

Dear Mr. Durkin:

Landmark Community Bank ("Bank"), is pleased to advise you that subject to the terms and conditions herein set forth, the Bank proposes to purchase a General Obligation Note, Series A and B of 2012 ("the Note") issued by the County of Lackawanna ("the Borrower"), based on the criteria as set forth in the following paragraph:

This proposal is issued pursuant to the Local Government Unit Debt Act 177 of 1996 (the "Act"), as amended, compliance with all guidelines and restrictions contained therein, as well as any and all provisions of the Third Class County Code ("the Code"), and subject to the following terms and conditions (wherein the Note, the indebtedness evidenced thereby, and all instruments and documents to be given to secure and support the same are sometimes collectively referred to as the "Loan").

**General Obligation Note, Series A and B of 2012:**

1. Amount of Note  
Series A: \$6,150,000.00  
Series B: \$2,730,000.00
2. Type of Note  
General Obligation Note, Series A and B of 2012
3. Origination Fee  
1.55% of the principal balance of the Notes

*To get there financially, you need a landmark.™*

2 South Main Street Pittston PA 18640 P. 570.602.4522 F. 570.891.0001  
1320 Wyoming Avenue Forty Fort PA 18704 P. 570.714.8036 F. 570.714.5563  
3016 Pittston Avenue Scranton PA 18505 P. 570.558.9523 F. 570.558.9604  
383 South Poplar Street Hazleton .PA 18201 P. 570.501.7001 F. 570.501.7005  
[www.landmarkcommunitybank.net](http://www.landmarkcommunitybank.net)

4.

Rate of Interest per annum

Series A: The Note shall (subject to the following provisions) bear interest on the outstanding principal balances at a fixed, tax-exempt, non-bank qualified rate (actual/360 basis) which shall be equal to 3.94%. The interest rate quote is subject to expire if acceptance of this proposal is not received by noon on March 30, 2012.

Series B: The Note shall (subject to the following provisions) bear interest on the outstanding principal balances at a fixed, federally taxable rate (actual/360 basis) which shall be equal to 5.64%. The interest rate quote is subject to expire if acceptance of this proposal is not received by noon on March 30, 2012.

The interest rate specified for the Series A Note above is the "Tax-exempt rate". This proposal is issued in reliance upon Borrowers compliance with the Act, and all necessary documentation designating the obligation as a "non-bank qualified tax-exempt obligation" under Regulation 265(b)(3) of the Internal Revenue Code of 1986. An opinion of the Borrower's solicitor and/or recognized bond/note counsel attesting to the tax exempt nature of this borrowing shall be required.

If interest payable on account of the Series A Note shall be determined or required to be includable in the income of the holder for Federal income tax purposes, or if the Note is determined to be an arbitrage bond under Federal law, then the Note shall bear interest during the entire period of taxability on the outstanding balances of principal at the rate per annum on a taxable basis which shall be equal to the National Prime Rate plus Two Percent (2.00%), as published in the Wall Street Journal, in effect from time to time, with a maximum rate of 18%. In such an event, the Borrower will pay to the Bank on demand the difference between (a) the amount of interest which the Bank would have received at the "taxable rate" if the Note had borne interest at the "taxable rate" during the entire period that interest is taxable ; and (b) the amount of interest paid at the "tax-free rate". In addition, the Borrower shall pay all interest and penalties assessed to the Bank by any taxing authority with respect to the taxability of the interest received by the Bank pursuant to the Note. However, this amount shall also be subject to the aforementioned maximum rate of 18%.

5.

Repayment Terms

The Note shall be issued for an approximate eight (8) year term/amortization and shall require an agreed upon payment schedule of principal and interest.

6.

Maturity

The Note shall mature approximately eight (8) years from the date of closing.

7. Prepayment Privileges  
The Note may be prepaid in full or in part at any time without payment of penalty upon thirty day notice.
8. Security  
The Note shall be supported by the general obligation pledge of the full faith, credit and taxing authority of the County of Lackawanna.
9. Use of Proceeds  
The Note will be issued to refund the County of Lackawanna Series A and B of 2002 General Obligation Bonds and fund costs of issuance. The Note shall be fully funded at closing.
10. Covenants  
The Borrower shall maintain a depository relationship with Landmark Community Bank in the form of a debt service fund or commensurate account, as agreed upon by the Bank. Proof of the refunding shall be submitted to the Bank following settlement and upon repayment of the refunded debt.
11. Reporting Covenants  
The Borrower is required to submit to the Bank current financial reports on an annual basis, including audited financial reports within 225 days of the close of the prior fiscal year.
12. Opinion of Counsel  
An opinion of bond/note counsel and the Borrower's solicitor shall be delivered to the Bank, satisfactory in form and scope, as applicable, to the effect that the Note is issued in compliance with the laws of the Commonwealth of Pennsylvania; the Note is not an arbitrage bond; the Borrower has designated the Note as a non-qualified, tax-exempt obligation; and the Note is a valid and binding obligation of the Borrower.
13. Fees and Expenses  
All items required to be furnished to the Bank, whether the transaction contemplated herein closes or not, shall be without cost to the Bank, and shall be the responsibility of the Borrower.
14. Preparation of Documents  
All of the loan documents executed and delivered in connection with the loan agreement, including but not limited to this letter of proposal, general obligation note, Series A and B, ordinance, Commonwealth of Pennsylvania approval, non-arbitrage certificate, and Internal Revenue Service Form 8038-G, and other forms as required, shall be subject to review and approval by the Bank. Drafts of all of the loan documents, opinions, and any further items required by any of them shall

be provided to the Bank by counsel not less than two (2) weeks prior to the scheduled closing date. Counsel expenses related to the Loan documentation will be the responsibility of the Borrower.

15. Acceptance

Unless the period during which you may accept this proposal is extended in writing by the Bank, it must be accepted by the Borrower no later than 12:00 P.M. on March 30, 2012.

16. Termination

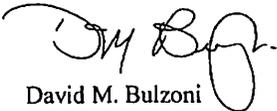
If the transaction contemplated herein does not close on or before April 30, 2012, this commitment will terminate and the Bank will have no liability or further obligation.

This proposal is subject to the drafting of mutually acceptable loan documents satisfactory in form and content to the Bank; e.g., the loan documents may contain provisions not specified in this letter. The Bank reserves the right to withdraw the proposal if, in the Bank's opinion, the provisions of this proposal are not satisfactorily fulfilled prior to closing. The Bank may cancel this transaction upon the occurrence of a materially adverse change with respect to the Borrower, any surety, or any collateral, or if any misrepresentation or material inaccuracy exists with respect to any information supplied to the Bank, or if any adverse information has not been disclosed to the Bank. If the transaction contemplated herein closes, the terms and conditions of this letter of proposal shall survive in the closing and the failure of the Borrower to comply with the terms and conditions hereof shall constitute an event of default under the Note.

This letter of proposal is solely for the benefit of the Borrower, and no other person may obtain any rights hereunder or may be entitled to or rely or claim reliance upon the terms and conditions hereof. This proposal is nontransferable and may not be assigned by the Borrower and no rights of the Borrower hereunder may be transferred without prior written consent of the Bank.

Thank you for the opportunity to serve the County of Lackawanna. If you have any questions, please feel free to contact me at 570-602-4389.

Sincerely,



David M. Bulzoni  
Vice President, Government Banking  
Landmark Community Bank

Pc. M. Vind

APPENDIX A

Bid Form

PROPOSALS MUST BE SUBMITTED AT THE BID DATE AND TIME FEBRUARY 17, 2012 by 11:00 AM. PLEASE PROMPTLY FAX IN BIDS TO FINANCIAL SOLUTIONS LLC AT (610) 988-0843. A FULLY EXECUTED BID FORM MUST BE RECEIVED OR IT MAY BE REJECTED AT THE SOLE DISCRETION OF THE COUNTY.

The submission of this Bid is a representation that the bidder, with the intent of acting as principal in the loan, did not consult with any other potential provider or party about this bid and that the bid was determined without regard to any other formal or informal agreement that the bidder may have with the County or any other person (whether or not in connection with the subject 2012 A Note issue).

I, the undersigned, am an officer of the Bank and am authorized to bind the Bank to the terms of the bid set forth below subject to the terms and conditions of the County's Request for Proposal except for any conditions noted below:

<b>Name of Provider:</b>	<u>Landmark Community Bank</u>
<b>Contact:</b>	<u>David M. Bulzoni</u>
<b>Phone:</b>	<u>570-602-4389</u>
<b>Fax:</b>	<u>570-602-4545</u>
<b>Interest Rate:</b>	<u>3.94%</u>

Dated: February 15, 2012

  
\_\_\_\_\_  
Authorized Officer

APPENDIX A

Bid Form

PROPOSALS MUST BE SUBMITTED AT THE BID DATE AND TIME FEBRUARY 17, 2012 by 11:00 AM. PLEASE PROMPTLY FAX IN BIDS TO FINANCIAL SOLUTIONS LLC AT (610) 988-0843. A FULLY EXECUTED BID FORM MUST BE RECEIVED OR IT MAY BE REJECTED AT THE SOLE DISCRETION OF THE COUNTY.

The submission of this Bid is a representation that the bidder, with the intent of acting as principal in the loan, did not consult with any other potential provider or party about this bid and that the bid was determined without regard to any other formal or informal agreement that the bidder may have with the County or any other person (whether or not in connection with the subject 2012 B Note issue).

I, the undersigned, am an officer of the Bank and am authorized to bind the Bank to the terms of the bid set forth below subject to the terms and conditions of the County's Request for Proposal except for any conditions noted below:

<b>Name of Provider:</b>	<u>Landmark Community Bank</u>
<b>Contact:</b>	<u>David M. Bulzoni</u>
<b>Phone:</b>	<u>570-602-4389</u>
<b>Fax:</b>	<u>570-602-4545</u>
<b>Interest Rate (Taxable):</b>	<u>5.64%</u>

Dated: February 15, 2012

  
\_\_\_\_\_  
Authorized Officer

**NOTICE TO THE TAXPAYERS AND RESIDENTS  
OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA**

NOTICE IS HEREBY GIVEN, that the Board of Commissioners (the "Board") of the County of Lackawanna, Pennsylvania (the "County"), proposes to enact at a meeting of the Board that is to be held not more than thirty (30) days nor less than three (3) days from the date of advertisement of this Notice, an ordinance (the "Ordinance") authorizing, among other things, the incurrence of nonelectoral indebtedness of the County to be evidenced by certain notes of the County (the "Notes). The caption and summary of the Ordinance to be considered by the County at such meeting is as follows:

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE TWO SERIES OF FEDERALLY TAXABLE AND/OR TAX EXEMPT GENERAL OBLIGATION NOTES OF THE COUNTY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHT MILLION EIGHT HUNDRED EIGHTY THOUSAND DOLLARS (\$8,880,000) (COLLECTIVELY, THE "NOTES") PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, PA.C.S. 53, CHAPTERS 80-82, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE COUNTY; DETERMINING THAT SUCH NOTES SHALL EVIDENCE NONELECTORAL DEBT OF THE COUNTY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR CERTAIN PROJECTS OF THE COUNTY CONSISTING OF ALL OR ANY OF THE FOLLOWING: (1) CURRENTLY REFUNDING THE COUNTY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES A OF 2002; (2) CURRENTLY REFUNDING THE COUNTY'S OUTSTANDING TAXABLE GENERAL OBLIGATION BONDS, SERIES B OF 2002; AND (3) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE NOTES; SETTING FORTH THE REASONABLE ESTIMATED USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE REFINANCED BY THE NOTES; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH NOTES AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH NOTES, WHEN ISSUED, SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE COUNTY; FIXING THE DENOMINATIONS, SERIES DESIGNATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES, REDEMPTION PROVISIONS, AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTES; AUTHORIZING SPECIFIED OFFICERS OF THE COUNTY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE NOTES; SETTING FORTH THE SUBSTANTIAL FORMS OF THE NOTES EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTES; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTES TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY IN SUPPORT THEREOF; CREATING A SINKING FUND FOR EACH SERIES OF NOTES TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH NOTES WHEN DUE; AUTHORIZING THE EXECUTION OF ONE

OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE COUNTY AND THE ESCROW AGENT NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF ANY OR ALL OF THE PRIOR BONDS; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH NOTES; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE COUNTY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE PROJECT; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE COUNTY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE NOTES, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH NOTES, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE COUNTY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE COUNTY TO DELIVER THE NOTES UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; IF APPLICABLE, SETTING FORTH CERTAIN COVENANTS PRECLUDING THE COUNTY FROM TAKING ACTIONS WHICH WOULD CAUSE THE 2012A NOTE TO BECOME "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY BONDS," AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HEREWITH.

A copy of the full proposed text of the Ordinance described above, which includes a copy of the substantial forms of the Notes evidencing the nonelectoral indebtedness to be incurred by the County, may be examined by any citizen at the office of the Chief of Staff of the County, located at the Lackawanna County Administration Building, 200 Adams Avenue, Sixth Floor, Scranton, Pennsylvania 18503, on any regular business day between the hours of 8:30 a.m. and 4:30 p.m., prevailing time.

The Ordinance currently on file will be completed by insertion of certain information and will be amended prior to enactment by the County to reflect the details of the proposal for the purchase of such indebtedness (the "Purchase Proposal") presented to the County at such meeting by the Purchaser (the "Purchaser"). The Ordinance may be amended in any other respect upon final enactment by the County as the County may deem necessary or appropriate or as may be required by the Purchase Proposal of the Purchaser presented at such meeting.

THE ORDINANCE CURRENTLY ON FILE, AMONG OTHER THINGS,

ESTIMATES THAT THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE NONELECTORAL INDEBTEDNESS TO BE INCURRED BY THE COUNTY TO BE \$8,880,000; HOWEVER, SUCH AMOUNT MAY BE INCREASED OR DECREASED PRIOR TO FINAL ENACTMENT.

If the Ordinance is enacted, a notice of enactment, including a summary of any omitted details (including the amount of indebtedness to be incurred and the principal amount of the Note to be issued, the purchase price for the Note, the interest rate to be borne by the Note, the maturity date and redemption provisions of the Note, and a summary of any other amendments made on final enactment) will be advertised after enactment and posted in accordance with the provisions of the Local Government Unit Debt Act.

This Notice is published in compliance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania.

Chief of Staff  
County of Lackawanna, Pennsylvania