



County of Lackawanna

Lackawanna County
Administration Building
200 Adams Avenue
Scranton, Pennsylvania
18503

Certified Copy

Ordinance: 17-0272

File Number: 17-0272

Ordinance #250

Second Reading

General Obligation Bonds

First Reading: October 18, 2017

Second Reading: November 1, 2017

ORDINANCE #250

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

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS OF THE COUNTY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FORTY-TWO MILLION DOLLARS (\$42,000,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 P.A.C.S., CHAPTERS 80-82, AS AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE COUNTY; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE COUNTY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR A CERTAIN PROJECT OF THE COUNTY WHICH CONSISTS OF THE FOLLOWING: (1) CURRENTLY REFUNDING THE COUNTY'S OUTSTANDING GENERAL OBLIGATION NOTES, SERIES B OF 2009; (2) THE PAYMENT OF THE COSTS OF TERMINATING AN INTEREST RATE MANAGEMENT AGREEMENT RELATING TO THE BONDS, IF APPLICABLE; AND (3) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; SETTING FORTH THE REASONABLE ESTIMATED REMAINING USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE REFINANCED BY THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE COUNTY; FIXING THE DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES AND REDEMPTION

PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE COUNTY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY IN SUPPORT THEREOF; CREATING ONE OR MORE SINKING FUNDS IN CONNECTION WITH SUCH BONDS, 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 BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; 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 INVESTMENT OF PROCEEDS OF THE BONDS AND THE REFUNDING OF THE COUNTY'S OUTSTANDING GENERAL OBLIGATION NOTES, SERIES B OF 2009; 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 BONDS, 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 BONDS, 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 BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE COUNTY FROM TAKING ACTIONS WHICH WOULD CAUSE THE BONDS 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 THE PURCHASE OF BOND INSURANCE (IF APPLICABLE) AND SETTING FORTH THE PROVISIONS, IF ANY, REQUIRED TO BE INCLUDED BY THE BOND INSURER; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT BY AND BETWEEN THE COUNTY AND THE ESCROW AGENT NAMED THEREIN IN CONNECTION WITH THE REFUNDING OF THE COUNTY'S OUTSTANDING GENERAL OBLIGATION NOTES, SERIES B OF 2009, IF NECESSARY OR DESIRABLE; APPROVING THE PREPARATION, USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT BY THE PURCHASER IN CONNECTION WITH THE MARKETING OF THE

BONDS; APPROVING AN INTEREST RATE MANAGEMENT PLAN; APPROVING THE FORM OF AN INTEREST RATE MANAGEMENT AGREEMENT AND/OR THE FORM OF AN AMENDMENT TO AN EXISTING INTEREST RATE MANAGEMENT AGREEMENT TO RELATE TO THE BONDS; APPROVING THE MAXIMUM RATE OF INTEREST PAYABLE BY THE COUNTY UNDER AND IN CONNECTION WITH THE BONDS AND THE INTEREST RATE MANAGEMENT AGREEMENT AND THE METHOD OF CALCULATING THE RATE OF INTEREST PAYABLE BY THE COUNTERPARTY UNDER THE INTEREST RATE MANAGEMENT AGREEMENT; APPROVING THE TERM OF THE INTEREST RATE MANAGEMENT AGREEMENT; COVENANTING TO MAKE PAYMENTS OF THE COUNTY UNDER AND IN CONNECTION WITH THE BONDS AND THE INTEREST RATE MANAGEMENT AGREEMENT; AUTHORIZING THE PREPARATION OF A TRANSCRIPT OF PROCEEDINGS TO BE FILED WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT IN CONNECTION WITH THE INTEREST RATE MANAGEMENT AGREEMENT; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING FOR THE REPEALING OF 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, in contemplation of the issuance and sale of one or more series of its general obligation bonds in an aggregate principal amount not to exceed Forty-Two Million Dollars (\$42,000,000), to provide funds for and towards certain projects of the County, has determined that the Bonds (hereinafter defined) shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act") and has determined that a private sale by negotiation is in the best financial interests of the County; and

WHEREAS, the Board of Commissioners of the County (the "Board") has determined that such Bonds will be issued as one or more series of general obligation bonds designated generally as "County of Lackawanna, Pennsylvania, General Obligation Bonds, Series of 2019 (the "Bonds") or such other name or designation including the appropriate designation of the series and year such Bonds are issued as shall be selected by the Chairman or Vice Chairman of the Board upon delivery of each series of the definitive Bonds in accordance with this Ordinance; and

WHEREAS, the Board has determined to accept the proposal of Boenning & Scattergood, Inc., West Conshohocken, Pennsylvania, as representative (the "Purchaser"), for the purchase of the Bonds, such sale to be conditioned upon, among other things, the receipt of approval from the Department of Community and Economic Development of the Commonwealth (the "Department") relating to the incurring of the indebtedness to be evidenced by the Bonds; and

WHEREAS, the County has heretofore issued its \$26,495,000 original aggregate principal amount General Obligation Notes, Series B of 2009 (the "2009B Notes"), a portion of which remains

outstanding, as identified on the attached Exhibit A (such portion of the 2009B Notes, or such other principal amount of the outstanding 2009B Notes to be refunded by the Bonds as shall be selected by the Chairman or Vice Chairman of the Board upon delivery of each series of the definitive Bonds in accordance with this Resolution, being hereinafter referred to as the "Refunded 2009B Notes"); and

WHEREAS, the County desires to authorize the current refunding of the outstanding Refunded 2009B Notes for the purpose of reducing the total debt service over the life of the 2009B Notes; and

WHEREAS, the Bonds which are being issued to currently refund the Refunded 2009B Notes will not be outstanding through a maturity date that could not have been included in the issue of the 2009B Notes; and

WHEREAS, if necessary or desirable, a portion of the proceeds of the Bonds shall be deposited in escrow pursuant to the terms of an escrow agreement (the "2009B Notes Escrow Agreement"), to be executed by and between the County and an escrow agent named therein (the "2009B Notes Escrow Agent"), such that such portion of the proceeds of the Bonds, together with interest to be earned thereon (if any), will be held by the 2009B Notes Escrow Agent in a separate escrow account and irrevocably pledged for the redemption of the Refunded 2009B Notes, all as shall be set forth more fully in the 2009B Notes Escrow Agreement; and

WHEREAS, the Board has determined to and desires to accept the proposal of the Purchaser and to incur nonelectoral debt in the aggregate principal amount not to exceed Forty-Two Million Dollars (\$42,000,000) to fund a certain project (hereinafter described) of the County pursuant to the provisions of the Act; and

WHEREAS, the County has heretofore appointed Financial S&Lutions LLC as its financial advisor and intends to appoint Financial S&Lutions LLC as its "qualified independent representative" (collectively, in such capacities, the "Financial Advisor") to evaluate and advise it with respect to the terms and conditions of an interest rate management agreement in connection with the issuance of the Bonds; and

WHEREAS, the County and PNC Bank, National Association (the "Counterparty") have entered into a qualified interest rate management agreement consisting of an ISDA Master Agreement (including Credit Support Annex thereto), dated as of June 24, 2008, as amended by the Second Amended and Restated Schedule to the ISDA Master Agreement, dated May 22, 2017 (collectively, the "Original Interest Rate Management Agreement"); and

WHEREAS, the County has caused an interest rate management plan (the "Interest Rate Management Plan") to be prepared by the Financial Advisor. In furtherance of the Interest Rate Management Plan, the County intends to amend, modify and/or supplement the Original Interest Rate Management Agreement (the Original Interest Rate Management Agreement as amended, modified and/or supplemented being hereinafter referred to as the "Interest Rate Management Agreement") which in the judgment of the County is designed to manage interest rate risk or interest cost of the County on the Bonds and will assist the County in managing the interest rate risk or interest cost of the County; and

WHEREAS, the Interest Rate Management Plan contains recommendations relating to the process for selecting a counterparty and awarding an interest rate management agreement, and the County has determined that it is in its best financial interest to enter into a negotiated interest rate management pursuant to the Interest Rate Management Agreement with the Counterparty with respect to the Bonds; and

WHEREAS, the Interest Rate Management Plan and other materials provided to the County by the Financial Advisor and the Counterparty have identified and disclosed the risks inherent in the contemplated transaction, and the County recognizes that implementation of such transaction may result in exposure of the County to risks such as but not limited to: interest rate, counterparty credit, yield curve, termination, basis, credit, rollover, tax, market access, liquidity/remarketing and amortization.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board of Commissioners of the County of Lackawanna, Pennsylvania, in lawful session duly assembled, as follows:

Section 1. Pursuant to the provisions of this Ordinance, the Board hereby authorizes and directs the issuance of one or more series of general obligation bonds in the aggregate principal amount not to exceed Forty-Two Million Dollars (\$42,000,000) to be designated generally as "County of Lackawanna, Pennsylvania, General Obligation Bonds, Series of 2019", or such other name or designation including the appropriate designation of the series and year such Bonds are issued as shall be selected by the Chairman or Vice Chairman of the Board upon delivery of the definitive Bonds in accordance with this Ordinance. The Bonds shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation. In connection therewith, the Board hereby finds and determines that a private sale by negotiation is in the best financial interests of the County.

Section 2. The Board determines that the debt to be incurred pursuant to this Ordinance, which will be evidenced by the Bonds, shall be nonelectoral debt of the County.

Section 3. A brief description of the project (the "Project") to be funded with the proceeds of the Bonds is as follows: (1) currently refunding the Refunded 2009B Notes, (2) the payment of the costs of terminating the Interest Rate Management Agreement, if applicable, and (3) paying the costs and issuance of the issuance of the Bonds.

The remaining realistic estimated useful lives of the capital projects that were refinanced by the proceeds of the 2009B Notes which are to be refinanced by a portion of the proceeds of the Bonds are at least 20 years. It is hereby certified that an aggregate principal amount of the Bonds at least equal to the realistic estimated cost of each such capital project shall mature prior to the end of the useful life of such project.

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

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

Section 4. In connection with the issuance and sale of the Bonds, the Board of the County, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the current refunding of the Refunded 2009B Notes is to reduce total debt service over the life of the 2009B Notes; and (b) that the current refunding of the Refunded 2009B Notes 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 Bonds issued to effect the current refunding of the Refunded 2009B Notes does not extend to a date that could not have been included in the 2009B Bond issue.

The Board hereby authorizes and directs the Chairman or Vice Chairman of the Board to determine the principal amount of the outstanding 2009B Bonds to be refunded upon delivery of each series

of the definitive Bonds in accordance with this Resolution and 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 Refunded 2009B Notes, including, but not limited to, providing notice to Community Bank, N.A., previously Community Bank National Association d/b/a First Liberty Bank & Trust, Scranton, Pennsylvania, as Paying Agent for the Refunded 2009B Notes, to call the Refunded 2009B Notes for optional redemption in full on September 15, 2019, or such other date as selected by the Chairman or Vice Chairman of the Board upon delivery of the definitive Bonds in accordance with this Ordinance. In accordance with Section 8246 of the Act, it is the intent of the Board that the Refunded 2009B Notes shall no longer be outstanding from and after the date of the issuance of the Bonds.

Section 5. Subject to the approval of the Department, as required by the provisions of the Act, the Board shall and does hereby accept the proposal of the Purchaser, for the purchase of the Bonds in accordance with the terms and conditions of this Ordinance and the Purchaser's proposal, dated November __, 2017 (the "Proposal"). The sale of the Bonds shall be for an aggregate purchase price of not less than 96% of the aggregate par amount of the Bonds issued by the County, exclusive of any original issue discount and any original issue premium, plus accrued interest, if any, from the date of the Bonds to the date of delivery thereof. The Chairman or Vice Chairman of the Board is hereby authorized and directed to accept and to execute the Proposal and any supplements, amendments and/or confirmations thereto in the name and on behalf of the County, and Andrew M. Wallace, as Chief of Staff of the County (the "Chief of Staff"), or the Assistant Chief of Staff of the County is hereby authorized and directed to attest to such acceptance and execution. A copy of the Proposal, as presented to the Board and accepted by this Ordinance, is incorporated herein by reference and shall be attached to this Ordinance and maintained with the minutes of this meeting. The bid security, if any, accompanying the Proposal shall be held and shall be applied as provided by the Act; provided, however, that no allowance for interest shall be made by the County with respect to such bid security, except as provided by the Act. Upon final pricing of each series of the Bonds, the Purchaser will present to the County an addendum or confirmation to the Proposal for each series of the Bonds setting forth the final terms and conditions of each series of the Bonds, including the final principal amount, interest rates, redemption provisions and purchase price for each series of the Bonds (collectively, the "Addendum"). As long as the terms and conditions set forth in the Addendum satisfy the parameters set forth in this Ordinance, the Chairman or Vice Chairman of the Board is hereby authorized and directed to accept and to execute the Addendum in the name and on behalf of the County, and the Chief of Staff or Assistant Chief of Staff of the County is hereby authorized and directed to attest to such acceptance and execution.

Section 6. Each series of the Bonds, when issued, will be a general obligation of the County.

Section 7. Each series of the Bonds shall be fully registered, without coupons, in denominations of \$5,000 or any integral multiple thereof, in substantially the form hereinafter set forth in Section 10. Each series of the Bonds shall be dated and shall bear interest from that date at the applicable rates per annum on the dates (each an "Interest Payment Date"), until maturity or prior redemption, as set forth in the definitive Bonds for such series as delivered to the Purchaser in accordance with the provisions hereof, subject, in each case, to the parameters set forth in Section 8.

Section 8. The Bonds shall bear the maximum rates of interest and shall mature, whether by maturity or mandatory sinking fund redemption, on the dates and in the maximum amounts as set forth on Exhibit B attached hereto.

Each series of the Bonds shall be issued in such aggregate principal amounts among series, as serial bonds or term bonds and shall be subject to optional and mandatory sinking fund redemption as set forth in the definitive Bonds as delivered to the Purchaser in accordance with the provisions hereof and the delivery instructions of the Purchaser; provided however that the interest rates on the Bonds, and any serial maturities or mandatory sinking fund redemption amounts shall be within the parameters set forth on Exhibit B.

In lieu of such mandatory redemption, the Paying Agent, on behalf of the County, may purchase, from money in the hereinafter-defined Sinking Funds, or the County may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of the same series and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent (hereinafter defined) as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

If at the time of mailing of the notice of redemption the County shall not have deposited with the Paying Agent moneys sufficient to redeem all of the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by such Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under this Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption 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 day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

Section 9. The proper officers of the County are hereby authorized, empowered and directed to contract with The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania, as paying agent, or such other paying agent which shall be a bank or bank and trust company authorized to do business in the

Commonwealth, as may be selected by the Chairman or Vice Chairman of the Board upon delivery of each series of the definitive Bonds in accordance with this Ordinance (any such paying agent selected in accordance with this Section 9 being hereinafter referred to as the "Paying Agent"), for its services as paying agent and sinking fund depository in accordance with the terms and conditions of the Proposal, this Ordinance and the Act. Payment of the principal of and interest on the Bonds shall be made, when due, in accordance with the provisions of the Bonds, at the corporate trust office of the Paying Agent in lawful money of the United States of America.

Section 10. Each series of the Bonds shall be in substantially the form set forth in Exhibit C hereto. The form of the Bonds as submitted to the County is hereby approved in substantially such form, with such changes, insertions and variations as are necessary or appropriate to reflect the final terms, including, but not limited to, series designation, interest rates, principal amounts, the name or designation and the final redemption provisions, of the Bonds as specified to the County in the delivery instructions of the Purchaser and such other changes as the Chairman or Vice Chairman of the Board may approve upon advice of counsel to the County, such approval to be evidenced by such officer's execution and delivery of the Bonds.

Section 11. The Bonds shall be executed in the name and on behalf of the County by the true or facsimile signature of at least two members of the Board and the true or facsimile official seal of the County shall be affixed thereunto, duly attested by the true or facsimile signature of the Chief of Staff or Assistant Chief of Staff of the County. Said officers are authorized and directed to execute and attest the Bonds. The execution and delivery of the Bonds in accordance with Section 10 hereof shall constitute conclusive proof of the approval of the final terms and provisions of the Bonds by the County.

No Bond constituting one of the Bonds shall be entitled to any benefit under this Ordinance nor shall it be valid, obligatory or enforceable for any purpose until such Bond shall have been registered and authenticated by the Certificate of Authentication endorsed thereon duly signed by the Paying Agent; and the Paying Agent is authorized to register and authenticate the Bonds in accordance with the provisions hereof.

Each series of the Bonds shall initially be issued in the form of one fully-registered Bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Bonds issued in the name of Cede & Co. in accordance with the provisions of this Section may be issued in typewritten form satisfactory to DTC. Except as provided below all of the Bonds shall be registered in the registration books kept by the Paying Agent in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the County or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Paying Agent, in connection with discontinuing the book-entry system as below or otherwise.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price, if any, or interest on such Bonds shall be made to DTC or its nominee. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the County or the Paying Agent with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid.

The County and the Paying Agent shall treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal or

redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of the Bonds, registering the transfer of the Bonds, obtaining any consent or other action to be taken by registered owners of the Bonds and for all other purposes whatsoever; and neither the County nor the Paying Agent shall be affected by any notice to the contrary. Neither the County nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Paying Agent as being a registered owner, with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any such participant; (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; (4) any notice which is permitted or required to be given to registered owners of the Bonds; (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds; or (6) any consent given or other action taken by DTC as the registered owner of the Bonds.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the registered owners of the Bonds under this Ordinance shall be given to DTC.

In connection with any notice or other communication to be provided to registered owners of the Bonds pursuant to this Ordinance by the County or the Paying Agent with respect to any consent or other action to be taken by registered owners of the Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the County or the Paying Agent may establish a special record date for such consent or other action. The County or the Paying Agent shall give DTC notice of such special record date not less than 10 calendar days in advance of such special record date to the extent possible.

The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if: (1) after notice to the County and the Paying Agent, DTC determines to resign as securities depository for the Bonds; (2) after notice to DTC and the Paying Agent, the County determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the County or the beneficial owners of the Bonds. In any such event, unless the County appoints a successor securities depository, the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated in writing by DTC, but without any liability on the part of the County or the Paying Agent for the accuracy of such designation. Whenever DTC requests the County and the Paying Agent to do so, the County and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable written notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 12. The County covenants to and with the registered owners from time to time of the Bonds that the County (i) shall include in its budget in each fiscal year the amount of the debt service for each fiscal year of the County in which such sums are payable, (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Bonds for such year, and (iii) shall duly and punctually pay or cause to be paid from its Sinking Funds or any other of its revenues or funds the principal amount of the Bonds and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in Section 8104 of the Act, the foregoing covenant of the County shall be enforceable specifically.

Section 13. The County hereby covenants to create and there is hereby created, pursuant to Section 8221 of the Act, a sinking fund for each series of the Bonds issued, each such sinking fund to be known as "Sinking Fund - County of Lackawanna, Pennsylvania, General Obligation Bonds, Series of 2019" (collectively, the "Sinking Funds"), or such other name or designation to coincide with the series of Bonds issued, the name of the Bonds and the series and year issued as selected by the proper officers of the County, which such Sinking Fund shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Ordinance.

Section 14. The Paying Agent shall be the "sinking fund depository" with respect to the Sinking Funds created pursuant to Section 13. The County covenants and agrees to deposit in the Sinking Funds, on or before each Interest Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Interest Payment Date all principal and accrued interest becoming due with respect to the Bonds. After such deposit, the Paying Agent shall, without further authorization or direction from the County or any of its officials, upon proper and timely presentation, execution and surrender of the Bonds, with respect to the payment of principal of the Bonds, or at the Interest Payment Date, with respect to the payment of interest on the Bonds, withdraw moneys from the Sinking Funds and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Ordinance and the provisions of the Act.

Section 15. Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication of such Bonds, unless (a) such Bonds are registered and authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from said Interest Payment Date; or (b) the Bonds are registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bonds shall bear interest from such Interest Payment Date, or (c) the Bonds are registered and authenticated on or prior to the Record Date preceding the first Interest Payment Date, in which event such Bonds shall bear interest from the dated date thereof, or (d) as shown by the records of the Paying Agent, interest on such Bonds shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bonds. Interest shall be paid as set forth in the definitive Bonds, until the principal sum is paid. Interest on the Bonds is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date or such other day approved by the Chairman or Vice Chairman of the Board upon delivery of each series of the definitive Bonds in accordance with this Ordinance (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the County shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of the Bonds not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing or such other day approved by the Chairman or Vice Chairman of the Board upon delivery of each series of the definitive Bonds in accordance with this Ordinance.

If the date for payment of the principal of or the interest on any Bonds 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 remain closed, then the payment of such principal or interest 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 on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the on the nominal date of redemption, and no interest shall accrue after such date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

The County and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

The Bonds shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, at its principal corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Bonds in the registration books of the County maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees new fully registered Bonds of authorized denominations of the same series and maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time.

The County and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered on the registration books of the County maintained by the Paying Agent as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of and/or interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein and in the Bonds provided. All such payments shall be valid and effectual to satisfy in full and discharge the liability of the County upon the Bonds so paid, to the extent of the sum or sums so paid, and neither the County nor the Paying Agent shall be affected by any notice to the contrary.

The County shall cause to be kept, and the Paying Agent shall keep, at the principal corporate trust office of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as the Bonds shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

Section 16. 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 Bonds and the refunding of the Refunded 2009B Notes. The County hereby authorizes and directs the Chairman or Vice Chairman 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 John J. Brazil, Jr., Esquire, as Solicitor to the County (the "Solicitor"), and Bond Counsel to the County. The Investments shall be limited to those authorized under law for proceeds of the Bonds.

Section 17. The Chairman or Vice Chairman of the Board or the Chief of Staff or Assistant Chief of Staff of the County, and, if applicable, their duly qualified respective successors, are each hereby authorized and directed, in the name and on behalf of the County: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare, execute and file with the Department, as required by Section 8111 of the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Proposal of the Purchaser and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the Bonds, including the debt statement and borrowing base certificate; (c) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (d) to pay or cause to be paid from proceeds of the Bonds or otherwise, all costs and expenses incurred by the County in connection with the issuance of the Bonds; (e) to advertise the enactment of this Ordinance, as required by the Act; and (f) to take any and all other action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal of the Purchaser, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the Bonds, to the extent not inconsistent with this Ordinance or applicable law.

The Chairman or Vice Chairman of the Board or the Chief of Staff or Assistant Chief of Staff of the County and, if applicable, their duly qualified respective successors, are each authorized and directed, if necessary or desirable, to cause to be prepared and filed with the Department appropriate statements required by Section 8026 of the Act which are necessary to qualify the nonelectoral or lease rental debt of the County, which is subject to exclusion of self-liquidating or subsidized debt, for exclusion from the appropriate debt limits of the County as self-liquidating or subsidized debt.

Section 18. It is hereby declared that the debt to be evidenced by the Bonds, together with all other indebtedness of the County, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by the County.

Section 19. The proper officers of the County are hereby authorized and directed to deliver the Bonds to the Purchaser, upon due registration and authentication thereof as provided for herein, upon receipt of full and proper payment of the purchase price therefor, provided, however, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 20. The County covenants to and with the registered owners of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (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 Vice Chairman of the Board, being the official(s) responsible for issuing the Bonds, 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 Bonds are not "arbitrage bonds" or "private activity bonds" within the meanings 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 Bonds, which certificate shall set forth the reasonable expectations of the County as to the amount and use of the proceeds of the Bonds.

Section 21. With respect to each series of the Bonds, if determined to be advantageous to the County by the Chairman or Vice Chairman of the Board, the Board hereby authorizes and directs the purchase of a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by a municipal bond insurer (the "Insurer") acceptable to the Purchaser and the Chairman or Vice Chairman of the Board insuring the payment when due of the principal of and interest on such series of the Bonds as provided therein. Proper officers of the County are authorized and directed to take all required, necessary and/or appropriate action with respect to such insurance, including the payment of the premium thereof.

The Chairman or Vice Chairman of the Board and the Chief of Staff or Assistant Chief of Staff of the County are hereby authorized and directed to execute any and all insurance agreements and certificates with or for the benefit of the Insurer as may be necessary regarding the issuance of the Bonds and the delivery of the Municipal Bond Insurance Policy and acceptable to such officers executing the same.

Section 22. If necessary, on the date of delivery of the Bonds, to the extent required for a lawful defeasance of the Refunded 2009B Notes, the proper officers of the County are hereby authorized, empowered and directed to execute, attest and deliver the 2009B Notes Escrow Agreement in the form approved by such officers with the advice of the Solicitor to the County. The 2009B Notes Escrow Agreement shall provide for, among other things, the following: (i) a certification to the 2009B Notes Escrow Agent of the amount required to pay the principal of, premium, if any, and interest on, the Refunded 2009B Notes, (ii) the deposit with the 2009B Notes Escrow Agent of an amount which, when taken together with the interest to be earned thereon, will be in the amount necessary to pay the principal of, premium, if any, and interest on the Refunded 2009B Notes maturing on or after September 15, 2019, the date fixed for the redemption thereof, or such other date as selected by the Chairman or Vice Chairman of the Board, (iii) the investment of the amounts deposited with and held by the 2009B Notes Escrow Agent, (iv) a direction to the 2009B Notes Escrow Agent to cause notice of redemption to be given to the holders of the Refunded 2009B Notes, and (v) the irrevocable pledge and escrow of, and grant of a security interest in favor of the 2009B Notes Escrow Agent of all investments held by it pursuant to the 2009B Notes 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 Refunded 2009B Notes to "no longer be deemed to be outstanding" as of

the date of delivery of the Bonds, within the meaning and for the purposes of Section 8250 of the Act and to pay the principal of and interest due on the Refunded 2009B Notes when due.

Section 23. Actions relating to the Interest Rate Management Plan and the Interest Rate Management Agreement.

(a) Appointment of Financial Advisor; Adoption of the Interest Rate Management Plan. In accordance with the purposes and objectives of the Act, the County hereby adopts and approves the Interest Rate Management Plan prepared and recommended by the Financial Advisor attached hereto as Appendix I, subject to such modifications from time to time as the Chairman or Vice Chairman of the Board, the County's Financial Advisor and counsel to the County shall approve. The County hereby approves and authorizes the use of the process for selecting a counterparty, and awarding the Interest Rate Management Agreement, set forth in the Interest Rate Management Plan. The County will award the Interest Rate Management Agreement by private sale by negotiation. The Financial Advisor is hereby determined to be independent as contemplated by the Act. The County hereby reappoints Financial S&Lutions LLC as its financial advisor and as its "qualified independent representative" for purposes of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (collectively, the "Dodd-Frank Act").

(b) Authorization of the Interest Rate Management Agreement. In order to manage interest costs of the County related to the Bonds, the authorized officers of the County as set forth in (c) below are hereby authorized to execute and deliver the Interest Rate Management Agreement, the substantial form of which is attached hereto as Appendix II. The substantial form of the Interest Rate Management Agreement is hereby approved; provided that, with respect to the Bonds: (i) the notional amount subject to the Interest Rate Management Agreement shall not exceed the then outstanding principal amount of the Bonds, (ii) the term of the Interest Rate Management Agreement shall be no later than the latest maturity date for the Bonds, (iii) the Interest Rate Management Agreement shall obligate the County to pay a fixed interest rate to be determined by the Financial Advisor to be fair and reasonable at the time of final pricing of the Interest Rate Management Agreement, multiplied by the notional amount subject to the Interest Rate Management Agreement at the time in question, at the times and in the manner set forth in the Interest Rate Management Agreement or such other interest rate or method of calculation determined by the Financial Advisor to be fair and reasonable at the time of pricing of the Interest Rate Management Agreement, (iv) the Interest Rate Management Agreement shall obligate the Counterparty to pay 100% of the USD-SIFMA Municipal Swap Index, multiplied by the notional amount subject to the Interest Rate Management Agreement at the time in question, at the times and in the manner set forth in the Interest Rate Management Agreement or such other interest rate or method of calculation determined by the Financial Advisor to be fair and reasonable at the time of pricing of the Interest Rate Management Agreement, and (v) both parties may be required to make certain additional payments (including termination payments) to the extent required under the Interest Rate Management Agreement, however periodic scheduled payments payable by the County under the Interest Rate Management Agreement and debt service payable by the County on the Bonds shall be senior in right and priority of payment to termination payments due under the Interest Rate Management Agreement.

(c) Execution and Delivery of the Interest Rate Management Agreement. The Chairman or Vice Chairman of the Board is hereby authorized to execute the Interest Rate Management Agreement by manual or facsimile signature; the Chief of Staff or Assistant Chief of Staff of the County is hereby authorized to attest by manual or facsimile signature and to affix the seal of the County on the Interest Rate Management Agreement (which is hereby authorized to be impressed or imprinted on the Interest Rate Management Agreement); and following such execution, the officers of the County are hereby authorized to deliver, or to cause to be delivered, the Interest Rate Management Agreement.

The Interest Rate Management Agreement will be a general obligation of the County. The County hereby covenants that it shall include the amount of periodic scheduled payments due thereunder for each fiscal year in which such sums are payable in its budget for that year and shall, unless otherwise paid, include the amount of any termination payments due thereunder, for which revenues are not otherwise available in the fiscal year in which such termination payment is due, in its budget for the fiscal year immediately succeeding the fiscal year in which a termination occurs; shall appropriate such amounts from its general revenues to the payment of such payments; and shall duly and punctually pay or cause to be paid the payments on the dates and places and in the manner stated in the Interest Rate Management Agreement according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment of periodic scheduled payments, the full faith, credit and taxing power of the County is hereby irrevocably pledged. Periodic scheduled payments payable by the County under the Interest Rate Management Agreement and debt service payable by the County on the Bonds shall be equally and ratably payable and secured by the County's covenants under this paragraph to budget and appropriate funds and the County's pledge under this paragraph of its full faith, credit and taxing power.

The maximum and estimated scheduled payment amounts which the County hereby covenants to pay in connection with the Interest Rate Management Agreement are set forth in Schedule I attached hereto.

Attached hereto as Schedule II is the maximum combined obligations of the County with respect to the Bonds (with interest calculated at the maximum rate payable on the Bonds) taking into account the Interest Rate Management Agreement and the Bonds, assuming that the maximum rate on the Interest Rate Management Agreement is in effect, but excluding the amount of any termination payment.

(d) Authorization of Private Sale By Negotiation. In compliance with Section 8281(e) of the Act, the members of the Board, in consultation with the Financial Advisor to the County have determined that a private sale by negotiation rather than public sale is in the best financial interest of the County. The Interest Rate Management Agreement shall be awarded to the Counterparty subject to the requirements of this Ordinance and the Interest Rate Management Plan; provided that the proceedings have been filed with the Department of Community and Economic Development in accordance with paragraph (g) below. The award of the Interest Rate Management Agreement at a private sale by negotiation in accordance with the other terms and conditions set forth in this Ordinance is hereby deemed to be in the best financial interest of the County and is hereby approved.

(e) Execution and Delivery of Documents. In addition to the authorization contained in Section 23(c) hereof, the Chairman or Vice Chairman of the Board is hereby authorized to execute and deliver, in the name of the County and on its behalf, the following documents and to approve the final form and substance thereof, and any amendments or supplements thereto before or after the initial execution and delivery thereof, and to approve the exact notional amount, term and interest rates and interest calculation methods under the Interest Rate Management Agreement (subject to Section 23(b) above), such approvals to be conclusively evidenced by the execution thereof, and the Chief of Staff or Assistant Chief of Staff of the County is hereby authorized to affix to all of the following documents the seal of the County and to attest to the same:

- (i) The Interest Rate Management Agreement; and
- (ii) Such other documents, agreements, instruments and certifications, as the executing officers determine to be reasonable and appropriate to provide for the Interest Rate Management Agreement as authorized by this Ordinance.

Copies of the foregoing documents, together with the other documents relating to the transactions authorized hereby, in final form as executed and delivered by the parties thereto, shall be filed in the official records of the County.

(f) Dating of Interest Rate Management Agreement. The Interest Rate Management Agreement and other documents are presently expected to be dated as of their date of execution at any time after the filing of the proceedings with the Department of Community and Economic Development. The Chairman or Vice Chairman of the Board with the advice of the Financial Advisor and counsel to the County, is hereby authorized and directed to approve in his/her sole discretion the dates and the final pricing, terms and provisions of the Interest Rate Management Agreement and all such other documents, such approval to be conclusively evidenced by the execution of the Interest Rate Management Agreement and such other documents by the Authority.

- (g) Debt Act Proceedings.

The Chairman or Vice Chairman of the Board or the Chief of Staff or Assistant Chief of Staff of the County are each authorized and directed to prepare or cause to be prepared, verify and file the proceedings required by Section 8284 of the Act, and to take other necessary action.

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, is hereby ratified and confirmed, and approved. The advertisement by the Chief of Staff of the County in said paper of the enactment of this Ordinance is hereby directed within fifteen (15) days following the day of final enactment.

Section 24. The proper officers of the County are hereby authorized to execute the Continuing Disclosure Certificate (hereinafter defined) on behalf of the County and the County hereby covenants and agrees that it will comply with and carry out all of the provisions of the

Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder or on the Bonds; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.

As used herein, the term "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate to be executed by the County in order to comply with Securities and Exchange Commission Rule 15c2-12, and dated the date of issuance and delivery of each series of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

As used herein, the term "Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries).

Section 25. The Board hereby approves the preparation, use and distribution of one or more Preliminary Official Statements by the Purchaser in connection with the marketing of each series of the Bonds. The Chairman or Vice Chairman of the Board and the Chief of Staff or Assistant Chief of Staff of the County are hereby authorized to execute and approve one or more final Official Statements relating to each series of the Bonds and any amendments or supplements to the same, provided that the final Official Statement and any amendment and/or supplement shall have been approved by counsel to the County. The Purchaser is hereby authorized to use the final Official Statement (and any amendment or supplement thereto) in connection with the sale of the Bonds.

Section 26. The County hereby appoints and engages Stevens & Lee, P.C., to act as Bond Counsel and Special Counsel to the County in connection with the Interest Rate Management Agreement and hereby reappoints Financial S&Lutions LLC to act as Financial Advisor to the County in connection with the issuance of the Bonds and to facilitate the intent of this Ordinance.

Section 27. All expenses incurred in connection with issuance of the Bonds shall be paid out of the proceeds derived from the issuance of the Bonds and the Chairman or Vice Chairman of the Board are authorized to approve requests for payment of such expenses and to pay such expenses.

Section 28. The officers and officials of the County are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

Section 29. The County hereby determines that terminating all or any portion of the Interest Rate Management Agreement at the time of delivery of the Bonds is in the County's best financial interest and authorizes the termination of the Interest Rate Management Agreement and the payment by the County of any required fee to the Counterparty at the time of such

termination. The Board hereby authorizes the Chairman or Vice Chairman of the Board to (i) determine the notional amount and date of such termination of the Interest Rate Management Agreement and (ii) approve and pay the amount of any required fee due to the Counterparty upon the verification of the Financial Advisor that such fee is fair and reasonable to the County. The officers and officials of the County are hereby authorized to execute and deliver, in the name of the County and on its behalf, any and all documents that may be necessary to effect the termination of all or any portion of the Interest Rate Management Agreement, and to make any filings with the Department in connection with such termination.

The officers and officials of the County are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds and the termination of the Interest Rate Management Agreement, all in accordance with this Ordinance.

Section 30. The proper officers of the County are hereby authorized, jointly and severally, to do any and all other things necessary to effectuate the issuance, execution, delivery and sale of the Bonds and the financing of the Project, including the execution and delivery of any and all additional documents, representations, declarations, loan agreements, reimbursement agreements, security agreements, remarketing agreements, promissory notes, intercreditor agreements, derivative and/or interest rate management agreements, derivative and/or interest rate management termination agreements, escrow agreements, assignments, financing statements, certificates, authorizations, contracts, agreements, insurance binders and other papers as may be necessary to effectuate any of the foregoing, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by the County.

Section 31. 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 32. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

Section 33. This Ordinance shall be effective in accordance with Section 8003 of the Act.


ADOPTED at a regular meeting of the Board of Commissioners of Lackawanna

County held on November 1, 2017.

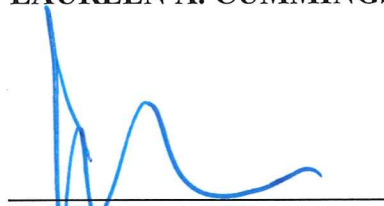
COUNTY OF LACKAWANNA



PATRICK M. O'MALLEY




LAUREEN A. CUMMINGS




JERRY NOTARIANNI

ATTEST:



ANDREW M. WALLACE
CHIEF OF STAFF

Approved as to form and legality:



JOHN J. BRAZIL, JR.
COUNTY SOLICITOR

EXHIBIT A

REFUNDED 2009B BONDS

DEBT STATEMENT PURSUANT TO
LOCAL GOVERNMENT UNIT DEBT ACT

Local Government Unit - County of Lackawanna Pennsylvania, Pennsylvania
Statement as of November 1, 2017

	<u>Electoral</u>	<u>Nonelectoral</u>	<u>Lease Rental</u>
I. GROSS INCURRED DEBT			
List and identify by year of issue			
A. Bonds outstanding	\$ _____	\$ 7,265,000 (2009A)	\$ _____
	\$ _____	\$ 21,675,000 (2010B)	\$ _____
	\$ _____	\$ 44,195,000 (2016A)	\$ _____
	\$ _____	\$ 23,220,000 (2016B)	\$ _____
	\$ _____	\$ 57,500,000 (2017) ¹	\$ _____
	\$ _____	\$ 42,000,000 (2017A) ²	\$ _____
B. Notes outstanding	\$ _____	\$ 8,105,541 (2008D)	\$ _____
	\$ _____	\$ 0 (2009B) ³	\$ _____
	\$ _____	\$ 930,000 (2010A)	\$ _____
	\$ _____	\$ 8,925,000 (2011)	\$ _____
	\$ _____	\$ 1,558,759 (2013)	\$ _____
	\$ _____	\$ 1,319,000 (2014)	\$ _____
	\$ _____	\$ 6,690,470 (2014A)	\$ _____
	\$ _____	\$ 4,885,000 (2015)	\$ _____
	\$ _____	\$ 17,000,000 (2016)	\$ _____
TOTAL	\$ -0-	\$245,268,770	\$ -0-

[The remainder of this page intentionally left blank.]

¹ Notice of Partial Noncompletion of Sale filed herewith

² New issue

³ Total outstanding amount to be refunded upon settlement of new issue

TOTAL FROM PAGE 1	\$ -0-	\$245,268,770	\$ -0-
II. CREDITS AND EXCLUSIONS			
<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, 8026 and Pension Bonds)	\$ _____	\$ _____	\$ _____
TOTAL NET INDEBTEDNESS	\$ -0-	\$245,268,770	\$ -0-

III. The maximum aggregate principal amount of bonds or notes being issued or evidencing lease rental debt:..... \$ 42,000,000

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:..... \$ 26,445,000 ¹

V. The borrowing base as shown by appended borrowing base certificate:..... \$113,589,439

VI. Applicable debt limitations

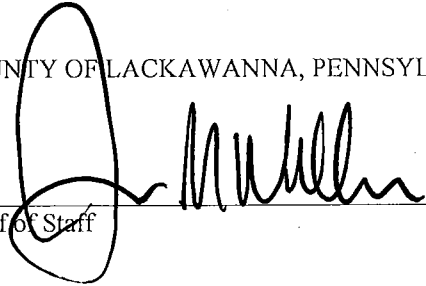
(a) nonelectoral (300%) of the borrowing base)..... \$340,768,317

(b) nonelectoral plus lease rental (400%) of borrowing base)..... \$454,357,756

¹ 2009B Notes outstanding on November 1, 2017

IN WITNESS WHEREOF, I, being an authorized officer of the County of Lackawanna Pennsylvania, and being authorized to prepare, certify and file the foregoing debt statement, have hereunto set my hand and affixed the seal of the County this 1st day of November, 2017.

COUNTY OF LACKAWANNA, PENNSYLVANIA



Chief of Staff

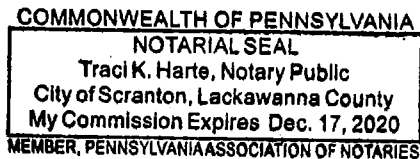
(SEAL)

COMMONWEALTH OF PENNSYLVANIA :
 :SS.
COUNTY OF LACKAWANNA :

Before me, the undersigned Notary Public, personally appeared Andrew M. Wallace, who being duly sworn according to law deposes and says that he is the Chief of Staff of the County of Lackawanna, Pennsylvania, and that the facts set forth in the foregoing are true and correct.

Sworn to and subscribed before me this 1st day of November, 2017.


Notary Public



BORROWING BASE CERTIFICATE

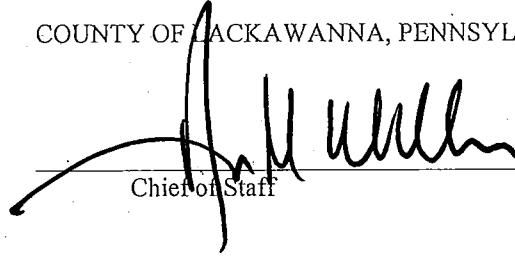
County of Lackawanna, Pennsylvania

Prepared as of November 1, 2017

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>2016</u>	<u>2015</u>	<u>2014</u>
	(Unaudited)		
Total Revenues Received (money from <u>all</u> sources)	\$181,105,664	\$171,854,611	\$154,396,654
<u>Less:</u>			
I. (1) State and Federal subsidies and reimbursements related to a particular project financed by debt	\$ 0	\$ 0	\$ 0
II. (1) Revenues, receipts, assessments, etc., pledged or self-liquidating debt	\$	\$	\$
III. (1) Interest on moneys in sinking funds pledged for debt	\$ 7,909	\$ 210	\$ 197
IV. (1) Grants and gifts-in-aid measured by construction or acquisition of specific projects	\$ 65,859,165	\$ 55,923,290	\$ 44,797,841
V. (1) Nonrecurring Receipts	\$ _____	\$ _____	\$ _____
SUBTOTAL	\$115,238,590	\$115,931,111	\$109,598,616
TOTAL NET REVENUES			\$340,768,317
BORROWING BASE (Total Net Revenues divided by 3)			\$113,589,439

COUNTY OF LACKAWANNA, PENNSYLVANIA



Chief of Staff

(SEAL)

EXHIBIT B

MAXIMUM DEBT SERVICE SCHEDULE

COUNTY OF LACKAWANNA, PENNSYLVANIA

APPLICATION FORM

In the Matter of the Proposed Incurrence of
Indebtedness in
Accordance with the Provisions of the
Local Government Unit Debt Act

TO: Department of Community and Economic Development
Commonwealth Keystone Building
400 North Street
Fourth Floor
Harrisburg, PA 17120

Re: County of Lackawanna, Pennsylvania
Nonelectoral Debt in the Principal Amount
Not to Exceed \$42,000,000

November 1, 2017

Application is hereby made pursuant to Section 8111(a) the Local Government Unit Debt Act, as amended (the "Act"), for approval of the proceedings taken by the County of Lackawanna, Pennsylvania (the "County"), to incur nonelectoral debt in the aggregate principal amount not to exceed \$42,000,000 and to evidence the same by the issuance of one or more series of general obligation bonds in the same aggregate principal amount.

It is hereby certified to the Department of Community and Economic Development that each of the two (2) originals of the transcript of proceedings enclosed and as listed below is a complete and accurate copy of the proceedings of the County for the incurring of said debt:

- (a) This Application for Approval;
- (b) Proof of Publication of Preenactment Notice;
- (c) Proof of Publication of Postenactment Notice;
- (d) Ordinance;
- (e) Purchase Proposal;
- (f) Certified Debt Service Schedule and Supporting Schedules, if any; and
- (g) Debt Statement including Borrowing Base Certificate.

In accordance with the Act, the County reserves the right to file a further Debt Statement claiming any additional credits and exclusions as it may be entitled to with respect to the gross indebtedness presently outstanding and the debt presently to be incurred.

Please return one (1) copy with your approval attached at your earliest convenience to Sally Billings, Legal Assistant, Stevens & Lee, P.C., 1460 Wyoming Avenue, Forty Fort, Pennsylvania 18704.

Thank you very much for your cooperation.

Very truly yours,

COUNTY OF LACKAWANNA,
PENNSYLVANIA

BY: 

Chief of Staff

(SEAL)

Bond Purchase Agreement

for

County of Lackawanna
Pennsylvania

\$42,000,000 Maximum Aggregate Principal Amount,
General Obligation Bonds, Series of 2019

November 1, 2017

BOENNING & SCATTERGOOD

ESTABLISHED 1914

**County of Lackawanna
Pennsylvania
General Obligation Bonds, Series of 2019**

BOND PURCHASE AGREEMENT

November 1, 2017

Patrick M. O'Malley, Chairman
Board of County Commissioners
County of Lackawanna
200 Adams Avenue – 6th Floor
Scranton, Pa. 18503

Honorable Board Members:

The undersigned authorized representative of Boenning & Scattergood, Inc. acting as an Underwriter on its own behalf, and as representative (in such capacity, the "Representative") for PNC Capital Markets LLC (collectively, the "Underwriters"), acting not as a fiduciary or agent for you, offers to enter into this bond purchase agreement (the "Bond Purchase Agreement" or the "Agreement") with the County of Lackawanna, Pennsylvania (the "Issuer") which, upon the Issuer's written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Ordinance (as defined herein) or in the Official Statement (as defined herein).

Establishment of Issue Price

(a) The Underwriters agree to assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at the date of Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales prices or prices or the initial offering price or prices to the public of the Bonds.

(b) The County will treat the first price at which 10% of each maturity of the Bonds is sold to the public as the issue price of that maturity (the "10% test"). If different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test.

(c) The final interest rates, initial offering prices and yields, redemption provisions (optional and mandatory), sources and uses of funds and any other appropriate terms and conditions applicable to the Bonds, not inconsistent with the Ordinance, also shall be as

set forth in an addendum to this Agreement, to be executed by both parties at least ten (10) days prior to the date of Closing (hereinafter defined) of the Bonds (the "Addendum"). The Underwriters confirms that the Underwriters have offered the Bonds to the public on or before the date of the Addendum at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the County and the Underwriters agree that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriters shall promptly advise the Issuer and its financial advisor when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Representative confirms that any agreement among Underwriter, any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative. The County acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriter and the relating pricing wires; (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each

underwriter shall be solely liable for its failure to comply with its agreement regarding the hold the offering price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with such other Underwriter's agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Representative acknowledges that sales of any Bonds to any person that is a related party to a Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

- (1) "public" means any person other than an underwriter or a related party,
- (2) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) "sale date" means the date of execution of this Agreement by the Issuer and the Underwriter.

1. *Purchase and Sale of the Bonds.* Conditioned upon market availability, usual and customary Underwriter review and approvals, customary Bond documentation and opinions and the absence of either party terminating this Agreement pursuant to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer's general obligation bonds (the "Bonds"), to be issued in one or more series, from time to time, under an ordinance enacted by the Issuer on November 1, 2017 (the "Ordinance") and more fully described herein. Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer understands, and hereby confirms, that with respect to the Underwriters' purchase of the Bonds, neither of the Underwriters is acting as a fiduciary of the Issuer, but rather are acting solely in their capacities as Underwriters for their own accounts.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Bond Purchase Agreement, and (iv) the Issuer has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds. The Representative has been duly authorized to execute this Agreement and to act hereunder by the Underwriters, and he and each Underwriter are registered under the Securities Exchange Act of 1934, as amended, as a broker or dealer, or are exempt from such registration pursuant to rules promulgated, or an order issued, by the Securities Exchange Commission and are not prohibited from acting as an Underwriter of the Bonds by the application of Rule G-37 of the Municipal Securities Rulemaking Board (the "MSRB").

The maximum aggregate principal amount of the Bonds to be issued, in one or more series, from time to time, the maximum annual principal maturity or mandatory sinking fund payment amounts, and the maximum interest rate(s) per annum, are set forth in Schedule A attached hereto and incorporated herein by this reference. The Bonds are described in, and shall be issued and secured under and pursuant to, the Ordinance. The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania (the "Paying Agent"), shall serve as paying agent, sinking fund depository and registrar for the Bonds.

The aggregate purchase price for the Bonds shall be not less than 96% of the aggregate par amount of the Bonds, exclusive of any original issue discount, and any, original issue premium, plus accrued interest, if any. The final interest rates, initial offering prices and yields, redemption provisions (optional and mandatory), sources and uses of funds and any other appropriate terms and conditions applicable to each series of the Bonds, not inconsistent with the Ordinance, also shall be as set forth in an addendum to this Agreement, to be executed by both parties at least fifteen (15) days prior to the date of Closing (hereinafter defined) of the applicable series of the Bonds (the "Addendum"); provided, however, that in addition to the rights granted to the Underwriter in Section 7 of this Agreement, and without limitation thereof, the Underwriters shall have no obligation to purchase a series of the Bonds if, in its sole judgment, it determines in good faith that it cannot market such series of the Bonds at interest rates not exceeding the maximum interest rates per annum (6.500%) set forth in Schedule I attached hereto.

2. *Public Offering.* The Underwriters agree to make a bona fide public offering of all of the series of Bonds issued from time to time at prices, not to exceed the public offering price(s) described above, which will be set forth on the cover of an Official Statement to be prepared by or on behalf of the Issuer (the "Official Statement") in connection with the marketing and issuance of each series of the Bonds. The Underwriters may subsequently change such offering price(s) without any requirement of prior notice. The Underwriters may offer and sell each series of Bonds to certain dealers (including dealers depositing Bonds into

investment trusts) and others at prices lower than the public offering price stated on the cover of the appropriate Official Statement. The Underwriters at or prior to the date of Closing, shall deliver to the Issuer a certificate or certificates stating the "issue price" and "yield" (as such terms are defined in the Code (hereinafter defined)) in form and substance satisfactory to Bond Counsel.

3. *The Preliminary Official Statement and the Official Statement*

(a) Upon request of the Underwriters, following notification by the Issuer that it intends to issue a series of Bonds under the Ordinance, a Preliminary Official Statement (the "Preliminary Official Statement") shall be prepared for use by the Underwriters in connection with any public offering, sale or distribution of any series of the Bonds. The appropriate Preliminary Official Statement shall be deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of such series of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The Issuer hereby consents to the use by the Underwriters of the appropriate Preliminary Official Statement in connection with a public offering of any series of the Bonds.

(b) Not later than seven (7) business days after the Issuer and the Underwriters execute the Addendum to this Agreement establishing the final terms applicable to any series of the Bonds, and in sufficient time to accompany any confirmation that requests payment from any customer, the Issuer shall provide to the Underwriters copies of the applicable Official Statement satisfying the requirements of the Rule. The applicable Official Statement shall be complete as of the date of its delivery to the Underwriters and in such quantity as the Underwriters shall request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Issuer hereby authorizes the applicable Official Statement and the information therein contained to be used by the Underwriters in connection with the public offering and the sale of any series of the Bonds.

(c) If, after the date of any Official Statement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the Electronic Municipal Market Access system ("EMMA"), but in no case less than 25 days after the "end of the underwriting period" for the applicable series of the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriters (and for the purposes of this clause provide the Underwriters with such information as it may from time to time request), and if, in the opinion of the Underwriters, such fact or event requires preparation and publication of a supplement or amendment to the Official

Statement, the Issuer will forthwith prepare and furnish, or cause to be prepared and furnished, at the Issuer's own expense (in a form and manner approved by the Underwriters), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriters may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(d) The Underwriters hereby agree to file each Official Statement with the Electronic Municipal Market Access System maintained by the MSRB. Unless otherwise notified in writing by the Underwriters, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. *Representations, Warranties, and Covenants of the Issuer.* The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth" or "State") duly created, organized and existing under the laws of the Commonwealth, and is a "local government unit" under the Local Government Unit Debt Act, as amended and supplemented (the "Act"), and has full legal right, power and authority under the Act, and at the date of the Closing will have full legal right, power and authority under the Act and the Ordinance (i) to enter into, execute and deliver this Agreement, the Ordinance and a Continuing Disclosure Undertaking (the "Undertaking") as defined in Section 6(i)(4) hereof and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Ordinance, the Undertaking and the other documents referred to in this clause (i) are hereinafter referred to as the "Issuer Documents"), (ii) to sell, issue and deliver the Bonds to the Underwriters, in one or more series, as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, or such later date satisfactory to the Underwriters, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Ordinance and the issuance and sale of the Bonds, in one or more series, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein, in the Ordinance and in the Official Statement;

(c) The Issuer Documents do or will, at Closing, constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Ordinance and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Ordinance and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Ordinance will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge it purports to create as set forth in the Ordinance;

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision law or administrative regulation of the Commonwealth or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party relating to the transaction contemplated by this Agreement and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Ordinance and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Ordinance;

(e) All authorizations and approvals of governmental authorities, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents, and the Bonds have been or will be duly obtained;

(f) The Bonds shall conform to the descriptions thereof to be set forth in the appropriate Official Statement under the caption "The Bonds"; the description of the Ordinance to be contained in the appropriate Official Statement under the caption "Introduction" shall conform to the Ordinance; the proceeds of the sale of the Bonds will be applied generally as described in the Addendum to this Agreement and the appropriate Official Statement under the caption "Purpose of the Issue"; and the Undertaking shall conform to the description thereof to be contained in the appropriate Official Statement under the caption "Continuing Disclosure Undertaking";

(g) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer after due inquiry threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, or the collection of taxes pledged to the payment of principal of and interest on the Bonds, pursuant to the Ordinance or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes under existing laws or the exclusion from gross income of interest on the Bonds from Pennsylvania personal income tax and Pennsylvania personal property taxes under the laws of the Commonwealth, or contesting in any way the timing or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Ordinance or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, if any such action does exist or is threatened, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) As of its date, the appropriate Preliminary Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) From its date (unless the appropriate Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Agreement), up to and including the date of Closing, the appropriate Official Statement shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) The Issuer will apply, or cause to be applied, the proceeds from the sale of each series of the Bonds as provided in and subject to all of the terms and provisions of the Ordinance and will not take or omit to take any action that would adversely affect the exclusion from gross income for federal income tax purposes or Pennsylvania income tax purposes of the interest on each series of the Bonds;

(k) The financial information regarding the Issuer in the appropriate Official Statement shall fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. Prior to the applicable Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer. The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(l) Prior to the applicable Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money, payable from or secured by any of the revenues or assets which will secure the Bonds without prior notice to the Underwriters;

(m) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein; and

(n) The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Agreement, and (iv) the Issuer has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds. The Representative has been duly authorized to execute this Agreement and to act hereunder by the Underwriters, and he and each Underwriter are registered under the Securities Exchange Act of 1934, as amended, as a broker or dealer, or are exempt from such registration pursuant to rules promulgated, or an order issued, by the Securities Exchange Commission and are not prohibited from acting as an Underwriter of the Bonds by the application of Rule G-37 of the Municipal Securities Rulemaking Board (the "MSRB")

5. *Closing*

(a) On such date or dates that shall have been mutually agreed upon by the Issuer and the Underwriters (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds in one or more series, as appropriate, to the Underwriter via the Book-Entry Only System of The Depository Trust Company, New York, New York, together with the other documents hereinafter mentioned, and the Underwriters will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds in one or more series from time to time, as set forth in Section 1 of this Agreement, by a wire transfer payable in immediately available funds to the order of the Issuer. Payment for the applicable series of Bonds as aforesaid shall be made at the offices of the Paying Agent, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriters.

(b) The applicable series of Bonds shall be delivered to the Paying Agent in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the applicable series of Bonds, registered in the name of Cede & Co., all as provided in the Ordinance. Upon request, copies of the executed

Bonds shall be made available to the Underwriters at least one business day before the Closing for purposes of inspection.

6. *Closing Conditions.* The Underwriters have entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing for each series of the Bonds, from time to time, and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the appropriate Closing. Accordingly, the Underwriters' obligation under this Agreement to purchase, to accept delivery of and to pay for the applicable series of Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriters:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the applicable Closing, as if made on the date of the applicable Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the applicable Closing;

(c) At the time of the applicable Closing, (i) the Issuer Documents and the appropriate series of Bonds shall be in full force and effect in the form heretofore approved by the Underwriters and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriters; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel to deliver their respective opinions referred to hereafter;

(d) At or prior to the applicable Closing, the Ordinance shall have been duly adopted by the Issuer and be in full force and effect, and the Issuer shall have duly executed and delivered the appropriate series of Bonds to the Paying Agent for the Paying Agent's authentication of the appropriate series of Bonds;

(e) At the time of the applicable Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that in the judgment of the Underwriters, is material and adverse and that makes it, in the judgment of the Underwriters, impracticable to market the appropriate series of Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriters;

(h) At or prior to the appropriate Closing, the Underwriters shall have received copies of each of the following documents:

(1) The applicable Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by an officer of the Issuer; or such other official as may have been agreed to by the Underwriters, and the reports and audits referred to or appearing in the applicable Official Statement;

(2) The Ordinance with such supplements or amendments as may have been agreed to by the Underwriters;

(3) This Agreement, together with all addendums pertaining to the final terms of the applicable series of the Bonds, duly executed by the Issuer;

(4) The Undertaking of the Issuer, which satisfies the requirements of section (b)(5) of the Rule;

(5) The opinion of Bond Counsel in form and substance satisfactory to the Underwriters with respect to the applicable series of Bonds, together with a reliance letter addressed to the Underwriters;

(6) A certificate, dated the date of the appropriate Closing, of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of the appropriate Closing as if made on the date of the appropriate Closing; (ii) no litigation or proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the applicable series of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues, and other income, or the levy or collection of taxes to pay the principal of and interest on the applicable series of the Bonds, or the pledge of the full faith, credit and taxing power of the Issuer, within the limits established by law, for payment of the applicable series of the Bonds; (iii) the resolutions of the Issuer authorizing the execution, delivery and/or performance of the applicable Official Statement, the applicable series of the Bonds and Issuer Documents have been duly adopted by the Issuer, are in full force and effect and have not been modified, amended or repealed, and (iv) to the best of its knowledge, no event affecting the Issuer has occurred since the date of the applicable Official Statement which should be disclosed in

the applicable Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of applicable Closing, and the information contained in the applicable Official Statement is correct in all material respects and, as of the date of the applicable Official Statement did not, and as of the date of the applicable Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(7) A certificate of the Issuer in form and substance satisfactory to Bond Counsel (a) setting forth the facts, estimates and circumstances in existence on the date of the appropriate Closing, which establish that it is not expected that the proceeds of the applicable series of the Bonds will be used in a manner that would cause the applicable series of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions representations and expectations contained in such certificate;

(8) Any other certificates and opinions required by the Ordinance for the issuance thereunder of the applicable series of the Bonds;

(9) Standard financial guaranty insurance policies ("Policies") for the Bonds issued by the Bond Insurer together with (A) an opinion of the Bond Insurer's Counsel with respect to the validity and enforceability thereof, and (B) a certificate of the Bond Insurer with respect thereto, in each case satisfactory to the Representative and Bond Counsel, evidencing the payment by the Issuer of the full premiums therefor and

(10) Evidence satisfactory to the Representative that the Bonds have received a rating by Standard and Poor's Rating Services ("S&P"), satisfactory to the Representative.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the applicable series of Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the applicable series of Bonds shall be terminated for any reason permitted by this

Agreement, this Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder.

7. *Termination.* Either party shall have the right to terminate this Agreement and their obligations hereunder if, between the date of this Agreement and the Closing, the market price or marketability of the applicable series of Bonds shall be materially adversely affected by the occurrence of any of the following:

(a) Legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the Commonwealth or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the applicable series of Bonds as described in the applicable Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly) of changing the federal income tax consequences of any of the transactions contemplated herein;

(b) Legislation shall be introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction shall be issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice shall be issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the applicable series of Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, or that the Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the applicable series of Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) A general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York or Pennsylvania State officials authorized to do so;

(d) The New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the applicable series of Bonds or as to

obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(e) Any amendment to the federal Constitution or Constitution of the Commonwealth or action by any federal or Commonwealth court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, the Bonds (or interest thereon), or the validity or enforceability of the Ordinance or the levy of taxes to pay principal of and interest on the applicable series of Bonds;

(f) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, make untrue in any material respect any statement or information contained in the applicable Official Statement, or have the effect that the applicable Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) There shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the applicable Official Statement discloses are expected to occur;

(h) Prior to the date of closing, the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise, which in the reasonable judgment of the Underwriters would have a material adverse affect upon the Underwriters' ability to market the Bonds;

(i) Any fact or event shall exist or have existed that, in the Representative's reasonable judgment, require or have required an amendment of or supplement to the applicable Official Statement;

(j) The purchase of and payment for the applicable series of the Bonds by the Underwriters, or the resale of the applicable series of the Bonds by the Underwriters, on the terms and conditions herein provided, shall be prohibited by any applicable law, governmental authority, board, agency or commission;

(k) There shall have occurred a downgrade of the credit rating of the Bond Insurer, or any notice shall have been given of any intended downgrading of the credit rating of the Bond Insurer;

(l) If in the sole judgment of the Underwriters the ability to market the Bonds is materially different from the conditions that would exist if the Bonds were being offered on the date hereof, whether as a result of general market conditions, issues particular to the Issuer or the Commonwealth or other events or circumstances similar to or different from those described; Provided, however that if the Underwriters

terminate their obligations under this clause, the Issuer may assign this Agreement to another party and thereafter the Underwriters will have no further obligation under this Agreement; and

(m) There shall have occurred since the date of this Agreement a Change in Law, as defined in Section 15 hereof, the effect of which would be to make the issuance, sale and delivery of the Bonds illegal as to the Issuer.

8. *Expenses.* The Issuer shall pay all costs of issuance of each series of the Bonds, including any rating fees, filing fees, the costs of printing of Bonds and Official Statement, underwriting discount, financial advisor fees, paying agent fees, sinking fund depositary fees, bond counsel and local counsel fees and expenses, and any other such miscellaneous expenses which occur in the normal underwriting of a bond issue.

9. *Indemnification.*

(a) The Issuer, to the extent permitted by law, will indemnify and hold harmless the Underwriters against any losses, claims, damages or liabilities to which the Underwriters may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Official Statement or Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Underwriters for any legal or other expenses reasonably incurred by the Underwriters in connection with investigating or defending any such action or claim; provided, however, that the Issuer shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Official Statement or Official Statement or any such amendment or supplement and set forth in the sections titled "DTC and The Book-Entry Only System", "Tax Exemption and Certain Other Tax Matters" "Bond Insurance " or made in reliance upon and in conformity with written information furnished to the Issuer by the Underwriters expressly for use therein in the sub-section captioned "Underwriting".

(b) The Underwriters will indemnify and hold harmless the Issuer against any losses, claims, damages or liabilities to which the Issuer may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon either or both of the Underwriters' breach of the Agreement and/or any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement or Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged omission was made in the Preliminary Official Statement or Official Statement or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuer by the Underwriters expressly for use therein in the sub-section captioned "Underwriting"; and will reimburse the Issuer for any legal or other expenses reasonably incurred by the Issuer in connection with investigating or defending any

such action or claim.

(c) Promptly after receipt by an indemnified party pursuant to subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party or shall otherwise have an actual or potential conflict in such representation), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses or other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then the indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Underwriters on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then the indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct and to prevent such statement or omission. The Issuer and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending

any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11 (f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Issuer under this Section shall be in addition to any liability which the Issuer may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Underwriters within the meaning of the 1933 Act. The indemnity and contribution agreements contained in this Section and the representations and warranties of the Issuer and the Underwriters contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriters or any person controlling the Underwriters or by or on behalf of the Issuer, its officers or directors or any other person controlling the Issuer and (iii) deliver acceptance of and payment for any of the Bonds.

10. *Parties in Interest.* This Agreement, as heretofore specified, shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may be assigned by the Underwriters with the Issuer's prior written consent.

11. *Effectiveness.* This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. *Choice of Law.* This Agreement and all matters arising out of this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth.

13. *Severability.* If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14. *Business Day.* For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

15. *Change in Law.* For purposes of this Agreement "Change in Law" shall mean (i) any final change in or addition to applicable Federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies (if such change or addition becomes effective on or before the Closing), (ii) any legislation enacted by the Congress of the United States (if such enacted, legislation has a proposed effective date which is on or before the Closing), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such or enacted law, rule or regulation has an effective date which is on or before the Closing), (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case, would, as to the Underwriters, prohibit (or have

the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Underwriters from purchasing the Bonds as provided herein or selling the Bonds or beneficial ownership interests therein to the public or, as to the Issuer, would make the issuance, sale or delivery of the Bonds illegal (or have the retroactive effect of making such issuance, sale or delivery illegal, if enacted, adopted, passed or finalized), or (v) the passage, promulgation, issuance or rendering of any final legislation, regulation, ruling, order, release, court decision or judgment or other action by a governmental body, regulatory agency or court the effect of which is any of the following:

(i) Bond Counsel is or will be unable to deliver to the Underwriters at Closing an opinion of bond counsel in form and substance satisfactory to the Underwriters, as required by this Agreement;

(ii) The Issuer does not have the power to levy an annual ad valorem tax on all taxable property located within the Issuer for the purpose of paying the principal of and interest on the Bonds, within the limits established by law;

(iii) The offering or sale of the Bonds is subject to registration under Pennsylvania or Federal securities laws, or the Bonds or any document executed in connection therewith is subject to registration under Pennsylvania or Federal securities laws; or

(iv) In the sole judgment of the Underwriters, the offering or sale of the Bonds would be or result in a violation of applicable Pennsylvania or Federal securities laws or the Act.

16. *Section Headings.* Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

17. *Counterparts.* This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were the same document) and all of which shall constitute one and the same document.

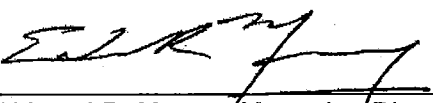
18. *Amendment.* This Agreement may only be amended by a written agreement executed by the parties hereto.

19. *No Individual Liability.* Notwithstanding anything to the contrary herein, no covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any Commissioner, officer, agent or employee of the County in his or her individual capacity and neither the Commissioners of the County nor any officers executing this Agreement or any documents authorized hereby shall be personally liable under this Agreement or such documents or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement or such documents.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between the Issuer and the Underwriters when a counterpart of this Agreement shall have been executed by or on behalf of each of the parties hereto.

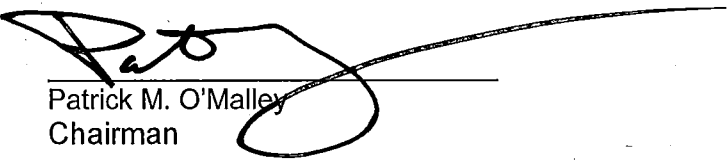
Very truly yours,

BOENNING & SCATTERGOOD, INC.
On behalf of itself, and RBC Capital Markets, LLC

By: 
Edward R. Murray, Managing Director
Boenning & Scattergood, Inc.

ACCEPTED November 1, 2017 at 10:40 am pursuant to the Ordinance enacted by the Board of County Commissioners on November 1, 2017.

COUNTY OF LACKAWANNA

By: 
Patrick M. O'Malley
Chairman

SCHEDULE A

**County of Lackawanna
PENNSYLVANIA**

\$42,000,000 GENERAL OBLIGATION BONDS, SERIES OF 2019

MAXIMUM BOND MATURITIES, AMOUNTS AND NOT-TO-EXCEED INTEREST RATES

DATE	MAX PRINCIPAL	MAX RATE	MAX INTEREST	MAX DEBT SERVICE	MAX FISCAL YEAR DEBT SERVICE
1-Jul-19					
15-Sep-19			561,166.67	561,166.67	561,166.67
15-Mar-20			1,365,000.00	1,365,000.00	-
15-Sep-20	250,000.00	6.500%	1,365,000.00	1,615,000.00	2,980,000.00
15-Mar-21	-		1,356,875.00	1,356,875.00	-
15-Sep-21	690,000.00	6.500%	1,356,875.00	2,046,875.00	3,403,750.00
15-Mar-22	-		1,334,450.00	1,334,450.00	-
15-Sep-22	735,000.00	6.500%	1,334,450.00	2,069,450.00	3,403,900.00
15-Mar-23	-		1,310,562.50	1,310,562.50	-
15-Sep-23	780,000.00	6.500%	1,310,562.50	2,090,562.50	3,401,125.00
15-Mar-24	-		1,285,212.50	1,285,212.50	-
15-Sep-24	1,195,000.00	6.500%	1,285,212.50	2,480,212.50	3,765,425.00
15-Mar-25	-		1,246,375.00	1,246,375.00	-
15-Sep-25	1,235,000.00	6.500%	1,246,375.00	2,481,375.00	3,727,750.00
15-Mar-26	-		1,206,237.50	1,206,237.50	-
15-Sep-26	1,315,000.00	6.500%	1,206,237.50	2,521,237.50	3,727,475.00
15-Mar-27	-		1,163,500.00	1,163,500.00	-
15-Sep-27	1,425,000.00	6.500%	1,163,500.00	2,588,500.00	3,752,000.00
15-Mar-28	-		1,117,187.50	1,117,187.50	-
15-Sep-28	1,595,000.00	6.500%	1,117,187.50	2,712,187.50	3,829,375.00
15-Mar-29	-		1,065,350.00	1,065,350.00	-
15-Sep-29	1,710,000.00	6.500%	1,065,350.00	2,775,350.00	3,840,700.00
15-Mar-30	-		1,009,775.00	1,009,775.00	-
15-Sep-30	5,455,000.00	6.500%	1,009,775.00	6,464,775.00	7,474,550.00
15-Mar-31	-		832,487.50	832,487.50	-
15-Sep-31	5,815,000.00	6.500%	832,487.50	6,647,487.50	7,479,975.00
15-Mar-32	-		643,500.00	643,500.00	-
15-Sep-32	6,190,000.00	6.500%	643,500.00	6,833,500.00	7,477,000.00
15-Mar-33	-		442,325.00	442,325.00	-
15-Sep-33	6,590,000.00	6.500%	442,325.00	7,032,325.00	7,474,650.00
15-Mar-34	-		228,150.00	228,150.00	-
15-Sep-34	7,020,000.00	6.500%	228,150.00	7,248,150.00	7,476,300.00
	42,000,000.00		31,775,141.67	73,775,141.67	73,775,141.67

Optional Redemption

To be as set forth in the appropriate Addendum to this Agreement.

\$42,000,000
COUNTY OF LACKAWANNA
Commonwealth of Pennsylvania
General Obligation Bonds, Series of 2019

CERTIFICATE OF THE PURCHASER

Certificate of Underwriter

To: The County of Lackawanna
200 Adams Ave. 6th Floor
Scranton, Pennsylvania 18503

Stevens & Lee
1460 Wyoming Ave
Forty Fort, Pennsylvania 18704

Re: The County of Lackawanna, Pennsylvania
\$42,000,000 General Obligation Bonds, Series of 2019

Ladies and Gentlemen:

Boenning & Scattergood, Inc. has served as the underwriter (the "Purchaser"), of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") dated November 1, 2017 (the "Sale Date"), by and between the Purchaser and the County of Lackawanna, Pennsylvania (the "Issuer"). The "Issue Date" of the Bonds is the date of this certificate.

The undersigned, on behalf of the Purchaser, hereby certifies as set forth below with respect to the sale and issuance of the Bonds. This certification is made to the best of our knowledge based on our records and other information available to us, which we believe to be correct. In making our certifications we have relied on certain syndicate reports and other undertakings and representations of other bond houses, brokers, and intermediaries, which cannot be independently verified by us; however, we have no reason to believe that such reports, undertakings, and representations are untrue in any material respect.

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Purchaser offered the Hold-the-Offering-Price Maturity to the Public for purchase at the initial offering price listed in Schedule A (the "Initial Offering Price") on or before the Sale Date.

(b) As set forth in the Bond Purchase Agreement, the Purchaser has agreed in writing that for the Hold-the-Offering-Price Maturity, it will neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"). Pursuant to such agreement no underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. The purchase price of the Bonds is \$_____ (consisting of the par amount of the Bonds of \$_____, less original issue discount of \$_____, less underwriter's discount of \$_____). Based on our experience in similar transactions, the amount paid to the Purchaser as bond discount in connection with

the issuance of the Bonds is reasonable and customary under the circumstances and does not compensate us for any service other than as underwriter of the Bonds.

4. **Yield on the Bonds.** Based on the aggregate Initial Offering Prices of the Bonds of \$ _____ we have calculated that the yield on the Bonds is not less than _____%.

5. **Weighted Average Maturity.** We have computed the Weighted Average Maturity of the Bonds to be not less than _____ years. The Weighted Average Maturity of the Bonds attributed to the current refunding of the Series 2011 Bonds is _____ years. The Weighted Average Maturity of the Bonds attributed to the advance refunding of the Series 2013 Bonds is _____ years.

6. **Defined Terms.**

(a) **Initial Offering Price** means, for each Maturity of the Bonds, the initial offering price listed in Schedule A.

(b) **Holding Period** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c) **Maturity** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) **Tax Certificate** means the Federal Tax Certificate executed by the Issuer in connection with the issuance of the Bonds and dated the date hereof.

(f) **Underwriter** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(g) **Weighted Average Maturity** means the sum of the products of the issue price of each Maturity and the number of years to Maturity (determined separately for each Maturity and taking into account mandatory redemptions), divided by the aggregate Initial Offering Price of the Bonds as of the date hereof.

(h) **Yield** means the discount rate that, when used in computing the present value on the issue date of all unconditionally payable payments of principal and interest on the Bonds, produces an amount equal to the aggregate Initial Offering Prices of the Bonds.

The undersigned is duly authorized to execute this Certificate on behalf of the Purchaser. The undersigned is certifying only as to facts in existence on the date hereof. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McNees Wallace & Nurick LLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation and filing of the Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

BOENNING & SCATTERGOOD, INC.

By: _____

Name: Edward Murray
Title: Managing Director

Dated: _____, 2017

SCHEDULE A
SALE PRICES OF THE GENERAL RULE
MATURITIES

EXHIBIT B
\$42,00,000

COUNTY OF LACKAWANNA

General Obligation Bonds, Series of
2019 Issue Price Chart

CERTIFICATE

I, the undersigned duly authorized officer of the County of Lackawanna Pennsylvania (the "County"), hereby certify that attached hereto is a true and correct copy of the maximum Debt Service Schedule and supporting schedules, if any, for the County's \$42,000,000 maximum aggregate principal amount nonelectoral debt evidenced by the issuance of one or more series of general obligation bonds to be issued in the same aggregate principal amount.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the County, this 1st day of November, 2017.

COUNTY OF LACKAWANNA,
PENNSYLVANIA

(SEAL)

By:



Chief of Staff

LACKAWANNA COUNTY
LACKAWANNA COUNTY, PENNSYLVANIA

GENERAL OBLIGATION BONDS, SERIES OF 2019

MAXIMUM DEBT SERVICE REQUIREMENTS

DATE	MAX PRINCIPAL	MAX RATE	MAX INTEREST	MAX DEBT SERVICE	MAX FISCAL YEAR DEBT SERVICE
1-Jul-19					
15-Sep-19			561,166.67	561,166.67	561,166.67
15-Mar-20			1,365,000.00	1,365,000.00	-
15-Sep-20	250,000.00	6.500%	1,365,000.00	1,615,000.00	2,980,000.00
15-Mar-21	-		1,356,875.00	1,356,875.00	-
15-Sep-21	690,000.00	6.500%	1,356,875.00	2,046,875.00	3,403,750.00
15-Mar-22	-		1,334,450.00	1,334,450.00	-
15-Sep-22	735,000.00	6.500%	1,334,450.00	2,069,450.00	3,403,900.00
15-Mar-23	-		1,310,562.50	1,310,562.50	-
15-Sep-23	780,000.00	6.500%	1,310,562.50	2,090,562.50	3,401,125.00
15-Mar-24	-		1,285,212.50	1,285,212.50	-
15-Sep-24	1,195,000.00	6.500%	1,285,212.50	2,480,212.50	3,765,425.00
15-Mar-25	-		1,246,375.00	1,246,375.00	-
15-Sep-25	1,235,000.00	6.500%	1,246,375.00	2,481,375.00	3,727,750.00
15-Mar-26	-		1,206,237.50	1,206,237.50	-
15-Sep-26	1,315,000.00	6.500%	1,206,237.50	2,521,237.50	3,727,475.00
15-Mar-27	-		1,163,500.00	1,163,500.00	-
15-Sep-27	1,425,000.00	6.500%	1,163,500.00	2,588,500.00	3,752,000.00
15-Mar-28	-		1,117,187.50	1,117,187.50	-
15-Sep-28	1,595,000.00	6.500%	1,117,187.50	2,712,187.50	3,829,375.00
15-Mar-29	-		1,065,350.00	1,065,350.00	-
15-Sep-29	1,710,000.00	6.500%	1,065,350.00	2,775,350.00	3,840,700.00
15-Mar-30	-		1,009,775.00	1,009,775.00	-
15-Sep-30	5,455,000.00	6.500%	1,009,775.00	6,464,775.00	7,474,550.00
15-Mar-31	-		832,487.50	832,487.50	-
15-Sep-31	5,815,000.00	6.500%	832,487.50	6,647,487.50	7,479,975.00
15-Mar-32	-		643,500.00	643,500.00	-
15-Sep-32	6,190,000.00	6.500%	643,500.00	6,833,500.00	7,477,000.00
15-Mar-33	-		442,325.00	442,325.00	-
15-Sep-33	6,590,000.00	6.500%	442,325.00	7,032,325.00	7,474,650.00
15-Mar-34	-		228,150.00	228,150.00	-
15-Sep-34	7,020,000.00	6.500%	228,150.00	7,248,150.00	7,476,300.00
	42,000,000.00		31,775,141.67	73,775,141.67	73,775,141.67

LACKAWANNA COUNTY
LACKAWANNA COUNTY, PENNSYLVANIA

WRAP

MAXIMUM DEBT SERVICE REQUIREMENTS (WRAP SCHEDULE)

FISCAL YEAR	2008 D NOTES	2009 A BONDS	2009 B NOTES	2010 A NOTE	2010 B BONDS	2011 NOTE	2013 NOTE	2014 NOTE	2014 A NOTE	2015 NOTE	2016 A BONDS	2016 B BONDS	2016 C NOTE	2017 BONDS	MAXIMUM 2019 BONDS	MAXIMUM TOTAL DEBT SERVICE
2017	0.00	0.00	1,586,171.26	0.00	0.00	439,438.77	0.00	0.00	321,886.04	0.00	0.00	0.00	79,215.29	0.00	0.00	2,426,711.36
2018	2,185,000.00	537,237.50	1,580,606.26	487,353.66	1,097,042.50	2,642,134.58	327,183.00	678,910.27	643,772.09	1,317,866.50	1,838,625.00	3,830,481.26	522,849.93	1,894,368.76	0.00	19,583,331.31
2019	2,225,000.00	536,187.50	787,661.88	490,068.97	1,095,467.50	2,642,661.51	327,183.00	679,032.33	643,772.09	1,308,249.10	1,832,075.00	3,773,881.26	1,053,781.68	1,894,218.76	561,166.67	19,850,407.25
2020	3,070,000.00	535,137.50			1,093,780.00	2,642,522.23	327,183.00		643,772.08	2,511,219.50	1,816,475.00	2,805,131.26	1,053,781.73	1,894,068.76	2,980,000.00	21,373,071.06
2021	6,220,000.00	534,087.50			1,061,980.00	2,642,703.41	327,183.00		643,772.09		1,875,875.00	2,062,381.26	1,053,781.66	1,893,918.76	3,403,750.00	21,719,432.68
2022	3,900,000.00	533,037.50			1,596,240.00		327,183.00		643,772.09		2,727,275.00	2,921,381.26	1,053,781.66	3,958,718.76	3,403,900.00	21,065,289.27
2023	1,460,000.00	1,351,987.50			1,925,150.00		165,468.81		643,772.10		3,845,537.50	1,458,631.26	1,053,781.62	5,782,318.76	3,401,125.00	21,087,772.55
2024		1,338,537.50			2,113,950.00				643,772.09		3,905,037.50	1,932,881.26	1,053,781.65	6,107,981.26	3,765,425.00	20,861,366.26
2025		1,366,937.50			2,088,750.00				643,772.10		3,910,287.50	1,908,531.26	1,053,781.63	6,073,981.26	3,727,750.00	20,773,791.25
2026		1,356,612.50			2,067,750.00				643,772.09		3,904,412.50	1,881,781.26	1,053,781.66	6,030,731.26	3,727,475.00	20,666,316.27
2027		1,331,937.50			2,044,000.00				643,772.09		3,898,287.50	1,862,550.00	1,053,781.61	5,991,981.26	3,752,000.00	20,578,309.96
2028		1,328,637.50			2,003,500.00				643,772.08		3,911,612.50	1,781,250.00	1,053,781.60	5,920,193.76	3,829,375.00	20,472,122.44
2029		1,329,900.00			1,972,000.00				643,772.08		3,909,662.50	1,745,850.00	1,053,781.67	5,870,856.26	3,840,700.00	20,366,522.51
2030					2,599,000.00				321,886.04		4,015,012.50		1,053,781.64	4,381,756.26	7,474,550.00	19,845,986.44
2031					2,571,500.00						3,984,362.50		1,053,781.64	4,328,318.76	7,479,975.00	19,417,937.90
2032					2,540,500.00						3,936,612.50		1,053,781.66	4,283,006.26	7,477,000.00	19,290,900.42
2033					2,511,000.00						3,897,862.50		1,053,781.62	4,225,506.26	7,474,650.00	19,162,800.38
2034					2,477,750.00						3,846,925.00		1,053,781.59	4,171,581.26	7,476,300.00	19,028,337.85
2035					2,640,750.00						3,799,600.00		1,053,781.63	4,445,125.00		11,939,256.63
2036													1,053,781.64			1,053,781.64
2037													1,053,781.64			1,053,781.64
2038													1,053,781.62			1,053,781.62
2039													1,053,781.61			1,053,781.61
2040													1,053,781.58			1,053,781.58
2041													1,053,781.59			1,053,781.59

19,060,000.00 12,080,237.50 3,954,439.40 977,422.63 35,500,110.00 11,009,460.50 1,801,383.81 1,357,842.60 6,369,037.15 5,137,335.10 27,964,731.34 24,839,042.85 79,148,631.42 73,775,161.67 365,830,353.47

EXHIBIT C

(FORM OF BOND)

REGISTERED
NUMBER R-__

REGISTERED
\$ _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company ("DTC"), a New York corporation, to the County or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

COUNTY OF LACKAWANNA, PENNSYLVANIA

GENERAL OBLIGATION BOND, SERIES [] OF 201[9]

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE OF SERIES</u>	<u>CUSIP</u>
	_____, _____	_____, 2019	
REGISTERED OWNER	CEDE & CO.		
PRINCIPAL AMOUNT	\$ _____		

KNOW ALL MEN BY THESE PRESENTS, that the County of Lackawanna, Pennsylvania (the "County"), a county existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself to be indebted and promises to pay to the order of the Registered Owner hereof, or registered assigns, on the maturity date stated hereon (or upon prior redemption, as hereinafter provided), upon presentation and surrender hereof, the Principal Amount shown above and to pay semiannually on _____ and _____ of each year prior to maturity or redemption (each an "Interest Payment Date"), beginning on _____, _____, to the registered owner hereof, interest on such principal sum, at the rate per annum stated hereon, from the Interest Payment Date next preceding the date of registration and authentication of this County of Lackawanna, Pennsylvania, General Obligation Bond, Series [] of 201[9] (the "Bond"), unless (a) this Bond is registered and authenticated as of an Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date, or (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or (c) this Bond is registered and authenticated on or prior to the Record Date preceding _____, _____, in

which event such Bond shall bear interest from _____, 201[9], or (d) as shown by the records of The Fidelity Deposit and Discount Bank, as paying agent, at its offices located in Dunmore, Pennsylvania, or its successor (the "Paying Agent"), interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such Interest Payment Date, unless the County shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of Bonds (hereinafter defined) not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

Whenever the due date for payment of interest on or principal of the Bonds or the date fixed for redemption of any Bonds 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 remain closed, 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 banks are authorized by law or executive order to remain closed, with the same force and effect as if made on the due date for payment of principal or interest or redemption price and no interest shall accrue thereon for any period after such due date.

This Bond is one of a series of bonds of the County known generally as "County of Lackawanna, Pennsylvania, General Obligation Bonds, Series [] of 201[9]," dated _____, 201[9] (the "Bonds"), issued by the County in the aggregate principal amount of _____ Dollars (\$_____).

The Bonds are in fully registered form, without coupons, and have been authorized and issued in accordance with the Local Government Unit Debt Act of the Commonwealth (the "Act"), without the assent of the electors, pursuant to an ordinance (the "Ordinance") of the Board of Commissioners of the County duly enacted on November __, 2017. 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 that it shall include in its budget the amount of the debt service for each fiscal year of the County in which principal and/or interest on the Bonds is payable, that it shall appropriate from its general revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due principal and interest on the Bonds.

In the Ordinance, the County has covenanted to and with registered owners of the Bonds that it will make no use of the proceeds of the Bonds, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Bonds,

would cause the Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder.

This Bond shall not be entitled to any benefit under the Ordinance nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Paying Agent.

The Bonds maturing on or after _____, _____, shall be subject to redemption, prior to maturity, at the option of the County, in whole or in part, in any order of maturities, at any time on or after _____, _____, at a price equal to 100% of the principal amount of the Bonds to be redeemed and accrued interest thereon to the date fixed for such optional redemption. In the event that less than all of the Bonds of a particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

The Bonds stated to mature on _____, _____, are subject to mandatory redemption prior to maturity on _____ of the years (at a price equal to the principal amount of the Bonds called for mandatory redemption plus accrued interest thereon to the date fixed for such mandatory redemption) and in the principal amounts as set forth in the following schedule, as drawn by lot by the Paying Agent:

<u>Year</u>	<u>Principal Amount</u>
	\$

*

* at maturity

In lieu of such mandatory redemption, the Paying Agent, on behalf of the County, may purchase, from money in the Sinking Fund, or the County may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of the same series and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books

kept by the Paying Agent (hereinafter defined) as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

If at the time of mailing of the notice of redemption the County shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by such Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption 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 day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

This Bond may be transferred or exchanged by the registered owner hereof only upon surrender of this Bond to the Paying Agent at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of the same series and of authorized denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The County and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the County and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the registered owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the County upon the Bond as paid.

The County and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds

to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

The County has caused CUSIP numbers to be printed on the Bonds as a convenience to bondholders. No representation is made as to the accuracy of such numbers as printed on the Bonds.

No recourse shall be had for the payment of the principal of or interest on this Bond, 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 this Bond.

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 Bond 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 Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the County is 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 the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Bond, 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 County of Lackawanna, Pennsylvania, has caused this Bond to be signed in its name and on its behalf by the signatures of the members Board of Commissioners of the County and its corporate seal to be hereunder affixed, duly attested by the signature of the Chief of Staff of the County, as of the _____ day of _____, 201[9].

COUNTY OF LACKAWANNA,
PENNSYLVANIA

PATRICK M. O'MALLEY, CHAIRMAN

LAUREEN A. CUMMINGS, VICE CHAIRMAN

JERRY NOTARIANNI, COMMISSIONER

ATTEST:

ANDREW M. WALLACE, CHIEF OF STAFF

(SEAL)

STATEMENT OF INSURANCE

[To come, if applicable]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

It is certified that this Bond is a Bond issued under the provisions of the within-mentioned Ordinance.

THE FIDELITY DEPOSIT AND DISCOUNT BANK,
as Paying Agent

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, _____ (the "Transferrer"), the undersigned, hereby sells, assigns and transfers unto

_____ (the "Transferee")

Name

Address

Social Security or
Federal Employer Identification No.

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program.

NOTICE: No transfer will be made in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name(s) as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust, and the name of the trustee should be supplied.

(END OF BOND FORM)

APPENDIX I

INTEREST RATE MANAGEMENT PLAN

APPENDIX II

FORM OF INTEREST RATE MANAGEMENT AGREEMENT

SCHEDULE I

MAXIMUM SCHEDULED PAYMENTS UNDER THE INTEREST RATE MANAGEMENT
AGREEMENT

EXPECTED SCHEDULED PAYMENTS UNDER THE INTEREST RATE MANAGEMENT
AGREEMENT

SCHEDULE II

MAXIMUM AMOUNTS PAYABLE UNDER THE BONDS AND THE INTEREST
RATE MANAGEMENT AGREEMENT