

ORDINANCE #89

FIRST READING - February 22, 1994
SECOND READING - February 28, 1994

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA, AUTHORIZING AND APPROVING A PROJECT OF THE AUTHORITY (HEREINAFTER DEFINED); AUTHORIZING AND DIRECTING THE INCURRENCE OF LEASE RENTAL DEBT, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ELEVEN MILLION THREE HUNDRED SIXTY THOUSAND DOLLARS (\$11,360,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, APPROVED APRIL 28, 1978, ACT NO. 52, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "DEBT ACT"); DETERMINING THAT SUCH DEBT SHALL BE INCURRED UNDER THE DEBT ACT AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTY AGREEMENT OF THE COUNTY SECURING GUARANTEED SEWER REVENUE BONDS, SERIES OF 1994 (THE "1994 BONDS"), TO BE ISSUED BY THE LACKAWANNA RIVER BASIN SEWER AUTHORITY (THE "AUTHORITY") TO FINANCE A PROJECT OF THE AUTHORITY; BRIEFLY DESCRIBING THE PROJECT FOR WHICH SUCH DEBT IS TO BE INCURRED; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THIS COUNTY: (A) TO PREPARE, TO CERTIFY AND TO FILE THE DEBT STATEMENT AND BORROWING BASE CERTIFICATE REQUIRED BY SECTION 410 OF THE DEBT ACT; (B) TO THE EXTENT FEASIBLE, TO CAUSE TO BE PREPARED AND FILED, STATEMENTS REQUIRED BY SECTION 206 OF THE DEBT ACT WHICH ARE NECESSARY TO QUALIFY ALL OF SUCH LEASE RENTAL DEBT FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMITS AS SELF-LIQUIDATING DEBT; (C) TO EXECUTE, TO ATTEST, TO SEAL AND TO DELIVER, AS APPROPRIATE, A REIMBURSEMENT AGREEMENT AND A GUARANTY AGREEMENT; APPROVING THE FORM OF THE REIMBURSEMENT AGREEMENT AND THE GUARANTY AGREEMENT; SPECIFYING THE AMOUNT OF THE MAXIMUM GUARANTY OBLIGATION OF THIS COUNTY PURSUANT TO SUCH GUARANTY AGREEMENT AND THE SOURCES OF PAYMENT OF SUCH GUARANTY OBLIGATIONS; AUTHORIZING THE PROPER OFFICERS OF THIS COUNTY TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SUCH PROJECT AND THE EXECUTION AND DELIVERY OF THE REIMBURSEMENT AGREEMENT AND THE GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENT ORDINANCES OR RESOLUTIONS OR PARTS OF ORDINANCES OR RESOLUTIONS.

WHEREAS, This County is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") and is a "local government unit" under provisions of the Act of the General Assembly of the Commonwealth, approved April 28, 1978, Act No. 52, as amended, reenacted and supplemented, from time to time, known as the Local Government Unit Debt Act (the "Debt Act"); and

WHEREAS, The Lackawanna River Basin Sewer Authority (the "Authority") is a body politic and corporate organized and existing under the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented, from time to time, of the Commonwealth; and

WHEREAS, The Authority has authorized and intends to issue its Guaranteed Sewer Revenue Bonds, Series of 1994 in an aggregate principal amount not to exceed \$11,360,000 (the "Bonds" or the "1994 Bonds"); and

WHEREAS, The proceeds to be derived from the issuance and sale of the 1994 Bonds will be applied, together with other funds available or to be available to the Authority, (1) to advance refund the Authority's Guaranteed Sewer Revenue Refunding Bonds, Series of 1985 (the "1985 Bonds"); (2) to advance refund the Authority's Guaranteed Sewer Revenue Bonds, Series of 1991 (the "1991 Bonds"); (3) to provide for certain necessary and appropriate funds and reserves, including a debt service reserve fund; and (4) to pay the costs of issuing and insuring the Bonds (collectively, the "Project"); and

WHEREAS, The Board of Commissioners of this County has determined that the Project is in the best interests of this County and its residents and desires to approve the Project and to request the Authority to undertake the Project; and

WHEREAS, The County, as an inducement to the Authority to undertake the Project and to authorize and to issue the 1994 Bonds, and as an inducement to initial purchasers and to any and all subsequent owners of the 1994 Bonds to purchase the 1994 Bonds, and to thereby achieve interest costs and other savings to the Authority and to the residents and taxpayers of this County, desires to enter into: (i) the Reimbursement Agreement (the "Reimbursement Agreement") with the Authority; and (ii) the Guaranty Agreement (the "Guaranty Agreement") with the Authority and the bank or trust company named therein, as trustee (the "Trustee") under a Trust Indenture, between the Authority and the Trustee, all as permitted by and in accordance with the terms and conditions of the Debt Act.

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

1. The County hereby determines to incur lease rental debt in an aggregate principal amount not to exceed \$11,360,000 by the execution and delivery of the Guaranty Agreement.

2. (a) The lease rental debt authorized to be incurred hereby is for the purpose of financing the Project.

(b) This county hereby finds and determines that the realistic estimated useful life of the facilities financed by the 1994 Bonds ranges from at least five (5) years to at least thirty (30) years.

3. The maximum aggregate principal amount of the 1994 Bonds, payment of which is assured by the Guaranty Agreement is \$11,360,000.

4. The debt to be evidenced by the Guaranty Agreement shall be lease rental debt of this County.

5. The Chairman of the Board of Commissioners of the County, or any other Commissioner of the County, or any other proper officials of the County, and, if applicable, their duly qualified respective successors, are hereby authorized and directed to prepare, to certify, to acknowledge and to file the debt statement and the borrowing base certificate, as appropriate, required by Section 410 of the Debt Act and to take any and all other action necessary at any time or from time to time in connection with carrying out the intent of this Ordinance or necessary to comply with the Debt Act.

6. The Chairman of the Board of Commissioners of the County, or any other Commissioner of the County, or any other proper officials of the County, and, if applicable, their duly qualified respective successors, are hereby authorized and directed to execute, attest, seal and deliver the Guaranty Agreement and the Reimbursement Agreement, respectively, in substantially the forms set forth on Exhibit "A" and Exhibit "B" hereto with such insertions, deletions and amendments as the officers of this County executing said documents and the Solicitor to this County shall deem necessary. The execution, attestation and delivery of the Guaranty Agreement and the Reimbursement Agreement by appropriate officers of this County shall constitute conclusive evidence of such approval.

7. In the event that this County is obligated to make payments under the Guaranty Agreement, the maximum amounts which may be required to be paid thereunder (on a semiannual basis), from the general revenues of this County, are as set forth on Exhibit "C" hereto. Exhibit "C" is incorporated herein by reference with the same force and effect as if fully set forth in the text hereof. If at any time this County is required to make any payment under the Guaranty Agreement, proper officers of this County are hereby authorized and directed to do so.

8. This County covenants to and with the Trustee for the owners, of the 1994 Bonds, the Authority and the registered owners, from time to time, of the 1994 Bonds that this County (a) shall include the amounts payable in respect of the Guaranty Agreement for each fiscal year in which such sums are payable in its budget for that year, (b) shall appropriate such amounts from its general revenues for the payment of such payment, and (c) shall duly and punctually pay or cause to be paid from any of its revenues or funds the amount payable in respect of the Guaranty Agreement, at the dates and place and in the manner stated in such Guaranty Agreement, and according to the true intent and meaning thereof. This County pledges its full faith, credit and taxing power for such budgeting, appropriation and payment in respect to the Guaranty Agreement. This covenant shall be specifically enforceable in accordance with the Debt Act.

9. The Chairman of the Board of Commissioners of the County, or any other Commissioner of the County, or any other proper officials of the County, and, if applicable, their duly qualified respective successors, are authorized and directed, if necessary or desirable, to cause to be prepared and filed with the Department of Community Affairs of the Commonwealth of Pennsylvania, appropriate statements required by Section 206 of the Debt Act, which are necessary to qualify the lease rental debt of this County, which is subject to exclusion of self-liquidating debt, for exclusion from the appropriate debt limits as self-liquidating debt.

10. The proper officers of this County are hereby authorized and directed to execute, attest and deliver any and all necessary or appropriate documents and to do any and all necessary or appropriate things in connection with the transactions hereby contemplated.

11. All ordinances and resolutions or parts thereof, insofar as the same are inconsistent herewith, are appealed hereby.

12. This Ordinance shall become effective in accordance with the provisions of the Act.

13. 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 provisions, section, sentence, clause or part of this Ordinance, it being the intent of this County that the remainder of the Ordinance shall remain in full force and effect.

EXHIBIT "A"

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of the 15th day of February, 1994, but effective as of the date of execution and delivery hereof, by and among COUNTY OF LACKAWANNA, Pennsylvania, a political subdivision of the Commonwealth of Pennsylvania, as guarantor (the "County"), LACKAWANNA RIVER BASIN SEWER AUTHORITY, a body corporate and politic existing under the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented, of the Commonwealth of Pennsylvania (the "Authority") and FIRST EASTERN BANK, N.A., a national banking organization organized under the laws of the United States of America whose principal corporate trust office is located in the City of Wilkes-Barre, Pennsylvania (the "Trustee").

WITNESSETH:

WHEREAS, The Authority intends to authorize and to issue its Guaranteed Sewer Revenue Bonds, Series of 1994 in the aggregate principal amount of \$ _____ (the "1994 Bonds"); and

WHEREAS, The 1994 Bonds shall be issued under and pursuant to the provisions of a Trust Indenture to be dated as of February 15, 1994, between the Authority and the Trustee (the "Indenture"); and

WHEREAS, The proceeds to be derived from the issuance and sale of the 1994 Bonds will be applied, together with other funds available or to be available to the Authority for and towards a certain project (the "Project") of the Authority; and

WHEREAS, The Board of Commissioners of the County has determined, among other things, that the undertaking of the Project by the Authority is in the best interests of the County and its residents; and

WHEREAS, The County, as an inducement to the Authority to undertake the Project and to authorize and issue its 1994 Bonds, and as an inducement to the initial and all future owners of the 1994 Bonds to purchase the 1994 Bonds and to thereby achieve interest costs and other savings to the Authority and the residents and taxpayers of the County, desires to enter into this Guaranty Agreement with respect to the 1994 Bonds, as permitted by and in accordance with the terms and conditions of the Debt Act (hereinafter defined); and

WHEREAS, The parties hereto desire to set forth the terms and conditions under and pursuant to which the 1994 Bonds shall be guaranteed by the County and related matters.

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Terms and Phrases. In addition to the terms and phrases which may be elsewhere defined in this Guaranty Agreement, terms and phrases defined in this Section 1.01, for all purposes of this Guaranty Agreement, as herein defined, shall have the meanings herein specified, unless the context clearly otherwise requires:

"Act" shall mean the Act of the General Assembly of the Commonwealth, known as the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented.

"Board" shall mean, at any given time, the governing body of the Authority.

"Board of Commissioners" shall mean the governing body of the County.

"Commonwealth" shall mean the Commonwealth of Pennsylvania.

"Debt Act" shall mean the Act of the General Assembly of the Commonwealth, known as the Local Government Unit Debt Act, approved April 28, 1978, Act No. 52, as amended and supplemented, from time to time.

"Debt Service" shall mean, with respect to any Fiscal Year, the sum of the following: (a) amounts required to pay interest on, premium, if any, and principal of the 1994 Bonds (which is not to be paid from amounts on deposit in any sinking fund or account) during each Fiscal Year; and (b) amounts required to be deposited in such Fiscal Year to the credit of any sinking fund established for the 1994 Bonds.

"Fiscal Year" shall mean the fiscal year of the County as provided by laws of the Commonwealth.

"Gross Revenues" shall mean all Pledged Revenues (as such term is defined in the Indenture) of the Authority.

"Guaranty Agreement" shall mean this agreement and all modifications, alterations, amendments and supplements hereto made and delivered in accordance with the provisions hereof, which phrase sometimes is referred to in this document by use of such words as "hereto," "hereby," "herein," "hereof" or "hereunder."

"Reimbursement Agreement" shall mean the Reimbursement Agreement dated as of the date hereof between the County and the Authority and all modifications, amendments, extensions and substitutions therefor.

ARTICLE II

Representations and Warranties of the County

SECTION 2.01 Representations and Warranties. The County represents and warrants that:

- A. The County is a political subdivision of the Commonwealth;
- B. The County possesses all requisite power and authority under laws of the Commonwealth to enter into and to perform all the covenants and agreements set forth in this Guaranty Agreement;
- C. The County has duly authorized all necessary action on its part to enter into this Guaranty Agreement, pursuant to proper and necessary official action of its Board of Commissioners in accordance with laws of the Commonwealth; and
- D. The County, in entering into this Guaranty Agreement, is incurring lease rental debt pursuant to the terms and conditions of the Debt Act; and the County has taken all proper proceedings pursuant to the Debt Act and has obtained all approvals required to be obtained in connection with the execution and delivery of this Guaranty Agreement.

ARTICLE III

Covenants and Agreements of the Authority and the County

SECTION 3.01. Full and Prompt Payment. The County hereby guarantees, unconditionally and irrevocably, to the registered owners, from time to time, of the 1994 Bonds, the full and prompt payment of the Debt Service when and as such shall be due and payable, in accordance with the terms and conditions of this Guaranty. Nothing contained in this Agreement shall in any way be construed to imply that the County shall be or become liable or responsible for any other debt or obligation of the Authority.

SECTION 3.02. Costs, Fees, Expenses and Charges. Except as may be expressly provided herein or elsewhere, the County shall not be responsible or liable to the Authority or the Trustee for the payment of any other costs, fees, expenses or charges arising in connection with the issuance and sale of the 1994 Bonds, or the enforcement of any rights of the Authority against any other person.

SECTION 3.03. Manner of Payment. All payments required to be made by the County under this Guaranty Agreement shall be made in lawful money of the United States of America at the principal corporate trust office of the Trustee and at the times specified in the 1994 Bonds for the payment of Debt Service on the 1994 Bonds.

SECTION 3.04. Separate Causes of Action. Each and every default in payment of Debt Service shall give rise to a separate cause of action under this Guaranty Agreement; and separate suits may be instituted pursuant to this Guaranty Agreement, from time to time, as each cause of action shall arise.

SECTION 3.05. Amounts to be Included in Budget. The County covenants to and with the Trustee, the Authority and the registered owners, from time to time, of the 1994 Bonds that the County shall (a) include in its budget for each Fiscal Year in which Debt Service is payable on the 1994 Bonds (beginning with its 1994 Fiscal Year), an amount equal to the Debt Service on the 1994 Bonds for such Fiscal Year (which Debt Service has been guaranteed by the County and is payable pursuant to this Guaranty Agreement) and (b) appropriate such amounts from its general revenues for payment to the Trustee of its obligations hereunder, and (c) duly and punctually pay or cause to be paid from its sinking fund or any of its revenues or funds to the Trustee such amounts, at the times and in the manner provided for herein, at the principal corporate trust office of the Trustee, according to the true intent and meaning hereof. For such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. As provided in the Debt Act, this covenant shall be enforceable specifically against the County.

At any time when payments are required to be made by the County hereunder, to the extent that sufficient money shall not be available in the County's then current budget, and if the County shall be unable to incur, lawfully, debt in the current Fiscal Year for the purpose of paying such debt service or to issue tax anticipation notes or otherwise to satisfy its obligations hereunder, the County shall include any amounts so payable in its budget for the next succeeding Fiscal Year and shall appropriate such amounts to the payment of such obligations and duly and punctually shall pay or shall cause to be paid the obligations incurred hereunder in the manner herein stated according to the true intent and meaning hereof, and for such budgeting, appropriation and payment the County does pledge its full faith, credit and taxing power. As provided in the Debt Act, this covenant shall be enforceable specifically against the County.

SECTION 3.06. Obligations of County Absolute and Unconditional. The obligations of the County under this Guaranty Agreement shall be absolute, irrevocable and unconstitutional, irrespective of any other agreement or instrument to which the County shall be a party, and shall remain in full force and effect until all Debt Service during each Fiscal Year in which the 1994 Bonds remain outstanding shall have been paid or shall have been provided for, and such obligations of the County shall not be affected, modified, diminished, or impaired upon the happening, from time to time, of any event, including, without limitation, any of the following (whether or not with notice to or the consent of the County in accordance with the provisions hereof) unless such notice or consent is required hereunder:

A. The failure of the Authority otherwise to perform any obligation contained in this Guaranty Agreement or in any other agreement, for any reason whatsoever, including, without limiting the generality of the foregoing, the occurrence of an insufficiency of funds, negligence or willful misconduct on the part of the Authority or its agent, employees or independent contractors, legal action of any nature which shall prohibit the operations of the Authority, labor disputes, war, insurrection, natural catastrophe or laws, rules or regulations of any body, governmental or otherwise, having proper jurisdiction;

B. The compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Authority under the Indenture or under the Reimbursement Agreement;

C. The failure of the Authority or the Trustee to give notice to the County of the occurrence of a default under terms and provisions of this Guaranty Agreement, the Reimbursement Agreement or the Indenture;

D. The validity, enforceability or termination of the Reimbursement Agreement or the Indenture;

E. The failure of the Authority to make any payment to the County under the Reimbursement Agreement;

F. The neglect or failure of the Authority and/or the Trustee to exercise or to preserve any rights or rights of action against any party, person or property;

G. The failure of the Authority and/or the Trustee to have enforced, on prior appropriate occasions, any right or rights of action against any part, person or property;

H. The compromise, settlement, release, alteration, indulgence or any other change or modification of any obligation or liability of the Authority under the Indenture or under the Reimbursement Agreement, regardless of the nature of such obligation or liability and regardless of the extent to which such obligation or liability shall have been modified, compromised or otherwise changed;

I. The waiver of the payment, performance or observance by the Authority, the Trustee, or the County of any obligations, covenants or agreements contained in the Reimbursement Agreement or this Guaranty Agreement;

J. The extension of the time for payment of the Debt Service on the 1994 Bonds or any part thereof owing or payable under this Guaranty Agreement or of the time for performance of any other obligations, covenants or agreements under or arising out of the Indenture, the Reimbursement Agreement or this Guaranty Agreement;

K. The waiver by the County, or the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement of the Authority set forth in the Indenture or in the Reimbursement Agreement;

L. The taking of, or the omission to take, any action referred to in the Reimbursement Agreement, the Indenture or this Guaranty Agreement;

M. Any failure, omission or delay on the part of the Authority and/or the Trustee to enforce, to assert or to exercise any right, power or remedy conferred upon or vested in the Authority and/or the Trustee hereunder or under the Indenture or the Reimbursement Agreement, or to enforce, to assert or to exercise any other right or rights on the part of the Authority, the Trustee or any owner, at any time or from time to time, of the 1994 Bonds;

N. The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustments or other similar proceedings affecting the County or the Authority or any of the assets of either, or any allegation or contest of the validity of this Guaranty Agreement in any such proceeding;

O. The release or discharge of the County, to the extent permitted by law, from performance or observance of any obligation, covenant or agreement contained in this Guaranty Agreement, by operation of law;

P. The default or failure of the County fully to perform any of its obligations set forth in this Guaranty Agreement;

Q. Any failure by the Authority or the Trustee to comply with any of the covenants, agreements or undertakings set forth herein, in the Indenture or any breach by the Authority or the Trustee of any representation or warranty set forth herein or in the Indenture;

R. The voluntary or involuntary repossession or surrender of the facilities of the Authority.

SECTION 3.07. Obligations of County Not Affected by Bankruptcy, etc. The Obligations of the County hereunder shall not be affected by any bankruptcy, arrangement of creditors, reorganization or other similar proceedings of the Authority or the County; and, to the extent applicable, the County specifically waives any right or benefit which could accrue to it by reason of any such proceeding and agrees that the same shall not affect the liability of the County hereunder, regardless of the effect that such proceedings may have with respect to the obligations of the Authority.

SECTION 3.08. Obligations of County Not Subject to Setoff, Counterclaim, etc. The obligations of the County hereunder shall not be subject to any setoff, counterclaim or defense resulting from any breach or any alleged breach by the Authority of any obligation to the County, whether said obligation arises under this Guaranty Agreement, or from any other transaction between the Authority and the County, regardless of the nature of such transaction, or otherwise.

SECTION 3.09. Trustee Obligated to Proceed. In the event of a default in payment of Debt Service on the 1994 Bonds when and as the same shall become due and payable, whether at the stated maturity thereof or by acceleration, the Trustee shall be obligated to proceed hereunder directly against the County without proceeding against or exhausting any other remedies which it may have against the Authority or its assets.

The County agrees to pay all costs, fees and expenses, including, to the extent permitted by law, all court costs and reasonable attorney fees and expenses which may be incurred by the Trustee in enforcing or attempting to enforce this Guaranty Agreement against it, following any default on the part of the County hereunder, whether the same shall be enforced by suit or otherwise.

SECTION 3.10. Waiver of Notice of Reliance. The County expressly waives notice, in writing or otherwise, from the registered owners, at any time or from time to time, of any of the 1994 Bonds of their acceptance and reliance upon this Guaranty Agreement.

SECTION 3.11. Enforcement by Third Parties. This Guaranty Agreement is entered into by the County for the benefit of the Trustee, the owners, from time to time, of the 1994 Bonds, any successor trustee or trustees and their respective successors and assigns under the Indenture, all of whom shall be entitled to enforce performance and observance hereof by the County to the same extent as if they were parties signatory hereto.

SECTION 3.12. Separate or Cumulative Enforcement. Terms of this Guaranty Agreement may be enforced as to any one or more breaches, either separately or cumulatively.

SECTION 3.13. Payment by County.

(a) So long as any 1994 Bonds shall be issued and outstanding and the Guaranty Agreement shall be in full force and effect, in the event that, on any [? days prior to I.P.D.] or any [? days prior to I.P.D.] the Trustee shall have determined that there are not sufficient funds on deposit in the Debt Service Fund to pay principal or redemption price of and interest on the 1994 Bonds on the next succeeding date upon which Debt Service is due after making the transfers provided for under the Indenture from the Debt Service Reserve Fund, the Trustee shall immediately give written notice of such deficiency to the Authority and to the County, which notice shall specify the amount of the deficiency in such Fund, shall specify the balances in each Fund and Account under the Indenture, shall specify in reasonable detail all deposits and transfers which have been made by the Authority during the immediately preceding six month period and shall instruct the Authority to deposit with the Trustee an amount sufficient to enable the Trustee to make payments of principal and interest on the 1994 Bonds, as scheduled on the next date upon which Debt Service is due.

(b) If the Authority fails to make any deposit to the Debt Service Fund as aforesaid and funds sufficient therefore are not available in the Debt Service Reserve Fund, the County under the provisions of this Guaranty Agreement, shall promptly pay to the Trustee an amount which, together with other monies available to the Trustee in the Debt Service Fund, will be sufficient to permit the Trustee to make such Debt Service payment on the 1994 Bonds on the next date upon which such Debt Service is due.

(c) As set forth more fully at Section 4.01 hereof, to the extent that it makes any payments of Debt Service on the Bonds, the County shall become subrogated to all right, title and interest of the owners of 1994 Bonds receiving such payments. To evidence such subrogation, the Trustee shall note the County rights as subrogee on the registration books of the Authority maintained by the Trustee.

SECTION 3.14. Discharge of Obligations. Anything contained in this Guaranty Agreement to the contrary notwithstanding, except as provided herein with respect to expenses incurred in connection with the enforcement hereof, the obligations of the County hereunder shall be satisfied in full and discharged when (a) the principal and interest on the 1994 Bonds have been paid or provided for as specified in the 1994 Bonds, and (b) the 1994 Bonds shall have been discharged in accordance with their terms.

If, as more fully set forth in the Indenture, the County deposits with the Trustee funds sufficient to pay its obligations under this Guaranty Agreement as same may arise from time to time, all liability of the County with respect to the particular payment of Debt Service under this Guaranty Agreement shall cease and be deemed to be satisfied. Thereafter, any claims of whatsoever nature hereunder with respect to such particular payment of Debt Service shall be restricted exclusively to the funds so deposited hereunder and the Trustee shall hold such funds in trust for the benefit of the owners of the 1994 Bonds.

ARTICLE IV

Subrogation and Notice

SECTION 4.01. Subrogation. Upon any payment under this Guaranty Agreement, the County shall become the owner of that portion of any 1994 Bond as paid, including any right to payment of principal or interest on such 1994 Bond, and shall be fully subrogated to the owner's right to payment thereof. In addition, the County has the right of a surety as to reimbursement from the Authority as principal. By its acceptance of this Guaranty Agreement, the Trustee agrees on behalf of the owners of the 1994 Bonds that, upon payment by the County of any amounts hereunder, the County shall be fully subrogated to all of the owners' right, title and interest in the 1994 Bonds, including, without limitation, the right to commence and pursue legal proceedings in respect of the 1994 Bonds and to direct the Trustee under the Indenture, notwithstanding that payments of the 1994 Bonds may become due in the future.

ARTICLE V

Miscellaneous

SECTION 5.01. Increased Obligations of County; Amendment. No amendment, change, modification, alteration or termination of the Indenture shall be effective which would in any way increase obligations of the County under this Guaranty Agreement, without obtaining the prior written consent of the County (such consent to be given by the County pursuant to an ordinance duly enacted by the Board of Commissioners). No amendment, change, modification, alteration or termination of the County's obligations hereunder shall be effective without the Trustee's consent if the effect of such amendment, change, modification, alteration or termination is to impair the security of the 1994 Bonds by changing the coverage of the County's guaranty obligation.

SECTION 5.02. Time When Obligations Arise. Obligations of the County hereunder shall arise absolutely, irrevocably and unconditionally when the 1994 Bonds shall have been issued, sold and delivered by the Authority.

SECTION 5.03. Authority to Punctually Perform. The Authority covenants with the County that it duly and punctually will perform every covenant and agreement undertaken by the Authority under the 1994 Bonds.

SECTION 5.04. Remedies of Authority. In the event of default by the County in the punctual discharge of its obligations hereunder, the Authority and the Trustee shall be entitled to exercise such additional remedies as are provided under the Indenture and under the Debt Act, together with any other remedies which otherwise may be provided at law or in equity or by other statutes.

SECTION 5.05. Cumulative Remedies; Waiver. No remedy conferred upon or reserved to the Authority or the Trustee hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised, from time to time, and as often as may be deemed expedient. In order to entitle the Authority and/or the Trustee to exercise any remedy reserved in this Guaranty Agreement, it shall not be necessary to give any notice, other than such notice as herein expressly may be required. In the event any provision contained in this Guaranty Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the

particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification hereof shall be established by conduct, custom or course of dealing, but shall be established solely by an instrument, in writing, duly executed by the appropriate parties. Notwithstanding any other provision hereof to the contrary, no recourse shall be had for the payment of the principal of or interest on the 1994 Bonds, or for any claim based hereon or on the Ordinance of the County authorizing and approving the execution and delivery of this Guaranty Agreement, 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 Guaranty Agreement.

SECTION 5.06. Entire Agreement; Multiple Counterparts. This Guaranty Agreement constitutes the entire agreement, and supersedes all prior agreements, and understandings, both written and oral, among the parties with respect to the subject matter hereof; and this Guaranty Agreement may be executed, simultaneously, in multiple counterparts, each of which counterparts, together, shall constitute but one and the same instrument.

SECTION 5.07. Severability. Provisions of this Guaranty Agreement shall be severable; and in the event of the invalidity or unenforceability of any one or more phrases, sentences, clauses, Articles, Sections or parts, in this Guaranty Agreement contained, such invalidity or unenforceability shall not affect the validity or enforceability of remaining portions of this Guaranty Agreement or any remaining parts thereof.

SECTION 5.08. Amendment. This Guaranty Agreement may be amended and/or supplemented, from time to time, by a written document duly signed by the parties hereto; provided, however, that no amendment and/or supplement shall be made which shall diminish or discontinue the obligations of the County hereunder.

SECTION 5.09. Choice of Law. This Agreement shall be construed in accordance with and shall be governed by laws of the Commonwealth.

EXHIBIT "B"

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT dated as of the 15th of February, 1994, but effective as of the date of execution and delivery hereof, by and among the COUNTY OF LACKAWANNA, Pennsylvania (the "County"), being a political subdivision of the Commonwealth of Pennsylvania and LACKAWANNA RIVER BASIN SEWER AUTHORITY (the "Authority"), a body corporate and politic existing under the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented, of the Commonwealth of Pennsylvania (the "Act").

WITNESSETH:

WHEREAS, the capitalized terms used herein which are not defined herein shall have the meaning given them in the 1994 Bonds (hereinafter defined) or in the Guaranty (hereinafter defined).

WHEREAS, the Authority intends to authorize and to issue its Guaranteed Sewer Revenue Bonds, (Series of 1994) in the aggregate principal amount of \$ _____ (the "1994 Bonds") pursuant to the terms of a Trust Indenture, dated as of February 15, 1994 (the "Indenture"); and

WHEREAS, the County as an inducement to the Authority to authorize and issue the 1994 Bonds, and as an inducement to any and all registered owners of the 1994 Bonds to purchase such 1994 Bonds and to further enhance and ensure the marketability of the 1994 Bonds and thereby achieve interest costs and other savings to the Authority and to the users of the Authority facilities, desires to execute and deliver its Guaranty Agreement, dated as of February 15, 1994 (the "Guaranty") with respect to the payment of Debt Service on the 1994 Bonds all as permitted by and in accordance with the terms and conditions of the Local Government Unit Debt Act (the "Debt Act") of the Commonwealth of Pennsylvania (the "Commonwealth") and to enter into this Reimbursement Agreement in connection therewith.

NOW, THEREFORE, intending to be legally bound hereby, the County and the Authority hereby agree as follows:

1. **Execution and Delivery of Guaranty.** Subject to the terms and conditions hereinafter set forth, the County hereby agrees to execute, attest, seal and deliver to the Trustee, on or before the date of issuance and delivery of the 1994 Bonds by the Authority, the Guaranty. The Guaranty is incorporated herein by reference.

2. **Reimbursement and Other Payments.**

(a) The Authority covenants and agrees that it shall pay to the County, on written demand: (i) an amount equal to any amount at any time paid by the County to the Trustee under the Guaranty, plus an additional amount equal to any and all reasonable charges and expenses which the County may pay or incur in connection with making payments under the Guaranty or enforcing reimbursement hereunder; and (ii) interest on any such amounts from the date which such amounts accrue until payment in full, at an interest rate of 10% per annum.

(b) All payments at any time made by the Authority to the County hereunder shall be made in lawful currency of the United States of America in immediately available funds in such reasonable manner and at such place as the County may direct.

3. **Security.** The Authority shall cause the Indenture to contain terms which provide that the County shall be subrogated to the rights of the Trustee and the owners of the 1994 Bonds in and to any and all funds and other security held by the Trustee for the payment of the 1994 Bonds, including without limitation, amounts which may be on deposit in the Debt Service Fund and the Revenue Fund created under the Indenture.

4. **Condition Precedent.** As conditions precedent to the obligation of the County to execute and deliver its Guaranty, the County shall have received each of the following in form and substance satisfactory to it:

(a) A copy of the resolution of the Authority authorizing, among other things, the Project (as therein defined) and the financing thereof through the issuance of and with the proceeds of the 1994 Bonds;

(b) A certificate of duly authorized officers of the Authority stating that (i) the representations and warranties of the Authority set forth in this Agreement are true, correct and complete as of the date of issuance of the 1994 Bonds; (ii) no event of default under this Agreement has occurred and is continuing, or would result from the issuance and sale of the 1994 Bonds and no event has occurred and is continuing which, with the giving of notice or lapse of time or both, would constitute an event of default under this Agreement; and (iii) such other matters as the County may reasonably request;

(c) An opinion of counsel to the Authority regarding: (i) the due existence of the Authority; (ii) the power of the Authority to enter into and perform its obligations under this Agreement, and all other agreements, documents, instruments or collateral security documents executed and delivered by or on behalf of the Authority at the closing of the sale of the 1994 Bonds; and (iii) the due validity, binding effect and enforceability of this Agreement, the Indenture and all other agreements, documents, instruments and collateral security documents, subject, however, in each case, to laws and equitable principles affecting the enforcement of creditors' rights generally;

(d) An opinion of counsel to the County regarding: (i) the due existence of the County; (ii) the valid incumbency of the officers of the County; and (iii) the legal, valid and binding enactment of the Ordinance approving the Guaranty and this Agreement and authorizing and directing, among other things, the execution, attestation and delivery thereof by proper officers of the County;

(e) Executed copies of this Agreement, the Indenture, the 1994 Bonds, and all related documentation delivered in connection therewith;

(f) The approval of the Department of Community Affairs, as required by the Debt Act, with respect to the execution and delivery of the Guaranty and the incurrence of lease rental debt by the County.

5. **Obligations Absolute.** The obligations of the Authority under this Agreement shall be absolute, unconditional and irrevocable, and shall be fully performed strictly in accordance with the terms and conditions of this Agreement, under all circumstances whatsoever, including, without limitation, the foregoing: (i) any lack of validity or enforceability of the Guaranty, the 1994 Bonds or any other agreement or document relating thereto; (ii) any amendment or waiver of or any consent to or departure from the terms and conditions of the Guaranty, the 1994 Bonds or any documents relating thereto; or (iii) the existence of any claim, set-off, defense or other right which the Authority may have at any time against the Trustee (or any person or entities for whom the Trustee may be acting), the County or any other person or entity,

whether in connection with this Agreement, the transactions described herein or any unrelated transaction.

6. Representations and Warranties. The Authority hereby represents and warrants as follows:

(a) The Authority is a municipality authority duly organized and validly existing under the laws of the Commonwealth. Each of the individuals executing and delivering this Agreement, the Indenture, and all related documents and instruments possesses full power and authority to execute and deliver such documents and such execution and delivery does not contravene the terms or provisions of any document, agreement or instrument to which the Authority or any of its properties or assets is or may be bound;

(b) The execution, delivery and performance by the Authority of this Agreement, the Indenture, and related documents and instruments has been duly authorized by all necessary action, do not contravene the provisions of the Articles of Incorporation or By-Laws of the Authority or of any other agreement or instrument binding on or affecting the Authority or any of its assets or properties, and does not result in or require the creation of any lien, security interest or other charge or encumbrance (other than pursuant to this Agreement, the Indenture, or any other collateral security document or instrument executed and delivered at the closing held this day) upon or with respect to any of the Authority assets or properties;

(c) No authorization, approval or other consent or action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Authority of this Agreement, the Indenture, or any related document or instrument, except such as have been obtained;

(d) This Agreement, the Indenture and any related document or instrument, executed and delivered by or on behalf of the Authority constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, subject, however, to the application by a court of general principles of equity and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting the enforcement of creditors' rights generally; and

(e) There is no pending action or proceeding before any court, governmental agency or arbitrator against or directly involving the Authority and, to the best of the knowledge of the Authority, there is no threatened action or proceeding against the Authority before any court, governmental agency or arbitrator which, in any case, may materially and adversely affect the financial condition or operations of the Authority or any other material contingent liability of any kind (which has not heretofore been disclosed to the County).

7. Covenants of the Authority. So long as the Guaranty shall remain in full force and effect, or any amount is due and owing to the County under the provisions of this Agreement, the Authority covenants and agrees that it shall, unless the County shall have otherwise consented in writing:

(a) Preservation of Existence. Preserve and maintain its due existence, and its right to do business and its good standing in the Commonwealth, and will maintain (and obtain) all licenses, permits and other authorizations necessary, proper or desirable for the ownership and operation of the facilities of the Authority.

(b) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority the non-compliance with which would materially and adversely affect its operations or condition; provided, however, that the Authority may in good faith dispute and/or object to the applicability of such laws, rules, regulations and orders to the Authority, the facilities of the Authority and/or the business, affairs or other property of the Authority, as long as such dispute or objection will not result in any materially adverse action against the Authority which would impair its ability to meet its obligations under the Indenture and hereunder.

(c) Keeping of Books. Keep proper, accurate and complete books of record and account, in which full and correct entries shall be made of financial transactions and the assets and operations of the Authority.

(d) Sufficient Rates, Charges and Fees. Fix, charge and collect rates, charges and other fees upon the users of the System Facilities of the Authority and for services rendered by the Authority which, when taken together with revenues from other sources estimated to be received by the Authority during such Fiscal Year will be sufficient during such Fiscal Year to satisfy the rate covenant of the Authority under the Indenture (which rate covenant includes, without limitation, the obligation of the Authority to pay Debt Service on all 1994 Bonds in each Fiscal Year). The Authority further covenants that if and when the Pledged Revenues shall be insufficient to enable it to satisfy the rate covenant under the Indenture, or wherever the Authority

shall have good and sufficient reason to believe that a deficiency may occur in the future, it immediately will take such steps and proceedings as it may deem necessary, proper or desirable, or as may be directed by the County, in writing, upon the occurrence of an Event of Default as hereinafter defined, including (i) the application of any available monies under the Indenture and any other monies or reserves of the Authority, and (ii) the employment of Consultants to recommend adjustments in such rates, charges and fees to users as shall be necessary: (a) to eliminate any deficiency which has occurred; (b) to prevent the occurrence of any anticipated deficiency; and (c) when a prior deficiency has occurred, to produce such additional Pledged Revenues over such period of time, as shall be considered to be reasonable or as may be necessary to make money available to repay to the County any money which shall have been paid over to the Trustee under the provisions of the Guaranty.

(e) Repayment of Amounts Advanced. At any time after the County shall have paid to the Trustee such amount or amounts as at that time shall be required to pay Debt Service on the 1994 Bonds in accordance with the provisions of the Guaranty or shall have paid any costs, fees or expenses guaranteed thereby, to repay to the County the amount or amounts actually advanced by the County, together with interest on such amounts, all in accordance with the terms of this Agreement.

8. Defaults and Remedies. Each of the following shall constitute an event of default hereunder ("Event of Default") unless waived by the County hereunder:

(a) Failure by the Authority to make any payment when due and payable under the Indenture;

(b) Failure by the Authority to perform or comply with any of the other terms or conditions contained in this Agreement, the Indenture or any other document, instrument or agreement of the Authority to the County, and continuance of such failure uncured for 30 days after the Authority has actual knowledge that such failure has occurred, or such longer period to which the County may agree in the case of a default not curable by the exercise of due diligence within such 30-day period, provided that the Authority shall have commenced to cure such default within such 30-day period and shall complete such cure as quickly as reasonably possible with the exercise of due diligence;

(c) Any of the representations or warranties of the Authority set forth in this Agreement, the Indenture or in any other certificate, document, statement, instrument or agreement furnished to the County pursuant to the terms hereof proves to have been materially false when made or the failure by the Authority to comply with the covenants made by the Authority in Section 7 hereof;

(d) Any material provision of this Agreement or the Indenture shall at any time for any reason cease to be valid and binding on the Authority, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Authority or any governmental agency or authority, or the Authority shall deny that it has any or further liability or obligation under this Agreement or the Indenture.

(e) The Authority shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like for its property, or (ii) admit in writing its inability to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) be adjudicated a bankrupt or insolvent, or (v) commence a voluntary case under the United States Bankruptcy Code (or any successor to such code) or file a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against such corporation in any bankruptcy, reorganization or insolvency proceeding, or to take any action for the purpose of effecting any of the foregoing, or (vi) if without the application, approval or consent of the Authority, a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking an order for relief or an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like or of all or any substantial part of the assets of the Authority or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested in good faith, the same shall (A) result in the entry of an order for relief or any such adjudication or appointment or (B) remain undismissed and unstayed for a period of 60 days.

If an Event of Default has occurred and is continuing the County may exercise, or cause to be exercised, any and all such remedies as it may have at law or in equity, other than early termination of the Guaranty. With respect to subparagraphs 8 (c) and 8 (d) hereof, only such conditions or circumstances as impair the Authority's ability to make debt service payments under the Indenture or to observe and perform its duties under the Indenture or hereunder shall be regarded as "material."

9. **Amendments.** No amendment, waiver or consent of any provision of this Agreement shall in any event be effective unless the same shall be in writing and executed by the County, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

10. **No Waiver; Remedies Cumulative.** No failure on the part of the County to exercise, and no delay in exercising, any right hereunder or elsewhere shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or elsewhere preclude any other or further exercise thereof or the exercise of any other right.

11. **Continuing Obligation.** This Agreement is a continuing obligation and shall: (i) be binding upon the Authority and the County and their respective successors and assigns; and (ii) inure to the benefit of and be enforceable by the Authority and the County and their respective successors and assigns; provided that the Authority may not assign all or any part of this Agreement without the prior written consent of the County.

12. **Indemnification.** The Authority hereby indemnifies and holds harmless the County from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the County may incur (or which may be claimed against the County by any person or entity whatsoever) by reason of or in connection with the execution and delivery of, or payment or failure to pay under, the Guaranty; provided the Authority shall not be required to indemnify the County for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by: (a) the willful misconduct or gross negligence of the County; or (b) the County's willful failure to pay under the Guaranty. Nothing in this Section is intended to limit the Authority's reimbursement obligation contained in paragraph (a) of Section 2 hereof.

13. **No Recourse.** No recourse under or upon any obligation, covenant or agreement contained herein, in the Indenture, or because of any indebtedness secured hereby shall be had against any past, present or future member, officer, employee or member of the Board of Directors (a "Board Member") of the Authority or the County or of any successor of the Authority or the County under any rule of law, statute or constitutional provision, or by enforcement of any assessment or by any legal or equitable proceeding or otherwise, it expressly being agreed and understood that the obligations of the Authority hereunder elsewhere are solely corporate obligations of the Authority and that no personal liability whatsoever shall attach to or shall be incurred by such members, officers, employees or Board Members of the Authority or of any successor of the Authority, or any of them, because of such indebtedness or by reason of any obligation, covenant or agreement contained herein or elsewhere, or implied therefrom.

14. **Conflicts.** Insofar as possible the provisions of this Agreement shall be deemed complementary to the terms of the Guaranty but in the event of conflict the terms hereof shall control to the extent such are enforceable under applicable law, provided, however, that nothing herein contained shall limit or alter the County's obligations to the Trustee under the Guaranty.

15. **Severability.** If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent that it is not prohibited or unenforceable, nor invalidate the other provisions hereof, all of which shall be liberally construed in favor of the County in order to effect the provisions of this Agreement.

16. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the domestic internal laws (but not the law of conflicts of law) of the Commonwealth.

17. **Headings.** Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

EXHIBIT "C"

MAXIMUM LEASE RENTAL OBLIGATIONS

Lackawanna River Basin Sewer Authority
Guaranteed Sewer Revenue Refunding Bonds, Series of 1994

Guaranteed Sewer Revenue Bonds, Series of 1994

Date	Principal	Interest	Semi-Annual Debt Service	Maximum Lease Rental Obligations (a)
9/1/94	1,365,000.00	256,384.33	1,621,384.33	1,621,384.33
3/1/95		216,345.00	216,345.00	
9/1/95	930,000.00	216,345.00	1,146,345.00	1,362,690.00
3/1/96		201,930.00	201,930.00	
9/1/96	960,000.00	201,930.00	1,161,930.00	1,363,860.00
3/1/97		185,130.00	185,130.00	
9/1/97	990,000.00	185,130.00	1,175,130.00	1,360,260.00
3/1/98		166,567.50	166,567.50	
9/1/98	645,000.00	166,567.50	811,567.50	978,135.00
3/1/99		153,667.50	153,667.50	
9/1/99	675,000.00	153,667.50	828,667.50	982,335.00
3/1/00		139,492.50	139,492.50	
9/1/00	700,000.00	139,492.50	839,492.50	978,985.00
3/1/01		124,267.50	124,267.50	
9/1/01	730,000.00	124,267.50	854,267.50	978,535.00
3/1/02		107,842.50	107,842.50	
9/1/02	765,000.00	107,842.50	872,842.50	980,685.00
3/1/03		90,630.00	90,630.00	
9/1/03	340,000.00	90,630.00	430,630.00	521,260.00
3/1/04		82,725.00	82,725.00	
9/1/04	345,000.00	82,725.00	427,725.00	510,450.00
3/1/05		74,531.25	74,531.25	
9/1/05	360,000.00	74,531.25	434,531.25	509,062.50
3/1/06		65,801.25	65,801.25	
9/1/06	375,000.00	65,801.25	440,801.25	506,602.50
3/1/07		56,426.25	56,426.25	
9/1/07	390,000.00	56,426.25	446,426.25	502,852.50
3/1/08		46,676.25	46,676.25	
9/1/08	415,000.00	46,676.25	461,676.25	508,352.50
3/1/09		36,093.75	36,093.75	
9/1/09	435,000.00	36,093.75	471,093.75	507,187.50
3/1/10		24,675.00	24,675.00	
9/1/10	460,000.00	24,675.00	484,675.00	509,350.00
3/1/11		12,600.00	12,600.00	
9/1/11	480,000.00	12,600.00	492,600.00	505,200.00
3/1/12		0.00	0.00	
9/1/12		0.00	0.00	0.00
3/1/13		0.00	0.00	
9/1/13		0.00	0.00	0.00
3/1/14		0.00	0.00	
9/1/14		0.00	0.00	0.00
Total	11,360,000.00	3,827,186.83	15,187,186.83	15,187,186.83

(a) Maximum annual debt service on Series of 1994 bonds.

COUNTY OF LACKAWANNA



JOSEPH J. CORCORAN



RAY A. ALBERIGI



JOHN SENIO

ATTEST:



GERALD L. STANVITCH,
ADMINISTRATIVE DIRECTOR

Approved as to form and legality:



JOSEPH A. O'BRIEN, ESQUIRE
COUNTY SOLICITOR