



County of Lackawanna

Lackawanna County
Government Center
at The Globe
123 Wyoming Ave
Scranton, Pennsylvania
18503

Certified Copy

Ordinance: 20-0052

File Number: 20-0052

General Obligation Bonds, Series A of 2020

First Reading: February 5, 2020

Second Reading: February 19, 2020

ORDINANCE #265

**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 MILLION DOLLARS (\$40,000,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA.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 NOTE, SERIES OF 2016; (2) CURRENTLY REFUNDING THE COUNTY'S OUTSTANDING GENERAL OBLIGATION NOTE, SERIES OF 2018; (3) PLANNING, DESIGNING, ACQUIRING, CONSTRUCTING, INSTALLING, FURNISHING AND EQUIPPING OF IMPROVEMENTS AND RENOVATIONS TO EXISTING FACILITIES OF THE COUNTY; (4) PLANNING, DESIGNING, ACQUIRING, CONSTRUCTING, RENOVATING AND IMPROVING ROADS, BRIDGES AND PARKS IN THE COUNTY; (5) PURCHASING CAPITAL EQUIPMENT FOR USE BY THE COUNTY; (6) ADDITIONAL CAPITAL PROJECTS OF THE COUNTY TO THE EXTENT APPROVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY; AND (7) 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 FINANCED AND 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 NOTE, SERIES OF 2016 AND GENERAL OBLIGATION NOTE, SERIES OF 2018; 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;

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; 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 Million Dollars (\$40,000,000), 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 A of 2020" (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 RBC Capital Markets, LLC, Philadelphia, Pennsylvania, as representative of itself and PNC Capital Markets LLC, Pittsburgh, Pennsylvania (collectively, 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 \$17,000,000 original principal amount General Obligation Note, Series of 2016 (the "2016 Note"), a portion of which remains outstanding (such portion of the 2016 Note, or such other principal amount of the outstanding 2016 Note 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 Ordinance, being hereinafter referred to as the "Refunded 2016 Note"); and

WHEREAS, the County desires to authorize the current refunding of the outstanding

Refunded 2016 Note for the purpose of reducing the total debt service over the life of the 2016 Note; and

WHEREAS, the Bonds which are being issued to currently refund the Refunded 2016 Note will not be outstanding through a maturity date that could not have been included in the issue of the 2016 Note; and

WHEREAS, the County has heretofore issued its \$15,000,000 original principal amount General Obligation Note, Series of 2018 (the "2018 Note"), a portion of which remains outstanding (such portion of the 2018 Note, or such other principal amount of the outstanding 2018 Note 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 Ordinance, being hereinafter referred to as the "Refunded 2018 Note"); and

WHEREAS, the County desires to authorize the current refunding of the outstanding Refunded 2018 Note for the purpose of reducing the total debt service over the life of the 2018 Note; and

WHEREAS, the Bonds which are being issued to currently refund the Refunded 2018 Note will not be outstanding through a maturity date that could not have been included in the issue of the 2018 Note; 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 Million Dollars (\$40,000,000) to fund a certain project (hereinafter described) of the County pursuant to the provisions of the Act; and

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 Million Dollars (\$40,000,000) to be designated generally as "County of Lackawanna, Pennsylvania, General Obligation Bonds, Series A of 2020", 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 2016 Note; (2) currently refunding the Refunded 2018 Note; (3) planning, designing, acquiring, constructing, installing, furnishing and equipping of improvements and renovations to existing facilities of the County; (4) planning, designing, acquiring, constructing, renovating and improving roads, bridges and parks in the County; (5) purchasing capital equipment for use by the County; (6) additional capital projects of the County to the extent approved by the

Board; and (7) paying the costs and expenses of issuance of the Bonds.

The remaining realistic estimated useful lives of the capital projects that were originally financed by the proceeds of the 2016 Note which are to be refinanced by a portion of the proceeds of the Bonds are at least 26 years. The remaining realistic estimated useful lives of the capital projects that were originally financed by the proceeds of the 2018 Note which are to be refinanced by a portion of the proceeds of the Bonds are at least 28 years. The realistic estimated useful lives of the capital projects that are to be financed by a portion of the proceeds of the Bonds are at least 30 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, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the current refunding of the Refunded 2016 Note is to reduce total debt service over the life of the 2016 Note; and (b) that the current refunding of the Refunded 2016 Note 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 2016 Note does not extend to a date that could not have been included in the 2016 Bond issue.

The Board hereby authorizes and directs the Chairman or Vice Chairman of the Board to determine the principal amount of the outstanding 2016 Note to be refunded upon delivery of each series of the definitive Bonds in accordance with this Ordinance 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 2016 Note, including, but not limited to, providing notice to The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania, as Paying Agent for the Refunded 2016 Note, to refund the Refunded 2016 Note in full on the date of issuance of the Bonds 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 2016 Note shall no longer be outstanding from and after the date of the issuance of the Bonds.

In connection with the issuance and sale of the Bonds, the Board, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the current refunding of the Refunded 2018 Note is to reduce total debt service over the life of the 2018 Note; and (b) that the current refunding of the Refunded 2018 Note 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 2018 Note does not extend to a date that could not have been included in the 2018 Bond issue.

The Board hereby authorizes and directs the Chairman or Vice Chairman of the Board to determine the principal amount of the outstanding 2018 Note to be refunded upon delivery of each series of the definitive Bonds in accordance with this Ordinance 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 2018 Note, including, but not limited to, providing notice to The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania, as Paying Agent for the Refunded 2018 Note, to refund the Refunded 2018 Note in full on the date of issuance of the Bonds 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 2018 Note 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 February 19, 2020 (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 the Chief of Staff of the County 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 A 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 A.

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 B 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 A of 2020" (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 Funds 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 2016 Note and the Refunded 2018 Note. 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 the Solicitor to the County 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. 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 2016 Note and the Refunded 2018 Note 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 2016 Note and Refunded 2018 Note when due.

Section 23. 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 24. 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 25. The County hereby appoints and engages Stevens & Lee, P.C., to act as Bond Counsel to the County in connection with the issuance of the Bonds and to facilitate the intent of this Ordinance. The Chairman or Vice Chairman of the Board are each hereby authorized and directed to execute and to deliver an engagement letter with Stevens & Lee, P.C. in such form approved by any such officer executing the same, the execution and delivery of such engagement letter shall constitute conclusive evidence of the authorization and approval thereof by the County.

Section 26. 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 27. 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 28. 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 29. Community Bank National Association d/b/a First Liberty Bank & Trust Community Bank, N.A. (now known as Community Bank, N.A.), Scranton, Pennsylvania, currently serves as paying agent for several series of the County's outstanding bonds (the "Prior Paying Agent"), and in connection therewith the County and the Prior Paying Agent have entered into a Sinking Fund Depository/Paying Agent Agreement for each such series of bonds (collectively, the "Prior Paying Agent Agreement").

The Prior Paying Agent Agreement provides for the removal by the County of the Prior Paying Agent and the appointment of a successor paying agent and the County has determined to authorize the removal of the Prior Paying Agent and the appointment of a qualified successor paying agent for each such outstanding series of bonds in accordance with the Prior Paying Agent Agreement.

The County hereby approves and authorizes the removal of the Prior Paying Agent and the appointment of such successor 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 (any such paying agent selected in accordance with this Section 29 being hereinafter referred to as the "Successor Paying Agent") in accordance with the Prior Paying Agent Agreement. The Chairman or Vice Chairman of the Board of the County and the Chief of Staff or Assistant Chief of Staff of the County are hereby authorized, jointly and severally, to do any and all other things necessary to accomplish the purposes of this Ordinance and the replacement of the Prior Paying Agent with the Successor Paying Agent and to execute and deliver any and all documents, representations, declarations, certificates, authorizations, contracts, agreements and other papers as may be necessary to effectuate the foregoing, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by the County.

Section 30. 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 31. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

Section 32. This Ordinance shall be effective in accordance with Section 8003 of the Act.

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DULY ENACTED AND ORDAINED, THIS 19TH DAY OF FEBRUARY, 2020, BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA, IN LAWFUL SESSION DULY ASSEMBLED.

COUNTY OF LACKAWANNA,
PENNSYLVANIA



JERRY NOTARIANNI, CHAIRMAN



DEBI DOMENICK, ESQ., VICE CHAIRMAN



CHRIS CHERMAK, COMMISSIONER

ATTEST:



BRIAN JEFFERS, CHIEF OF STAFF

(SEAL)

Approved as to form and legality:



FRANK J. RUGGIERO, ESQUIRE
COUNTY SOLICITOR

EXHIBIT A

MAXIMUM DEBT SERVICE SCHEDULE

LACKAWANNA COUNTY
LACKAWANNA COUNTY, PENNSYLVANIA

GENERAL OBLIGATION BONDS, SERIES A OF 2020

MAXIMUM DEBT SERVICE REQUIREMENTS

| DATE | MAX PRINCIPAL | MAX RATE | MAX INTEREST | MAX DEBT SERVICE | MAX FISCAL YEAR DEBT SERVICE |
|-----------|----------------------|-------------|----------------------|----------------------|---------------------------------|
| 24-Mar-20 | | | | | |
| 15-Sep-20 | 850,000.00 | 5.000% | 950,000.00 | 1,800,000.00 | 1,800,000.00 |
| 15-Mar-21 | 930,000.00 | 5.000% | 978,750.00 | 1,908,750.00 | |
| 15-Sep-21 | - | | 955,500.00 | 955,500.00 | 2,864,250.00 |
| 15-Mar-22 | 980,000.00 | 5.000% | 955,500.00 | 1,935,500.00 | |
| 15-Sep-22 | - | | 931,000.00 | 931,000.00 | 2,866,500.00 |
| 15-Mar-23 | 1,030,000.00 | 5.000% | 931,000.00 | 1,961,000.00 | |
| 15-Sep-23 | - | | 905,250.00 | 905,250.00 | 2,866,250.00 |
| 15-Mar-24 | 1,080,000.00 | 5.000% | 905,250.00 | 1,985,250.00 | |
| 15-Sep-24 | - | | 878,250.00 | 878,250.00 | 2,863,500.00 |
| 15-Mar-25 | 1,135,000.00 | 5.000% | 878,250.00 | 2,013,250.00 | |
| 15-Sep-25 | - | | 849,875.00 | 849,875.00 | 2,863,125.00 |
| 15-Mar-26 | 1,195,000.00 | 5.000% | 849,875.00 | 2,044,875.00 | |
| 15-Sep-26 | - | | 820,000.00 | 820,000.00 | 2,864,875.00 |
| 15-Mar-27 | 1,255,000.00 | 5.000% | 820,000.00 | 2,075,000.00 | |
| 15-Sep-27 | - | | 788,625.00 | 788,625.00 | 2,863,625.00 |
| 15-Mar-28 | 1,320,000.00 | 5.000% | 788,625.00 | 2,108,625.00 | |
| 15-Sep-28 | - | | 755,625.00 | 755,625.00 | 2,864,250.00 |
| 15-Mar-29 | 1,385,000.00 | 5.000% | 755,625.00 | 2,140,625.00 | |
| 15-Sep-29 | - | | 721,000.00 | 721,000.00 | 2,861,625.00 |
| 15-Mar-30 | 1,460,000.00 | 5.000% | 721,000.00 | 2,181,000.00 | |
| 15-Sep-30 | - | | 684,500.00 | 684,500.00 | 2,865,500.00 |
| 15-Mar-31 | 1,535,000.00 | 5.000% | 684,500.00 | 2,219,500.00 | |
| 15-Sep-31 | - | | 646,125.00 | 646,125.00 | 2,865,625.00 |
| 15-Mar-32 | 1,610,000.00 | 5.000% | 646,125.00 | 2,256,125.00 | |
| 15-Sep-32 | - | | 605,875.00 | 605,875.00 | 2,862,000.00 |
| 15-Mar-33 | 1,695,000.00 | 5.000% | 605,875.00 | 2,300,875.00 | |
| 15-Sep-33 | - | | 563,500.00 | 563,500.00 | 2,864,375.00 |
| 15-Mar-34 | 1,780,000.00 | 5.000% | 563,500.00 | 2,343,500.00 | |
| 15-Sep-34 | - | | 519,000.00 | 519,000.00 | 2,862,500.00 |
| 15-Mar-35 | 1,875,000.00 | 5.000% | 519,000.00 | 2,394,000.00 | |
| 15-Sep-35 | - | | 472,125.00 | 472,125.00 | 2,866,125.00 |
| 15-Mar-36 | 1,970,000.00 | 5.000% | 472,125.00 | 2,442,125.00 | |
| 15-Sep-36 | - | | 422,875.00 | 422,875.00 | 2,865,000.00 |
| 15-Mar-37 | 2,070,000.00 | 5.000% | 422,875.00 | 2,492,875.00 | |
| 15-Sep-37 | - | | 371,125.00 | 371,125.00 | 2,864,000.00 |
| 15-Mar-38 | 2,175,000.00 | 5.000% | 371,125.00 | 2,546,125.00 | |
| 15-Sep-38 | - | | 316,750.00 | 316,750.00 | 2,862,875.00 |
| 15-Mar-39 | 2,285,000.00 | 5.000% | 316,750.00 | 2,601,750.00 | |
| 15-Sep-39 | - | | 259,625.00 | 259,625.00 | 2,861,375.00 |
| 15-Mar-40 | 2,405,000.00 | 5.000% | 259,625.00 | 2,664,625.00 | |
| 15-Sep-40 | - | | 199,500.00 | 199,500.00 | 2,864,125.00 |
| 15-Mar-41 | 2,530,000.00 | 5.000% | 199,500.00 | 2,729,500.00 | |
| 15-Sep-41 | - | | 136,250.00 | 136,250.00 | 2,865,750.00 |
| 15-Mar-42 | 2,655,000.00 | 5.000% | 136,250.00 | 2,791,250.00 | |
| 15-Sep-42 | - | | 69,875.00 | 69,875.00 | 2,861,125.00 |
| 15-Mar-43 | 2,795,000.00 | 5.000% | 69,875.00 | 2,864,875.00 | 2,864,875.00 |
| | 40,000,000.00 | | 27,673,250.00 | 67,673,250.00 | 67,673,250.00 |

EXHIBIT B

(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 20[20]

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>DATED DATE OF SERIES</u> | <u>CUSIP</u> |
|----------------------|----------------------|---------------------------------|--------------|
| | _____, _____ | _____, 20[20] | |
| 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 20[20] (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 _____, 20[20], 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 20[20]," dated _____, 20[20] (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 February 19, 2020. 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 Depositary, 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 _____, 20[20].

COUNTY OF LACKAWANNA,
PENNSYLVANIA

JERRY NOTARIANNI, CHAIRMAN

DEBI DOMENICK, ESQ., VICE CHAIRMAN

CHRIS CHERMAK, COMMISSIONER

ATTEST:

BRIAN JEFFERS, CHIEF OF STAFF

(SEAL)

Approved as to form and legality:

FRANK J. RUGGIERO, ESQUIRE
COUNTY SOLICITOR

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 "Transferror"), the undersigned, hereby sells, assigns and transfers unto

Name (the "Transferee")

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)

DEBT STATEMENT PURSUANT TO
LOCAL GOVERNMENT UNIT DEBT ACT

Local Government Unit - County of Lackawanna Pennsylvania, Pennsylvania
Statement as of February 19, 2020

| | <u>Electoral</u> | <u>Nonelectoral</u> | <u>Lease Rental</u> |
|------------------------------------|------------------|------------------------------------|---------------------|
| I. GROSS INCURRED DEBT | | | |
| List and identify by year of issue | | | |
| A. Bonds outstanding | \$ _____ | \$ 7,235,000 (2009A) | \$ _____ |
| | \$ _____ | \$ 43,420,000 (2016A) | \$ _____ |
| | \$ _____ | \$ 17,330,000 (2016B) | \$ _____ |
| | \$ _____ | \$ 57,490,000 (2017) | \$ _____ |
| | \$ _____ | \$ 26,095,000 (2017A) ¹ | \$ _____ |
| | \$ _____ | \$ 35,000,000 (2020) | \$ _____ |
| | \$ _____ | \$ 40,000,000 (2020A) ² | \$ _____ |
| B. Notes outstanding | \$ _____ | \$ 5,854,064 (2008D) | \$ _____ |
| | \$ _____ | \$ 4,200,000 (2011) | \$ _____ |
| | \$ _____ | \$ 921,085 (2013) | \$ _____ |
| | \$ _____ | \$ 5,627,563 (2014A) | \$ _____ |
| | \$ _____ | \$ 2,455,000 (2015) | \$ _____ |
| | \$ _____ | \$ 0 (2016) ³ | \$ _____ |
| | \$ _____ | \$ 0 (2018) ⁴ | \$ _____ |
| TOTAL | \$ -0- | \$245,627,712 | \$ -0- |

[The remainder of this page intentionally left blank.]

¹ Notice of Partial Noncompletion of Sale filed herewith
² New 2020A issue
³ To be refunded with new 2020A issue
⁴ To be refunded with new 2020A issue

| | | | |
|-------------------|--------|---------------|--------|
| TOTAL FROM PAGE 1 | \$ -0- | \$245,627,712 | \$ -0- |
|-------------------|--------|---------------|--------|

II. CREDITS AND EXCLUSIONS

Less:

(where applicable)

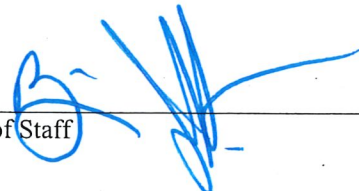
| | | | |
|---|---------------|----------------------|---------------|
| 1. Sinking funds, reserve accounts, bond proceeds | \$ _____ | \$ _____ | \$ _____ |
| 2. Current unpaid appropriations | \$ _____ | \$ _____ | \$ _____ |
| 3. Uncollected special assessments | \$ _____ | \$ _____ | \$ _____ |
| 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- | \$245,627,712 | \$ -0- |

| | |
|---|---------------|
| III. The maximum aggregate principal amount of bonds or notes being issued or evidencing lease rental debt:..... | \$ 40,000,000 |
| 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:..... | \$ 31,140,793 |
| V. The borrowing base as shown by appended borrowing base certificate:..... | \$116,917,383 |
| VI. Applicable debt limitations | |
| (a) nonelectoral (300%) of the borrowing base)..... | \$350,752,149 |
| (b) nonelectoral plus lease rental (400%) of borrowing base)..... | \$467,669,532 |

| | |
|-------------|-------------------|
| * 2016 Note | \$16,140,793 |
| 2017 Note | <u>15,000,000</u> |
| | \$31,140,793 |

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 19th day of February, 2020.

COUNTY OF LACKAWANNA, PENNSYLVANIA



Chief of Staff

(SEAL)

COMMONWEALTH OF PENNSYLVANIA

:

:ss.

COUNTY OF LACKAWANNA

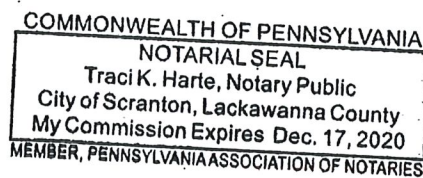
:

Before me, the undersigned Notary Public, personally appeared Brian Jeffers, 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 19th day of February, 2020.

Traci K. Harte

Notary Public



BOND PURCHASE AGREEMENT

for

COUNTY OF LACKAWANNA
Commonwealth of Pennsylvania
\$40,000,000 Maximum Aggregate Principal Amount
General Obligation Bonds

February 19, 2020

RBC Capital Markets, LLC, as Representative

BOND PURCHASE AGREEMENT

COUNTY OF LACKAWANNA
Commonwealth of Pennsylvania
General Obligation Bonds

February 19, 2020

County Commissioners
County of Lackawanna
123 Wyoming Avenue
Scranton, PA 18503

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the "Representative"), acting on its own behalf and on behalf of PNC Capital Markets LLC (collectively, the "Underwriters"), offers to enter into the following agreement with County of Lackawanna, Commonwealth of Pennsylvania (the "County" or 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 Bond Purchase Agreement (the "Agreement") shall have the same meanings set forth in the Bond Ordinance (as defined herein) or in the Official Statement (as defined herein).

1. *Purchase and Sale of the Bonds.* Conditioned upon market availability, usual and customary Underwriters review and approvals, customary bond documentation and opinions and the absence of either party terminating this Agreement pursuant to Section 8 herein, and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all of the Issuer's General Obligation Bonds (the "Bonds"), authorized for issuance in one or more series under an Ordinance enacted by the Issuer on February 19, 2020 (the "Bond Ordinance") and more fully described herein. Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the Issuer and the Underwriters in which the Underwriters are acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or is currently providing other services to the Issuer on other matters); (iii) the Underwriters are acting solely in its capacity as Underwriters for its own account, (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The Underwriters have been duly authorized to execute this agreement and to act hereunder.

The maximum aggregate principal amount of the Bonds to be issued, the maximum annual principal maturity or mandatory redemption amounts, and the maximum interest rate(s) per annum, are set forth in Schedule I attached hereto. The Bonds are described in, and shall be issued and secured under and pursuant to, the terms and conditions of the Bond Ordinance and any bond agreement authorized thereunder. One or more banks or trust companies as selected by the authorized officials of the Issuer pursuant to the Bond Ordinance (the "Paying Agent") shall serve as paying agent, sinking fund depositary and registrar for the Bonds.

The purchase price for any series of bonds purchased hereunder, including underwriting discount and net original issue discount or original issue premium, shall be negotiated and set forth in a written addendum to this

Agreement executed by both parties at least 15 days prior to date of the Closing (as hereinafter defined), and shall not be less than 96% of the aggregate principal amount of Bonds to be issued and delivered by the Issuer, exclusive of any original issue discount and any original issue premium, plus interest accrued, if any, on the Bonds from the dated date of the Bonds to the date of such Closing. The initial offering prices and yields, interest rates, optional and mandatory redemption provisions, sources and uses of funds and any other appropriate terms and conditions applicable to the Bonds, not inconsistent with the Bond Ordinance and any bond agreement authorized thereunder, also shall be set forth in an addendum to this Agreement and in all respects shall be acceptable to the Issuer in its sole discretion. The Bonds may, however, be issued and delivered by the Issuer from time to time, on such dates and in such aggregate principal amounts as may be authorized by the Issuer and acceptable to the Underwriters, and the Underwriters shall, at the time of issuance and delivery of such Bonds, pay the appropriate purchase price set forth above, plus accrued interest, if any, from the dated date of such Bonds to the date of delivery of such Bonds.

2. *Public Offering.* The Underwriters agrees to make a bona fide public offering of all of the 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 such 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 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 Official Statement.

3. *Establishment of Issue Price.* The provisions for the determination of "issue price" under IRS Regulation 1.148-1 shall be contained in a written addendum to this Agreement to be executed not later than the sale date of the Bonds. Such addendum shall be in form and substance acceptable to the Underwriters, the Issuer and Bond Counsel.

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

(a) Upon request of the Underwriters, following notification by the Issuer that it intends to issue Bonds under the Bond Ordinance, a Preliminary Official Statement shall be prepared for use by the Underwriters in connection with any public offering, sale or distribution of the Bonds. The 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 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 agrees to consent to the use by the Underwriters of the Preliminary Official Statement in connection with a public offering of the Bonds.

(b) Not later than seven (7) business days after the Issuer and the Representative execute an addendum to this Agreement establishing the final terms applicable to any of the Bonds, and in sufficient time to accompany any confirmation that requests payment from any customer, the Issuer shall provide, or cause to be provided, to the Underwriters, an Official Statement satisfying the requirements of the Rule. The Official Statement shall be complete as of the date of its delivery to the Underwriters and shall be made available in such quantity as the Underwriters shall reasonably 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 agrees to authorize the Official Statement and the information therein contained to be used by the Underwriters in connection with the public offering and the sale of such Bonds.

(c) If, after the date of the 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 MSRB but in no case less than 25 days after the "end of the underwriting period" for 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 the law, the Issuer will notify the Representative (and for the purposes of this clause provide the Underwriters with such information as it may from time to time reasonably 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 the 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 agrees to timely file the Official Statement with 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.

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

(a) The Issuer is a County duly created and organized and existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth") and has full legal right, power and authority under the Debt Act, as amended and supplemented (the "Act") and the Bond Ordinance (i) to enter into, execute and deliver this Agreement, the Bond Ordinance and, if required by applicable law, a Continuing Disclosure Undertaking (the "Undertaking") as defined in Section 7(h)(4) hereof and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement and any supplement or addendum thereto, the Bond 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 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 Bond Ordinance and the issuance and sale of the Bonds, (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, 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 Bond Ordinance and in the Official Statement;

(c) The Issuer Documents constitute or will 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 Bond Ordinance and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond 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; and upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond 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 Bond 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, any applicable judgment or decree, or any loan agreement, indenture, bond, note, Ordinance, agreement or other instrument to which the Issuer is a party relating to the transaction contemplated by this Agreement or to which the Issuer is or any of its property or assets are otherwise subject, 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 and the Issuer Documents and the adoption of the Bond 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, Ordinance, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets is 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 in the Bonds and the Bond Ordinance;

(e) All authorizations and approvals of any governmental authority, 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 Official Statement under the caption "Description of the Bonds"; the description of the Bond Ordinance to be contained in the Official Statement under the caption "Introduction" shall conform to the Bond Ordinance; the proceeds of the sale of the Bonds will be applied generally as described in the addendum to this Agreement and in the Official Statement under the caption "Purpose of the Issue"; and, if applicable, the Undertaking shall conform to the description thereof to be contained in the 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, (1) affecting the existence of the Issuer or the titles of its officers to their respective offices, (2) 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 Bond Ordinance, (3) in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, (4) 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, (5) contesting in any way the timing or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (6)

contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond 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 therefor, 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 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 Official Statement is amended or supplemented pursuant to paragraph (c) of Section 4 of this Agreement), up to and including the date of Closing, the 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 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 the Bonds as provided in and subject to all of the terms and provisions of the Bond Ordinance and not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes or Commonwealth income tax purposes of the interest on the Bonds;

(k) The financial statements of, and other financial information regarding the Issuer, in the 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 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 Closing the Issuer will not offer or issue any notes, bonds 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 Representative; and

(m) Any certificate signed by any official of the Issuer duly 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.

6. *Closing.*

(a) At such time and date as 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 to the Underwriters via the Book-Entry Only System of The Depository Trust Company, 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 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 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. If the Bonds are issued and delivered to the Underwriters from time to time as permitted under Section 1 hereof, the mutual delivery of Bonds and the other documents, certificates and opinions required by this Agreement to be made on the related Closing Date is herein referred to as a "*Closing*."

(b) The 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 Bonds, registered in the name of Cede

& Co., all as provided in the Bond 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.

7. *Closing Conditions.* The Representative, on behalf of the Underwriters, has 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 and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters's obligation under this Agreement to purchase, to accept delivery of and to pay for the 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 Closing, as if made on the date of the 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 Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the 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 its opinion referred to hereafter;

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

(e) At the time of the 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 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; and

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

(1) The 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 Official Statement;

(2) The Bond Ordinance and any bond agreement authorized thereunder, each 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 Bonds, duly executed by the Issuer;

(4) The Undertaking of the Issuer which satisfies the requirements of Section (b)(5)(i) of the Rule;

(5) The opinion of Bond Counsel with respect to the Bonds in the form appended to the Official Statement;

(6) A certificate, dated the date of 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 Closing as if made on the date of 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 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 Bonds, or the pledge of the full faith, credit and taxing power of the Issuer for payment of the Bonds; (iii) the Ordinances of the Issuer authorizing the execution, delivery and/or performance of the Official Statement, 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 Official Statement which should be disclosed in the 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 Closing, and the information contained in the Official Statement (as the same may have been amended or supplemented in accordance with Section 4(c) hereof, if applicable) is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the 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 Closing which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause 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 or proposed), 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 Bond Ordinance for the issuance thereunder of the Bonds; and

(9) The approving opinion of the Solicitor with respect to the Bonds.

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 Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 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.

8. *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 Bonds shall, in the sole judgement of the terminating party, 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 Bonds as described in the 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 Ordinance passed) by the Congress or an order, decree, or injunction 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 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 Bond 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 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 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 Bond Ordinance or the levy of taxes to pay principal of and interest on the Bonds;

(f) Any event occurring or information becoming known which, in the judgment of the Underwriters, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of 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 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's ability to market the Bonds;

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

(j) There shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service of the Issuer's underlying credit rating or any rating of the Bond Insurer, if any;

(k) The purchase of and payment for the Bonds by the Underwriters, or the resale 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; or

(l) Legislation shall be proposed for enactment or be enacted which materially and adversely affects the taxing power of the Issuer or the ability of the Issuer to pledge its full faith, credit and taxing power for the Bonds within the limits established by Law.

Notwithstanding the foregoing, the County shall have the right and privilege to terminate its obligation to sell, issue and deliver the Bonds to the Underwriters pursuant to this Agreement for any reason, with or without cause at any time after a period of six (6) months following the initial date of this Agreement and the Bond Ordinance, but not after the date of the execution of any addendum by the County *pro tanto* (to the extent of the principal authorized in such addendum). Written notice of the County's election to terminate this Agreement shall be given to the Underwriters promptly, and thereafter the County will have no further obligation under this Agreement.

9. *Expenses.*

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, Preliminary Official Statement, Official Statement and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel, Issuer Counsel, Disclosure Counsel and Special Tax Counsel, if any; (iii) the fees and disbursements of any Paying Agent, Financial Advisor, or engineers, accountants, and other experts, consultants or advisers retained by the Issuer, if any; and (iv) all fees and expenses in connection with obtaining bond ratings. The Issuer shall also pay for any expenses (included in the expense component of the Underwriters' discount) incurred by the Underwriters which are incidental to implementing this Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs.

(b) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance 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). Notwithstanding the foregoing, the Issuer shall have the right, which right is hereby specifically acknowledged by the Underwriters, to direct the Underwriters to assign this Agreement and the Underwriters's interests in this Agreement to such party as the Issuer may direct in writing to the Underwriters. Upon such assignment the Underwriters shall be relieved of any obligations under this Agreement. The Issuer shall be responsible for the reasonable out of pocket expenses of the Underwriters in the event of any directed assignment to another party. This Agreement may be assigned by the Underwriters with the Issuer's prior written consent. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

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 whatsoever.

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. *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.

16. *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 upon the same document) and all of which shall constitute one and the same document.

SCHEDULE I

COUNTY OF LACKAWANNA
Commonwealth of Pennsylvania
General Obligation Bonds

Summary

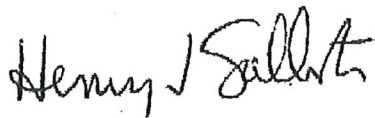
Maximum Aggregate Principal Amount: \$40,000,000
Principal Maturity (or Mandatory Redemption): September 15, 2020, thereafter March 15

| Maximum Annual Principal Payment Amount | Maximum Yield to Maturity | Principal Maturity or Mandatory Sinking Fund Payment Year |
|--|--|--|
| \$ 850,000 | 5.00% | 2020 |
| 930,000 | 5.00% | 2021 |
| 980,000 | 5.00% | 2022 |
| 1,030,000 | 5.00% | 2023 |
| 1,080,000 | 5.00% | 2024 |
| 1,135,000 | 5.00% | 2025 |
| 1,195,000 | 5.00% | 2026 |
| 1,255,000 | 5.00% | 2027 |
| 1,320,000 | 5.00% | 2028 |
| 1,385,000 | 5.00% | 2029 |
| 1,460,000 | 5.00% | 2030 |
| 1,535,000 | 5.00% | 2031 |
| 1,610,000 | 5.00% | 2032 |
| 1,695,000 | 5.00% | 2033 |
| 1,780,000 | 5.00% | 2034 |
| 1,875,000 | 5.00% | 2035 |
| 1,970,000 | 5.00% | 2036 |
| 2,070,000 | 5.00% | 2037 |
| 2,175,000 | 5.00% | 2038 |
| 2,285,000 | 5.00% | 2039 |
| 2,405,000 | 5.00% | 2040 |
| 2,530,000 | 5.00% | 2041 |
| 2,655,000 | 5.00% | 2042 |
| 2,795,000 | 5.00% | 2043 |

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 you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

RBC CAPITAL MARKETS, LLC, as Representative



By _____

Name Henry Sallusti

Title Managing Director

Date February 19, 2020

ACCEPTANCE

ACCEPTED at [_____] [a.m./p.m.] Eastern Time this 19th day of February 2020.

COUNTY OF LACKAWANNA
Commonwealth of Pennsylvania



By _____

Name Jerry Notarianni

Title Chairman of the Board of Commissioners

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 \$40,000,000

February 19, 2020

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 \$40,000,000 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)

LACKAWANNA COUNTY
LACKAWANNA COUNTY, PENNSYLVANIA

GENERAL OBLIGATION BONDS, SERIES A OF 2020

MAXIMUM DEBT SERVICE REQUIREMENTS

| DATE | MAX PRINCIPAL | MAX RATE | MAX INTEREST | MAX DEBT SERVICE | MAX FISCAL YEAR DEBT SERVICE |
|-----------|----------------------|-------------|----------------------|----------------------|---------------------------------|
| 24-Mar-20 | | | | | |
| 15-Sep-20 | 850,000.00 | 5.000% | 950,000.00 | 1,800,000.00 | 1,800,000.00 |
| 15-Mar-21 | 930,000.00 | 5.000% | 978,750.00 | 1,908,750.00 | |
| 15-Sep-21 | - | | 955,500.00 | 955,500.00 | 2,864,250.00 |
| 15-Mar-22 | 980,000.00 | 5.000% | 955,500.00 | 1,935,500.00 | |
| 15-Sep-22 | - | | 931,000.00 | 931,000.00 | 2,866,500.00 |
| 15-Mar-23 | 1,030,000.00 | 5.000% | 931,000.00 | 1,961,000.00 | |
| 15-Sep-23 | - | | 905,250.00 | 905,250.00 | 2,866,250.00 |
| 15-Mar-24 | 1,080,000.00 | 5.000% | 905,250.00 | 1,985,250.00 | |
| 15-Sep-24 | - | | 878,250.00 | 878,250.00 | 2,863,500.00 |
| 15-Mar-25 | 1,135,000.00 | 5.000% | 878,250.00 | 2,013,250.00 | |
| 15-Sep-25 | - | | 849,875.00 | 849,875.00 | 2,863,125.00 |
| 15-Mar-26 | 1,195,000.00 | 5.000% | 849,875.00 | 2,044,875.00 | |
| 15-Sep-26 | - | | 820,000.00 | 820,000.00 | 2,864,875.00 |
| 15-Mar-27 | 1,255,000.00 | 5.000% | 820,000.00 | 2,075,000.00 | |
| 15-Sep-27 | - | | 788,625.00 | 788,625.00 | 2,863,625.00 |
| 15-Mar-28 | 1,320,000.00 | 5.000% | 788,625.00 | 2,108,625.00 | |
| 15-Sep-28 | - | | 755,625.00 | 755,625.00 | 2,864,250.00 |
| 15-Mar-29 | 1,385,000.00 | 5.000% | 755,625.00 | 2,140,625.00 | |
| 15-Sep-29 | - | | 721,000.00 | 721,000.00 | 2,861,625.00 |
| 15-Mar-30 | 1,460,000.00 | 5.000% | 721,000.00 | 2,181,000.00 | |
| 15-Sep-30 | - | | 684,500.00 | 684,500.00 | 2,865,500.00 |
| 15-Mar-31 | 1,535,000.00 | 5.000% | 684,500.00 | 2,219,500.00 | |
| 15-Sep-31 | - | | 646,125.00 | 646,125.00 | 2,865,625.00 |
| 15-Mar-32 | 1,610,000.00 | 5.000% | 646,125.00 | 2,256,125.00 | |
| 15-Sep-32 | - | | 605,875.00 | 605,875.00 | 2,862,000.00 |
| 15-Mar-33 | 1,695,000.00 | 5.000% | 605,875.00 | 2,300,875.00 | |
| 15-Sep-33 | - | | 563,500.00 | 563,500.00 | 2,864,375.00 |
| 15-Mar-34 | 1,780,000.00 | 5.000% | 563,500.00 | 2,343,500.00 | |
| 15-Sep-34 | - | | 519,000.00 | 519,000.00 | 2,862,500.00 |
| 15-Mar-35 | 1,875,000.00 | 5.000% | 519,000.00 | 2,394,000.00 | |
| 15-Sep-35 | - | | 472,125.00 | 472,125.00 | 2,866,125.00 |
| 15-Mar-36 | 1,970,000.00 | 5.000% | 472,125.00 | 2,442,125.00 | |
| 15-Sep-36 | - | | 422,875.00 | 422,875.00 | 2,865,000.00 |
| 15-Mar-37 | 2,070,000.00 | 5.000% | 422,875.00 | 2,492,875.00 | |
| 15-Sep-37 | - | | 371,125.00 | 371,125.00 | 2,864,000.00 |
| 15-Mar-38 | 2,175,000.00 | 5.000% | 371,125.00 | 2,546,125.00 | |
| 15-Sep-38 | - | | 316,750.00 | 316,750.00 | 2,862,875.00 |
| 15-Mar-39 | 2,285,000.00 | 5.000% | 316,750.00 | 2,601,750.00 | |
| 15-Sep-39 | - | | 259,625.00 | 259,625.00 | 2,861,375.00 |
| 15-Mar-40 | 2,405,000.00 | 5.000% | 259,625.00 | 2,664,625.00 | |
| 15-Sep-40 | - | | 199,500.00 | 199,500.00 | 2,864,125.00 |
| 15-Mar-41 | 2,530,000.00 | 5.000% | 199,500.00 | 2,729,500.00 | |
| 15-Sep-41 | - | | 136,250.00 | 136,250.00 | 2,865,750.00 |
| 15-Mar-42 | 2,655,000.00 | 5.000% | 136,250.00 | 2,791,250.00 | |
| 15-Sep-42 | - | | 69,875.00 | 69,875.00 | 2,861,125.00 |
| 15-Mar-43 | 2,795,000.00 | 5.000% | 69,875.00 | 2,864,875.00 | 2,864,875.00 |
| | 40,000,000.00 | | 27,673,250.00 | 67,673,250.00 | 67,673,250.00 |

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 \$40,000,000 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 19th day of February, 2020.

COUNTY OF LACKAWANNA,
PENNSYLVANIA

(SEAL)

By: 

Chief of Staff

BORROWING BASE CERTIFICATE

County of Lackawanna, Pennsylvania

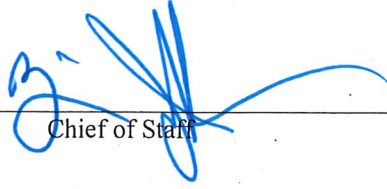
Prepared as of February 19, 2020

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>2017</u> | <u>2018</u> | <u>2019¹</u> |
| Total Revenues Received (money from <u>all</u> sources) | \$178,766,443 | \$176,218,890 | \$177,535,557 |
| <u>Less:</u> | | | |
| I. (1) State and Federal subsidies and reimbursements related to a particular project financed by debt | \$ | \$ | \$ |
| II. (1) Revenues, receipts, assessments, etc., pledged or self-liquidating debt | \$ | \$ | \$ |
| III. (1) Interest on moneys in sinking funds pledged for debt | \$ 55,086 | \$ 108,444 | \$ 83,965 |
| IV. (1) Grants and gifts-in-aid measured by construction or acquisition of specific projects | \$ 61,330,479 | \$ 61,330,478 | \$ 58,860,290 |
| V. (1) Nonrecurring Receipts | \$ _____ | \$ _____ | \$ _____ |
| SUBTOTAL | \$117,380,878 | \$114,779,968 | \$118,591,302 |
| | | | |
| TOTAL NET REVENUES | | | \$350,752,148 |
| | | | |
| BORROWING BASE (Total Net Revenues divided by 3) | | | \$116,917,383 |

¹ Unaudited

COUNTY OF LACKAWANNA, PENNSYLVANIA

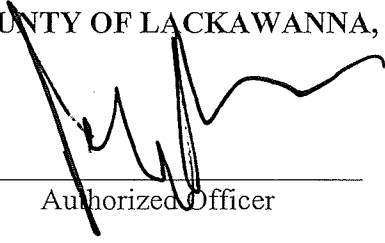


Chief of Staff

(SEAL)

America, 200 Liberty Street, New York, NY 10281) received by Build America on or before April 21, 2020. This proxy may also be revoked if the undersigned member attends the annual meeting and chooses to vote in person.

COUNTY OF LACKAWANNA, PENNSYLVANIA

By:  _____
Authorized Officer

Date

**ADDENDUM TO
BOND PURCHASE AGREEMENT
(DATED FEBRUARY 19, 2020)
COUNTY OF LACKAWANNA
Commonwealth of Pennsylvania
GENERAL OBLIGATION BONDS, SERIES A OF 2020**

Ladies and Gentlemen:

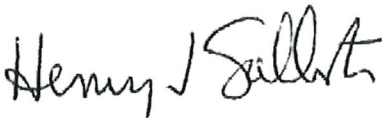
This document (the "Addendum"), including attachments, constitutes an addendum to, and a part of, the Bond Purchase Agreement, dated February 19, 2020 (the "Purchase Agreement"), between RBC Capital Markets, LLC (the "Representative") acting on its own behalf and on behalf of PNC Capital Markets LLC (collectively, the "Underwriters") and the County of Lackawanna, Commonwealth of Pennsylvania (the "Issuer").

The terms of the General Obligation Bonds, Series A of 2020 (the "Bonds"), to be issued by the Issuer at a fixed rate and purchased by the Underwriters under the Purchase Agreement, including the aggregate principal amount, underwriters' discount, original issue discount/premium by maturity and in the aggregate, dated date, annual principal maturity amounts and dates, annual interest rates and payment dates, are set forth or summarized in Schedule III attached hereto. The applicable redemption provisions are set forth in Schedule I attached hereto. Provisions concerning information provided under IRS Regulation 1.148-1 are set forth in Schedule II attached hereto. Except as provided in this Addendum, the Bonds shall be as described in, and shall be sold, issued and secured under and pursuant to the Purchase Agreement and the provisions of the ordinance adopted by the Issuer on February 19, 2020, and any supplements thereto (the "Bond Ordinance"), which are incorporated herein by reference, that authorizes and secures the Bonds, and approves the Purchase Agreement, including this Addendum.

If you agree with the terms of this Addendum, please sign below and return it to the Representative, which shall evidence the sale this date of the Bonds by the Issuer and the purchase thereof by the Underwriters.

Respectfully submitted,

RBC CAPITAL MARKETS, LLC, as Representative

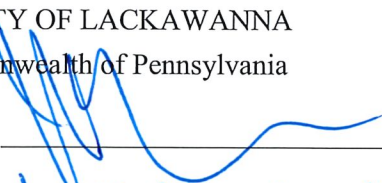


By _____
Name Henry Sallusti
Title Managing Director
Date _____, 2020

ACCEPTANCE

ACCEPTED at [_____] [a.m./p.m.] Eastern Time this _____ day of _____, 2020

COUNTY OF LACKAWANNA
Commonwealth of Pennsylvania



By _____
Name Jerry Notarianni
Title Chairman of the Board of Commissioners

[Signature page of the Addendum to the Bond Purchase Agreement dated February 19, 2020 for the General Obligation Bonds, Series A of 2020]

Respectfully submitted,

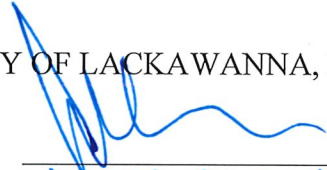
RBC CAPITAL MARKETS, LLC

By: _____
Name: Henry Sallusti
Title: Managing Director
Date: _____

ACCEPTANCE

ACCEPTED at [_____] [a.m./p.m.] EST this _____ day of _____, 2020

COUNTY OF LACKAWANNA, PENNSYLVANIA

By:  _____
Name: Jerry Notarianni
Title: Chairman
Date: _____

STEVENS & LEE

LAWYERS & CONSULTANTS

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Forty Fort, PA 18704
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Email: bpk@stevenslee.com
Direct Fax: (610) 988-0864

February 12, 2020

Mr. Jerry Notarianni, Chairman
Lackawanna County Board of Commissioners
Lackawanna County Administration Building
200 Adams Avenue, 6th Floor
Scranton, PA 18503

Re: County of Lackawanna, Pennsylvania, General Obligation Bonds (the "Bonds")

Dear Mr. Notarianni:

This letter sets forth the terms and conditions upon which Stevens & Lee, P.C. will serve as Bond Counsel to County of Lackawanna, Pennsylvania (the "County") in connection with the financing discussed below. We are pleased with your decision to engage Stevens & Lee, P.C. to serve as Bond Counsel and we look forward to working with you on the project

It is our understanding that the County will fund a project consisting of (1) currently refunding the County's outstanding General Obligation Note, Series of 2016; (2) currently refunding the County's outstanding General Obligation Note, Series of 2018; (3) planning, designing, acquiring, constructing, installing, furnishing and equipping of improvements and renovations to existing facilities of the County; (4) purchasing capital equipment for use by the County; (5) additional capital projects of the County to the extent approved by the Board of Commissioners of the County (the "Board"); and (6) paying the costs and expenses of issuance of the hereinafter-defined Bonds (collectively, the "Project").

The Project will be financed through the issuance by the County of one or more series of general obligation bonds in the maximum aggregate principal amount of \$40,000,000 (the "Bonds"). We understand that the Bonds will be purchased by an underwriter or underwriters and will be issued as publicly offered securities. The Bonds will be issued as tax-exempt obligations to fund the items listed above.

I hope that you will excuse the formality of this letter, but the Rules of Professional Conduct for Pennsylvania attorneys require that we enter into a written agreement describing the basis upon which you will be charged for professional services performed by our firm. In addition, I thought that it would be helpful to confirm the scope and terms of our engagement with respect to the Project.

Scope of Engagement

As Bond Counsel, we will actively work with the administration of the County, its counsel and the County's financial advisor, if any, and underwriters to assist in the closing of the financing for the Project.

Our firm will provide the Bond Counsel services necessary to assist in the closing of the financing, including (a) preparing all necessary debt ordinances, advertisements and certificates and obtain necessary approvals from the Department of Community and Economic Development ("DCED") relative to the issuance of the Bonds, (b) providing opinions needed relative to the tax status of interest on the Bonds when issued, (c) preparing Internal Revenue Service returns as necessary with respect to the issuance of the Bonds, (d) preparing necessary legal documentation to complete the issuance of the Bonds, and (e) attending necessary meetings of the Board. Please be advised that when we provide our opinion as to any matter, it is with the understanding that our opinion is just that -- and not a promise or guarantee. Our engagement as Bond Counsel will terminate upon the issuance and closing of the Bonds and completion of normal post-closing matters.

In addition, if the scope of our services is enlarged beyond that described above and if we determine that a fee arrangement different from that described in this letter would be appropriate, we will reach agreement with you in advance on a separate fee arrangement for the additional work.

Determination of Fees and Expenses

Among the factors which we consider in establishing a fee are the following: the time devoted to a particular matter and the lawyers and paralegals who worked on that matter; the nature and complexity of the work performed; the expertise required to perform that work; the novelty and difficulty of the issues presented; the extent to which the urgency of the matter preempted other work; the extent to which the matter required special allocation of firm resources and staff overtime; and the result obtained.

Brian Koscelansky will have primary responsibility for the bond issue documentation with Ramiro Carbonell, who will have primary responsibility for the federal tax analysis with respect to the Bonds.

Based upon our current understanding of the financing and the time we anticipate devoting to the completion of the issuance of the Bonds, we agree to accept a fee of \$51,000 to serve as Bond Counsel. We shall also be reimbursed in the amount of \$2,700 for our out-of-pocket expenses which include the following: postage charges, scanning charges, computerized legal research fees, photocopying expenses, long distance telephone toll charges, federal express charges, telecopy charges, travel expenses, closing transcript preparation and binding costs and secretarial overtime authorized by you or your counsel, etc. We shall also be reimbursed for the payment of DCED filing fee which is estimated to be approximately \$1,300.00. The County will also be responsible for paying for all legally required advertising costs independently.

This fee does not include any financial advice or any work relating to disclosure matters, the preparation of any market disclosure documents, or the investment of Bond proceeds or any derivative products, including, but not limited to, any interest rate swap agreements used in

connection with the issuance of the Bonds. The County hereby acknowledges that Stevens & Lee, P.C. has not been engaged to provide any advice relating to disclosure matters, the preparation of any market disclosure documents, or the investment of Bond proceeds or any derivative products. If involved in any of the foregoing, our time will be billed separately based upon our agreement and the scope of work required in connection with such advice, disclosure, proceeds investment or derivative products.

This fee also does not include representation of the County in connection with any challenges or other legal actions relating to the debt proceedings or the issuance of the Bonds which may be filed with DCED or any court or administrative body. If involved in the representation of the County in connection with any such challenge or other actions, our time will be billed separately based upon our agreement on the scope of work required in connection with such proceedings.

If the structure, timing, etc., of the actual financing materially differs from the assumptions expressed above, we reserve the right to renegotiate the above fee with you in advance of the closing.

Billing Practices

Payment of our fee and expenses will be made upon the completion of the financing of the Project, its abandonment or its termination as provided below.

General Provisions

Enclosed with this letter is a statement entitled General Provisions, which sets forth additional terms and conditions, all of which are incorporated into this letter by reference and apply to our representation to the extent not expressly inconsistent with this letter.

Termination

Our engagement as Bond Counsel in connection with this particular matter may be terminated by you at any time for any reason. We may withdraw as Bond Counsel in this particular matter for good cause, because of a fact or circumstance that we would determine would render our serving as Bond Counsel inappropriate, unlawful or unethical. All unpaid fees and costs will be due and payable upon any such conclusion or termination of our engagement.

Email

We have found that the commercial world has become increasingly reliant upon various forms of electronic communication, such as e-mail, cellular telephones and electronic telefax (collectively, "Electronic Communications"), for purposes of day-to-day business communications. However, we note that Electronic Communications are inherently less secure than more traditional methods of communication (hard wired telephones and telefax, U.S. mail and commercial couriers, for example) and involve a risk of interception by unauthorized third parties. We understand that, because of the convenience and efficiency of Electronic Communications, you are willing to accept the risk of unauthorized interception and have authorized us to communicate with you (and with others with whom we have dealings in connection with the matters we are handling for you) by means of Electronic Communications.

General Provisions

Except as modified by the accompanying engagement letter, the following provisions will apply to the relationship between Stevens & Lee, P.C. and our clients:

1. Either at the beginning or during the course of our representation, we may express our opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any attorney or other employee or affiliate of our firm is intended to be an expression of opinion only, based on information available to us at the time, and is not a promise or guarantee of any particular result.

2. A client shall have the right at any time to terminate our services and representation upon written notice to the firm. Such termination shall not, however, relieve the client of the obligation to pay for all services rendered and disbursements and other expenses made or incurred on behalf of the client prior to the date of termination and for services rendered and expenses incurred after such date to the extent they are required to protect our client's interests or as may be required by appropriate authorities.

3. We reserve the right to withdraw from our representation with our client's consent or without consent for good cause. "Good cause" may include the client's failure to honor the terms of the engagement letter, the client's failure to pay amounts billed in a timely manner, the client's failure to cooperate or follow our advice on a material matter, or any fact or circumstance that would, in our view, impair an effective attorney-client relationship or would render our continuing representation inappropriate, unlawful, or unethical. If we elect to do so, the client will take all steps necessary to free us of any obligation to perform further, including the execution of any documents (including forms for substitution of counsel) necessary to complete our withdrawal, and we will be entitled to be paid for all services rendered and disbursements and other expenses made or incurred on behalf of the client prior to the date of withdrawal and for services rendered and expenses incurred after such date to the extent they are required to protect our client's interests or as may be required by appropriate authorities.

4. We have found that our clients have become increasingly reliant upon various forms of electronic communication, such as e-mail, cellular telephones, other Internet communications, and electronic telefax (collectively, "Electronic Communications"), for purposes of day-to-day business communications. We note, however, that Electronic Communications may be inherently less secure than some traditional methods of communication (hard wired telephones and telefax, U.S. mail and commercial couriers, for example) and involve a risk of interception by unauthorized third parties. We understand that, because of the convenience and efficiency of Electronic Communications, you are willing to accept the risk of unauthorized interception and authorize us to communicate with you (and with others with whom we have dealings in connection with the matters we are handling for you) by means of Electronic Communications, unless you advise us in writing to the contrary.

5. Following the completion of this matter, the firm will not be precluded from accepting any other engagement on behalf of a client that may be adverse to you if such engagement is unrelated to the scope of our representation in this matter as described above and provided, of

course, that any and all information that may be disclosed to the firm in the course of this matter shall not be disclosed to any former, current or future client of the firm.

If at any time you should have a question, comment or concern, I would ask that you raise it with me at once so that we can address the matter without delay.

If the foregoing is in accordance with your understanding, please sign the enclosed duplicate copy of this letter in the space provided for this purpose below and return it to me at your earliest convenience.

Sincerely,

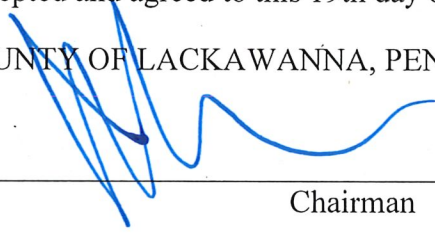
STEVENS & LEE, P.C.



Brian P. Koscelansky

Accepted and agreed to this 19th day of February:

COUNTY OF LACKAWANNA, PENNSYLVANIA

By:  _____
Chairman