



County of Lackawanna

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

Certified Copy

Ordinance: 21-0314

File Number: 21-0314

Ordinance #276
Second Reading
Tax and Revenue Anticipation Note

First Reading: December 15, 2021
Second Reading: December 30, 2021

ORDINANCE NO. 276

BOARD OF COMMISSIONERS
OF THE
COUNTY OF LACKAWANNA, PENNSYLVANIA

AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE, SERIES 2022, IN THE AMOUNT OF \$10,000,000.00; APPROVING A FORM OF NOTE; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE NOTE; AUTHORIZING AND DIRECTING THE FILING OF PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; PROVIDING FOR THE PAYMENT AND SECURITY OF THE NOTE; MAKING CERTAIN FEDERAL INCOME TAX COVENANTS IN RESPECT OF THE NOTE; ACCEPTING THE PROPOSAL OF PNC BANK, NATIONAL ASSOCIATION FOR THE PURCHASE OF THE NOTE; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, Lackawanna County (the "County"), duly organized and subsisting as a political subdivision of the Commonwealth of Pennsylvania, anticipates the receipt of both current taxes and current revenues during the fiscal year ending December 31, 2022; and

WHEREAS, the County desires to borrow for the purpose of meeting current expenses by issuing a tax and revenue anticipation note (the "Note"), to be repaid from, inter alia, those taxes and revenues, all in accordance with the Local Government Unit Debt Act (the "Debt Act"), as codified by the Act of December 19, 1996, P.L. 1158, No. 177, as amended; and

WHEREAS, as required by Section 8126 of the Debt Act, the Chairwoman of the Board of Commissioners of the County, the Chief of Staff and the County Solicitor (collectively, the “Designated Officers”), have, not more than thirty (30) days before the date on which this Ordinance is being adopted, and furthermore, hereby confirm on this date, made an estimate, from taxes now levied and assessed and from other budgeted revenues, of the taxes and revenues to be received and the expenditures to be made during the period when the Note (as hereinafter defined) will be outstanding and have certified that estimate by a duly executed document (the “Certificate as to Collections and Expenditures”); and

WHEREAS, **PNC Bank, National Association** (the “Purchaser”), has submitted an acceptable proposal (the “Proposal”) for the purchase of the Note;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County (the “Governing Body”) as follows:

Section 1 -- Authorization. The County hereby authorizes the issuance of the Note in the principal amount and with the specific terms stated in the Proposal and attached Certificate and Transmittal to the Department of Community and Economic Development.

Section 2 -- Form. The Note shall be designated “Tax and Revenue Anticipation Note, Series 2022” and shall be in the form of a single instrument in the principal amount of \$10,000,000.00. The Note shall bear interest at the tax-free rate of 0.60% per annum.

The Note may be subject to redemption prior to maturity, in accordance with the Proposal (and may be subject to the receipt by the Purchaser of the Cost of Prepayment, if any, as defined in the Note) will be in registered form, without coupons, will be negotiable and dated the date of delivery, and will be payable as to principal and interest on December 30, 2022 (unless subject to earlier redemption or prepayment), upon presentation by the Purchaser to the County, in the coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time and place of payment.

The exact form of the Note will contain an unconditional promise to pay the principal of and interest on the Note to the Purchaser when due, will pledge, and grant a security interest in, the collateral identified in Section 5 of this Ordinance, will recite the valid issuance of the Note under the Debt Act pursuant to proper corporate authority, will prohibit personal recourse against officials of the County, will certify proper achievement of all conditions precedent to the issuance of the Note and will designate the Note as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 3 -- Execution and Delivery. The Note will be executed by the Chairwoman of the Governing Body and will have the corporate seal (or a facsimile thereof) of the County affixed thereto or printed thereon, duly attested by the Chief of Staff. To the extent that any one signature on a Note is manual, the other signatures may be facsimile. The Designated Officers are further authorized and directed to deliver the Note to the Purchaser, upon the terms and conditions hereinafter and in the Proposal provided, receive the proceeds therefor, execute and deliver such certificates and other closing documents and take such other

action as may be necessary or appropriate in order to effectuate the proper issuance, sale and delivery of the Note.

Section 4 -- Filing. The Designated Officers are hereby authorized and directed to certify and transmit copies of this Ordinance, the Proposal and the Certificate as to Collections and Expenditures (which includes a calculation of the cumulative cash flow deficit calculated in accordance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and United States Treasury Department Regulation §1.148-6(d)(3)), the contents of which are hereby approved, to the Department of Community and Economic Development of the Commonwealth of Pennsylvania, or, to the Purchaser for such filing.

Section 5 -- Security. As security for payment of the Note, the County pledges and grants for the benefit of the owners, from time to time, of the Note, a first lien and charge on, and security interest in, all of the taxes, accounts and general intangibles, including "Total Revenues" (as defined in the Debt Act) of the County to be received during the period that the Note will be outstanding, together with such amounts to be received during fiscal years subsequent to the year during which the Note is issued in the event that the County defaults on the payment of principal or interest on the Note.

The County hereby authorizes and directs the Purchaser to file a financing statement pursuant to the Uniform Commercial Code to perfect the security interest hereby created. All expenses of such filing shall be borne by the County.

In the event of any default on the Note or hereunder, the County agrees to pay the reasonable expenses of the Purchaser (including court costs and attorney's fees) incurred in collecting the amounts due.

Section 6 -- General Obligation. The Note issued pursuant to this Ordinance shall be a general obligation of the County. The County hereby covenants with the Purchaser that if funds are not available for the full payment of the Note within the fiscal year in which issued, then the County will either (1) include the amounts necessary to pay the Note in its budget for the next fiscal year, pursuant to Section 8125 of the Debt Act, to the extent then permitted by applicable law; (2) fund such amounts within the next fiscal year in accordance with Sections 8129 and 8130 of the Debt Act; or (3) provide for payment of the Note by any combination of (1) and (2), in all events, upon notice to and with the consent and agreement of the Purchaser, and provided furthermore that in such an event of default, if the County shall have executed and delivered certain credit, collateral and/or security application(s) or agreement(s) pursuant to Section 10 hereof, the general obligation pledge of payment made by this Section 6 shall include and encompass all amounts in addition to stated principal and interest due in respect of the Note by the terms of such credit agreements and shall conform to the manner and procedures for payment, if any, set forth therein, or provided at the direction of the Purchaser, either as owner or subrogee of the Note.

Section 7 -- Tax Covenants. (a) The County hereby covenants with the owners from time to time of the Note that it will make no use of the proceeds of the Note which, if such use had been reasonably expected on the date of issue of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Regulations thereunder and that it will comply with the requirements of the Code and the Regulations throughout the term of the Note.

(b) If the principal amount of the Note, plus the principal amount of all other tax-exempt obligations issued and to be issued by the County, or by a subordinate governmental unit within its jurisdiction, during the calendar year in which the Note is to be issued, exceeds \$5,000,000, and if the gross proceeds of the Note are invested at a yield greater than the yield on the Note and are not expended, or deemed to have been expended pursuant to in Section 148(f)(4)(B)(iii) of the Code, within six (6) months from the date of issuance, the County covenants that it will rebate to the U.S. Treasury, within sixty (60) days after the maturity date of the Note, that amount of investment income on the Note proceeds which exceeds the amount which would have been earned had the Note proceeds been invested at a yield equal to the yield on the Note.

(c) The County hereby designates the Note as a Qualified Tax-Exempt Obligation pursuant to Section 265(b)(3) of the Code and represents and covenants that the total amount of its obligations so designated and to be designated during calendar year 2022 does not and will not exceed \$10,000,000.

Section 8 -- Award. The Note is hereby awarded and sold at private sale by negotiation to the Purchaser, at par, in accordance with the Proposal and its terms as set forth in the foregoing and attached Certificate and Transmittal, which, as presented at this meeting, is hereby accepted and directed to be executed by the Designated Officers.

Section 9 -- Costs. Unless otherwise agreed with the Purchaser, all notice, filing and legal fees properly incurred in connection with issuance of the Note will be paid by the County. The Designated Officers are hereby authorized and directed to pay all such reasonable expenses at the time of Settlement on the Note.

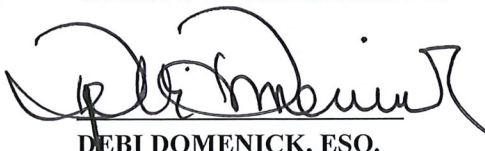
Section 10 -- Letters of Credit; Guaranty of Payment; Subrogation. The County acknowledges the right of the Purchaser to negotiate some or all of the Note to subsequent third-party owners, from time to time, and at any time, during the term of the Note. Moreover, the County recognizes that the Purchaser may choose, in its absolute discretion and at its own cost, to provide letters of credit, put agreements, collateral accounts and such other and similar guarantees of payment by the Purchaser to the third-party owner as may be necessary to facilitate the negotiation of the Note to the subsequent owners. In consideration of the beneficial interest rate afforded the County by the increased and facilitated marketability of the Note, and in such event, the County agrees, and the Designated Officers are hereby directed, to execute and deliver any and all credit, collateral and security application(s) and agreement(s) as may be necessary in the reasonable discretion of the Purchaser and according to its standard business practices to provide further assurance to the Purchaser of its rights, either as owner or subrogee under a guaranty arrangement, to receive payment in full of the principal of and interest on the Note (and any other amounts due in respect thereof under the term of such credit agreement) when due. In the event any payment of principal or interest or both is made to any owner of any Note by a draw on a letter of credit issued by, or other guaranty of payment made by, the Purchaser such payment will not extinguish the obligations of the County under such Note; the Purchaser shall become the owner/subrogee of the Note with full rights to enforce payment of the amounts due in respect of the same.

Section 11 -- Ordinance a Contract. This Ordinance is a contract with the Purchaser and any subsequent owners, from time to time, of the Note.

Section 12 -- Inconsistent Actions. All prior Ordinances or parts thereof inconsistent herewith are hereby repealed.

ADOPTED at a regular meeting of the Board of Commissioners of Lackawanna County held on December 30, 2021.

COUNTY OF LACKAWANNA



DEBI DOMENICK, ESQ.



JERRY NOTARIANNI



CHRIS CHERMAK

ATTEST:



BRIAN JEFFERS
CHIEF OF STAFF

Approved as to form and legality:



FRANK J. RUGGIERO
COUNTY SOLICITOR

TERMS OF PROPOSAL-COUNTY OF LACKAWANNA

I, a duly authorized officer of PNC Bank, National Association, do hereby certify in connection with the above-described Note that the attached Proposal was duly made and delivered to the Local Government Unit not later than the date of adoption of the Resolution and that its exact Terms are:

Interest Rate: 0.60% tax free, NBQ fixed interest rate

Principal Amount: \$10,500,000

Price: Par

Dated: ON OR ABOUT January 3, 2022


Maturity Date: June 30, 2022

Early Redemption or Prepayment: Subject to Make Whole Language

Origination Fee: \$0

Legal Review Fee: \$1,500

PNC BANK, NATIONAL ASSOCIATION



Print Name: Michael Dennen
Authorized Officer

* This proposal is conditioned on the following:

- a) PNC's internal credit approval subsequent to the receipt of the most recent financial information as well as the cash flow calculation supporting this request.
- b) Repayment of all outstanding tax and revenue anticipation notes for 2021 prior to funding this Note.
- c) A settlement on or about January 3, 2022 unless otherwise waived by the Purchaser.
- d) The Bank provided closing documents must be used. Any changes must be Bank approved and may be subject to additional legal review fee.



Lackawanna County

Commissioners

Jerry Notarianni • Debi Domenick, Esq. • Chris Chermak

Frank J. Ruggiero, Esquire
County Solicitor
Lackawanna County Government Center at
The Globe
123 Wyoming Ave, 6th Floor
Scranton PA 18503
t (570) 963-6800 o (570) 876-6901
RuggieroF@lackawannacounty.org
www.LackawannaCounty.org

January 3, 2022

PNC Bank, National Association
The Tower at PNC, 11th Floor
300 Fifth Avenue
Pittsburgh, PA 15222

**RE: County of Lackawanna
Commonwealth Of Pennsylvania
Tax And Revenue Anticipation Note, Series 2022**

OPINION OF SOLICITOR

To Whom It May Concern:

I am the Solicitor for the County of Lackawanna (hereinafter, the "County"), and as such I am generally familiar with its affairs relative to the matters referred to herein. I am delivering this opinion to you in connection with the Settlement for the issuance and sale by the County of its Tax and Revenue Anticipation Note, Series 2022 (hereinafter, the "Note").

Based on such review as I deemed necessary, I am of the opinion that:

1. The County is validly organized under the laws of the Commonwealth of Pennsylvania with full power and authority to issue the Note; all necessary action has been taken by its Governing Body and by its proper officers to make the Note a validly issued and legally binding obligation.

2. At the Settlement of the sale of the Note held today there was delivered a Certificate and Transmittal of the Proceedings of the County as filed with the Department of Community and Economic Development, including the Ordinance of the Governing Body authorizing the issuance of the Note. The documents contained in such Proceedings were duly prepared in accordance with all rules of procedure of the County; the Ordinance was duly adopted at a public meeting of the Governing Body, notice of which was properly given; and the Ordinance is in full force and effect on the date hereof.

3. The following persons are the officers of the County:

<u>Name</u>	<u>Official Title</u>
Debi Domenick	Chairwoman, Board of Commissioners
Brian Jeffers	Chief of Staff
Frank J. Ruggiero, Esq.	County Solicitor

PNC Bank, National Association
January 3, 2022
Page 2

and each such officer is now, and was at all times relevant to these transactions, duly elected or appointed, qualified and acting as such officer.

4. The Note has been duly executed, dated the date of Settlement and delivered on behalf of the County.

5. I have, as of the completion of the aforesaid Settlement, made such investigation as is appropriate and, based thereon, am of the opinion that there is no litigation pending against the County contesting the validity of any action taken by the County in connection with the authorization, execution and delivery of the Note or otherwise affecting the validity of the Note or the security therefor.

6. The Note is not an "arbitrage bond" under Section 148 of the Internal Revenue Code of 1986, as amended, and interest at the stated Interest Rate on the Note is excluded from gross income for purposes of federal income taxation under present statutes, regulations and court decisions. Such interest may, however, be included in certain calculations of the basis of alternative minimum tax liability. Due to the designation of the Note as a "qualified tax-exempt obligation" under Tax Code Section 265(b)(3), certain financial institutions may be able to deduct eighty percent (80.00%) of the interest expense incurred to purchase or carry the Note.

7. The Note, and the interest income therefrom, are free from taxation for purposes of personal income, corporate net income and personal property taxes within the Commonwealth of Pennsylvania.

Thank you for your time and consideration. I remain,

Very truly yours,



Frank J. Ruggiero, Esquire
Lackawanna County Solicitor

FJR/mcra

cc: Lackawanna County Board of Commissioners (VIA EMAIL ONLY)
Brian Jeffers, Lackawanna County Chief of Staff (VIA EMAIL ONLY)
Traci Harte, Lackawanna County Deputy Chief of Staff (VIA EMAIL ONLY)
Thomas Durkin, Lackawanna County Chief Financial Officer (VIA EMAIL ONLY)

IN THE MATTER OF
COUNTY OF LACKAWANNA
COMMONWEALTH OF PENNSYLVANIA
TAX AND REVENUE ANTICIPATION NOTE, SERIES 2022
CERTIFICATE AND TRANSMITTAL OF PROCEEDINGS
TO
THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMONWEALTH OF PENNSYLVANIA

We, the undersigned Designated Officers of the County of Lackawanna (the "County"), pursuant to Section 8128 of the Debt Act, do hereby certify in connection with the above-described Note that attached hereto are true and correct copies of the following:

A. The Ordinance duly adopted by the affirmative vote of at least a majority of the incumbent members of the Governing Body of the County at a meeting held December 30, 2021, and duly recorded in the minutes thereof;

B. The Proposal of PNC Bank, National Association for the purchase of the Note, incorporating the attached Terms; and

C. The Certificate as to Collections and Expenditures prepared pursuant to Sections 8122 and 8126 of the Debt Act, with Exhibit A attached thereto, and hereby certified to be a correct estimate as of the date of adoption of the Ordinance.

Capitalized terms used in this Transmittal and not defined are defined in the Ordinance.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal of the County as of the 3rd day of January, 2022.

ATTEST:



Name: Brian Jeffers
Title: Chief of Staff

COUNTY OF LACKAWANNA

By: 

Name: Commissioner Debi Domenick
Title: Chairwoman



Name: Frank J. Ruggiero, Esq.
Title: County Solicitor

[SEAL]

COUNTY OF LACKAWANNA
COMMONWEALTH OF PENNSYLVANIA
SETTLEMENT CERTIFICATE AND RECEIPT
FOR TAX AND REVENUE ANTICIPATION NOTE, SERIES 2022

I, the undersigned Designated Officers of the County of Lackawanna (the "County"), do hereby certify in connection with the issuance of the Tax and Revenue Anticipation Note, Series 2022 (the "Note"), that:

1. The persons named below are now, and have been at all times relevant to the authorization and issuance of the Note, the duly elected or appointed incumbents of the designated offices of the County, and the signature, if any, appearing on all documents related to this transaction, including particularly the Certificate and Transmittal, and the Note, is such person's genuine signature:

<u>Name</u>	<u>Official Title</u>
Debi Domenick	Chairwoman, Board of Commissioners
Brian Jeffers	Chief of Staff
Frank J. Ruggerio, Esq.	County Solicitor

2. The Certificate and Transmittal of Proceedings with the attachments described therein for the authorization and issuance of the Note was filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania prior to, or not later than, the date of this Certificate, as evidenced by the Filing Receipt included herein, all in accordance with the provisions of the Debt Act.

3. No action has been taken to alter, amend or terminate the proceedings for the issuance of the Note; the copy of the Ordinance contained in the Certificate and Transmittal is a true and correct copy of that Ordinance, which was duly and regularly adopted by the Governing Body and remains in full force and effect as of this date.

4. The Certificate as to Collections and Expenditures contained in the Certificate and Transmittal is hereby reaffirmed and republished as of this date.

5. The Note has been sold pursuant to the Ordinance upon receipt of an acceptable Proposal at negotiated sale to PNC Bank, National Association for a price equal to the principal amount thereof, less the Origination Fee, if any, the payment of which sum is hereby acknowledged.

6. There is no litigation pending or threatened affecting the validity of the incurring of indebtedness of the County in respect of the Note or affecting the validity of any action taken by the

Governing Body of the County in connection with the authorization or issuance of the Note or otherwise affecting the validity of the Note or the security therefor.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the County as of the 3rd day of January, 2022.

COUNTY OF LACKAWANNA

By: 
Name: Brian Jeffers
Title: Chief of Staff

[SEAL]

Numbered 1

**TAX AND REVENUE ANTICIPATION NOTE
SERIES 2022**

Issuance Date: January 3, 2022
Maturity Date: December 30, 2022
Interest Rate: 0.60% Principal Amount: \$10,000,000.00

COUNTY OF LACKAWANNA, Pennsylvania (the "County"), for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay to PNC Bank, National Association (the "Bank" or the "Registered Owner" identified on the attached Registration form incorporated herein by reference) the principal sum of **TEN MILLION and 00/100 DOLLARS (\$10,000,000.00)**, together with interest thereon from the Issuance Date hereof at the stated Interest Rate, per 30/360 day year, on the Maturity Date hereof, upon presentation and surrender of this Note at the office of the County, in the coin or currency of the United States of America that is, at the time and place of payment, legal tender for the payment of public and private debts. This Note is subject to prepayment prior to the Maturity Date in accordance with the terms hereof.

This Note is issued under and pursuant to the County Debt Act of the Commonwealth of Pennsylvania, as codified by the Act of December 19, 1996 (P.L. 1158, No. 177), as amended (the "Debt Act"). The indebtedness evidenced hereby is a borrowing in anticipation of taxes and revenues to be received by the County during the period in which this Note is outstanding and is to be repaid from such taxes and revenues once received. In the event of any default hereunder, the County will pay the Bank's reasonable costs and expenses incurred in collection of the amounts due hereunder. The County hereby pledges and grants (equally and ratably with all other tax and revenue anticipation notes issued by the County for the current fiscal year) to the Bank, a first lien and charge on, and security interest in, its taxes, accounts and general intangibles, including "Total Revenues" (as defined in the Debt Act) to be received during the period when this Note is outstanding (including any period of default) in order to secure the payment of the principal indebtedness evidenced hereby and the interest hereon.

This Note is executed and delivered pursuant to an Ordinance adopted by the County upon the affirmative vote of at least a majority of the members of its Governing Body at a public meeting duly and regularly held, and after filing with the Department of Community and Economic Development of the Commonwealth of Pennsylvania the documents required by Section 8128 of the Debt Act.

Upon at least five (5) business days prior written notice to the holder, the County has the right to prepay all or part of the outstanding principal and interest hereunder. Notwithstanding anything contained herein to the contrary, upon any prepayment by or on behalf of the County (whether voluntary, on default or otherwise), the Bank may require, if it so elects, the County to pay the Bank as compensation for the costs of being prepaid an amount equal to the Cost of Prepayment. "Cost of Prepayment" means an amount equal to the present value, if positive, of the product of (a) the difference between (i) the yield, on the beginning date of the applicable interest period, of a U.S. Treasury obligation with a maturity similar to the applicable interest period, minus (ii) the yield on the prepayment date, of a U.S. Treasury obligation with a maturity similar to the remaining maturity of the applicable interest period, and (b) the principal

amount to be prepaid, and (c) the number of years, including fractional years, from the prepayment date to the end of the applicable interest period. The yield on any U.S. Treasury obligation shall be determined by reference to Federal Reserve Statistical Release H.15 (519) "Selected Interest Rates." For purposes of making present value calculations, the yield to maturity of a similar maturity U.S. Treasury obligation on the prepayment date shall be deemed the discount rate. The Costs of Prepayment shall also apply to any payments made after acceleration of the maturity of this Note.

If the County fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of the Note within 15 calendar days of the date due and payable, the County also shall pay to the Purchaser a late charge equal to the lesser of five percent (5.00%) of the amount of such payment or \$100.00 (the "Late Charge"). Such fifteen-day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Purchaser's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, the Note shall bear interest at a rate per annum (based on a year of 360 days and actual days elapsed) which shall be equal to the rate stated in the Terms of Proposal, plus three percent (3.00%) but not more than the maximum rate allowed by law (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on the Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purposes of defraying the Purchaser's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Purchaser's exercise of any rights and remedies thereunder, or under applicable law, and any fees and expenses of any agents or attorneys which the Purchaser may employ. In addition, the Default Rate reflects the increased credit risk to the Purchaser of carrying a loan that is in default. The County agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Purchaser, and that the actual harm incurred by the Purchaser cannot be estimated with certainty and without difficulty.

The Note is being purchased on the assumption that interest paid on the Note is excludable from the gross income of the Bank for Federal income tax purposes. If interest on the Note shall be declared by the Internal Revenue Service or an agent thereof to be, or shall otherwise be determined or required to be includable in the income of the Bank for purposes of Federal income taxation, including pursuant to any amendment to the Internal Revenue Code of 1986, as amended, the indebtedness evidenced thereby shall thereafter bear interest at an annual rate (the "Taxable Rate") which shall be the Prime Rate of the Bank, such Taxable Rate to change as of the dates of changes in the Prime Rate without notice to the County; the County will pay to the Bank on demand the difference between the amount of interest which the Bank would have received in interest at the Taxable Rate if the indebtedness evidenced by the Note had borne interest at the Taxable Rate during the entire period that interest on the Note is so declared, determined or required to be taxable, together with such penalties and interest, if any, due and payable because of non-payment of Federal income taxation less interest paid at the rate stated in the Terms of Proposal notwithstanding that the indebtedness evidenced by this Note may have been paid in full prior to such declaration or determination. In the event of any such declaration or determination, the Bank shall promptly give written notice of the same to the County who shall have the privilege of contesting such declaration or determination in the name of the Bank by any available administrative or judicial proceedings, provided that it does so at its own expense and pays all costs, interest and/or penalties resulting therefrom. In the event that any such declaration or determination is reversed pursuant to the entry of a final determination, order, ruling or decree, all amounts theretofore paid to the Bank in excess of the rate stated in the Terms of Proposal shall be promptly refunded to the County and the rate of interest shall revert to the rate stated in the Terms of Proposal.

If the Bank determines that any Change in Law affecting it, regarding legal, capital or reserve requirements has or would have the effect of increasing the cost of, or reducing the rate of return on its capital or on the capital of the Bank's holding company, as a consequence of this Note, to a level below that which the Bank could have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Bank's holding company), then from time to time the County will pay to the Bank such additional amount or amounts as will compensate it for any such reduction suffered.

"Change in Law" means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Official Body or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Official Body; provided, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, interpretations or directives thereunder or issued in connection therewith (whether or not having the force of Law) and (y) all requests, rules, regulations, guidelines, interpretations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities (whether or not having the force of Law), in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law regardless of the date enacted, adopted, issued, promulgated or implemented.

"Law" shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award by or settlement agreement with any Official Body.

"Official Body" shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision) or any successor or similar authority to any of the foregoing.

The occurrence of any of the following events shall be deemed an Event of Default under the Note:

(a) Default in the payment of principal or interest on the Note for a period in excess of fifteen (15) days or any other default under the terms of this Note; or

(b) Default in the performance of any covenant or agreement set forth in the Ordinance or in the Note or the occurrence of a default under any other agreement between the County and the Purchaser; or

(c) Any representation or warranty made by the County is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the County pursuant to the Ordinance is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified; or

(d) The County shall fail or refuse to comply with any provisions of the Debt Act, or shall for any reason be rendered incapable of fulfilling its obligations under the Note or thereunder; or

(e) The County shall become insolvent or shall be unable to pay its debts as they mature, or the County shall cease operations, file a voluntary petition in bankruptcy or a voluntary petition seeking reorganization or to effect a plan or other arrangement with creditors, or shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition pursuant to any Act of Congress relating to bankruptcy, or shall be the subject of any order for relief, or shall make an assignment for the benefit of creditors or make an assignment to an agent (authorized to liquidate any substantial amounts of the assets of the County), or shall apply for or consent to or suffer the appointment of a receiver or trustee for the County or a substantial part of its property; or

(f) An order for relief shall be entered pursuant to an Act of Congress or any law of the Commonwealth of Pennsylvania relating to bankruptcy with respect to an involuntary petition seeking reorganization of, or an order shall be entered appointing any receiver or trustee for, the County or a substantial part of its property, or a writ or warrant of attachment or any similar process shall be issued against a substantial part of the property of the County, or an order shall be entered at either the state court level enjoining or preventing the County from conducting all or any part of its business as it is usually conducted, or garnishment proceedings shall be instituted by attachment, levy or otherwise, against any deposit balance maintained, or any property deposited, with the Purchaser by the County.

Upon the occurrence of an Event of Default specified in clause (e) or (f) above, the outstanding principal balance and accrued interest under the Note, together with any additional amounts payable thereunder shall be immediately due and payable without demand and without notice of any kind, at the Purchaser's option. Further, at the Purchaser's option, the Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default, and the Purchaser may exercise from time to time any of the rights and remedies available under the Ordinance or under applicable law.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the County, as such, either directly or through the County, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise. All liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the repayment obligation represented by this Note is not in excess of any constitutional or statutory limitation.

The County irrevocably, knowingly, and voluntarily agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by the Bank or any successor or assign of the Bank on or with respect to this Note or any other document which in any way relates, directly or indirectly, to this Note or any event, transaction, or occurrence arising out of or in any way connected with this Note or the dealings of County and the Bank with respect hereto, shall be tried only by a court and not by a jury. THE COUNTY HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY

SUCH SUIT, ACTION, OR PROCEEDING. THE COUNTY ACKNOWLEDGES AND AGREES THAT THIS PROVISION IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT THE BANK WOULD NOT EXTEND THE LOAN TO THE COUNTY REPRESENTED BY THIS NOTE FOR THE BENEFIT OF THE COUNTY IF THIS WAIVER OF JURY TRIAL SECTION WERE NOT A PART OF THIS NOTE.

This Note is a Qualified Tax-Exempt Obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the County has caused this Note to be signed in its name by its Chairman of the Governing Body and its corporate seal to be hereunto affixed, or a facsimile thereof to be printed hereon, duly attested, all as of the date set forth above.

ATTEST:

COUNTY OF LACKAWANNA


Name: Brian Jeffers
Title: Chief of Staff

By: 
Name: Commissioner Debi Domenick
Title: Chairwoman


Name: Frank J. Ruggiero, Esq.
Title: County Solicitor

[SEAL]

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below, and upon notation of the same upon the books of the County, maintained for such purpose. The County shall treat the Registered Owner of this Note, as noted hereon and on said books, as the absolute owner hereof, and shall not be affected by any changed circumstances, nor by any notice to the contrary.

Original Registered Owner:

PNC Bank, National Association

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Purchaser</u>	<u>Registrar</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

For value received, the last-named Transferor, by its due execution above, does hereby, on the above-stated date, sell, transfer and negotiate this Note unto the last-named Subsequent Purchaser, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note, and further irrevocably authorizes and directs the County to make this transfer on its books maintained for such purpose.

COUNTY OF LACKAWANNA

COMMONWEALTH OF PENNSYLVANIA

CERTIFICATE AS TO COLLECTIONS AND EXPENDITURES

FOR TAX AND REVENUE ANTICIPATION NOTE, SERIES 2022

We, Designated Officers of the County of Lackawanna (the "County"), who are charged, among others, with the responsibility of issuing and delivering the Tax and Revenue Anticipation Note, Series 2022 (the "Note"), certify that:

1. It has been estimated that the amounts of money shown in column (1) of Exhibit A will be received by the County from taxes currently levied and assessed and other current revenues (including, without limitation, subsidies, reimbursements and interest earnings, including expected interest earnings on Note proceeds), and that the amounts shown in column (2) of Exhibit A will be expended, during the fiscal year ending December 31, 2022.

2. On the basis of the foregoing estimates and the facts and circumstances now in existence and herein set forth, it is not expected that the proceeds of the Note will be used in a manner that would cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the United States Internal Revenue Code of 1986, as amended (the "Code") or the Regulations thereunder. The Note is being issued to finance the anticipated cash flow deficit of the County, as computed above.

3. There are no amounts in a general fund account or any other account available for the payment of the deficit shown on Exhibit A which may be invaded to pay such deficit without a legislative, judicial or contractual requirement that any such account be reimbursed.

4. The estimates set out on Exhibit A are in accordance with the duly adopted budget of the County and take into account the past and anticipated collection experience of the County and current economic conditions.

5. To the best of our knowledge and belief, the expectations stated herein are reasonable and there are no other facts, estimates or circumstances which would materially change the conclusions set out herein.

6. The County has not been advised of any listing or contemplated listing by the Internal Revenue Service to the effect that these certifications with respect to its obligations may not be relied upon, nor has any notice to that effect been published in the Internal Revenue Bulletin.

7. The certifications contained herein are made pursuant to Sections 8122 and 8126 of the Debt Act and Section 148 of the Code and the Regulations thereunder.

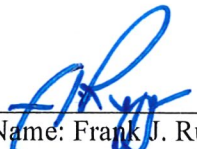
DULY EXECUTED by Designated Officers as of a date not more than thirty (30) days before the date of adoption of the Ordinance authorizing the Note and confirmed on the date of such adoption set by means of the signatures forth in the Certificate and Transmittal.

ATTEST:

COUNTY OF LACKAWANNA


Name: Brian Jeffers
Title: Chief of Staff

By: 
Name: Commissioner Debi Domenick
Title: Chairwoman


Name: Frank J. Ruggiero, Esq.
Title: County Solicitor

Dated: January 3, 2022

EXHIBIT A

**TAX ANTICIPATION NOTE
CASH FLOW DEFICIT CALCULATION
FOR THE YEAR 2022**

	RECEIPTS	EXPENSES	SURPLUS DEFICIT	NEXT MONTH CUM. SURPLUS CASH REQ.	OR DEFICIT
BEGINNING BALANCE	19,873,950				
JANUARY	6,797,488	11,235,860	15,435,578	11,007,860	4,427,718
FEBRUARY	7,080,922	11,007,860	11,508,640	11,122,070	386,570
MARCH	33,569,430	11,122,070	33,956,000	12,402,070	21,553,930
APRIL	28,410,770	12,402,070	49,964,700	13,216,425	36,748,275
MAY	11,760,944	13,216,425	48,509,219	13,102,070	35,407,149
JUNE	9,292,505	13,102,070	44,699,654	13,552,070	31,147,584
JULY	9,038,497	13,552,070	40,186,081	13,137,070	27,049,011
AUGUST	9,124,649	13,137,070	36,173,660	13,137,070	23,036,590
SEPTEMBER	5,573,317	13,137,070	28,609,907	11,907,070	16,702,837
OCTOBER	5,478,203	11,907,070	22,181,040	12,293,497	9,887,543
NOVEMBER	7,419,270	12,293,497	17,306,813	12,293,497	5,013,316
DECEMBER	6,003,280	12,293,497	11,016,596		11,016,596
TOTAL BALANCES AND RECEIPTS	159,423,225	148,406,629			

Information Return for Tax-Exempt Governmental Bonds

(Rev. October 2021)

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

▶ Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name County of Lackawanna, Pennsylvania		2 Issuer's employer identification number (EIN) 24-6000729	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 123 Wyoming Ave 6th Floor	Room/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Scranton, PA 18503		7 Date of issue January 3, 2022	
8 Name of issue Tax and Revenue Anticipation Note, Series 2022		9 CUSIP number N/A	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Thomas Durkin, Chief Financial Officer		10b Telephone number of officer or other employee shown on 10a	

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.	
11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe ▶ Working Capital	18 10,000,000.00
19a If bonds are TANs or RANs, check only box 19a	<input checked="" type="checkbox"/>
b If bonds are BANs, check only box 19b	<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box	<input type="checkbox"/>

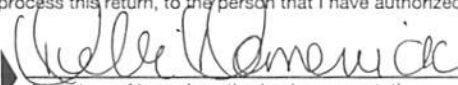
Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/31/2022	\$ 10,000,000.00	\$ 10,000,000.00	.9917 years	.060 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22	Proceeds used for accrued interest	22	0.00	
23	Issue price of entire issue (enter amount from line 21, column (b))	23	10,000,000.00	
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	1,500.00	
25	Proceeds used for credit enhancement	25	0.00	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0.00	
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	0.00	
28	Proceeds used to refund prior taxable bonds. Complete Part V	28	0.00	
29	Total (add lines 24 through 28)	29	1,500.00	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	9,998,500.00	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	▶ N/A years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	▶ N/A years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	▶
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	
b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____		
c Enter the name of the GIC provider ▶ _____		
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____		
c Enter the EIN of the issuer of the master pool bond ▶ _____		
d Enter the name of the issuer of the master pool bond ▶ _____		
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input checked="" type="checkbox"/>		
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/>		
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b Name of hedge provider ▶ _____		
c Type of hedge ▶ _____		
d Term of hedge ▶ _____		
42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/>		
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input type="checkbox"/>		
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input type="checkbox"/>		
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	 Signature of issuer's authorized representative	12/30/21 Date	Debi Domenick, Chairman Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			