

ORDINANCE NO. 51

FIRST READING November 25, 1987
 SECOND READING December 4, 1987

AUTHORIZING THE INCURRING OF LEASE RENTAL DEBT EVIDENCED BY A GUARANTY AGREEMENT; ESTIMATING THE USEFUL LIFE OF THE PROJECT; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING WITH THE DEPARTMENT OF COMMUNITY AFFAIRS OF A DEBT STATEMENT AND OTHER DOCUMENTS REQUIRED BY THE LOCAL GOVERNMENT UNIT DEBT ACT; AUTHORIZING THE EXCLUSION OF ALL OR PART OF THE INDEBTEDNESS AS SUBSIDIZED DEBT OR SELF-LIQUIDATING DEBT; REPEALING ALL INCONSISTENT ORDINANCES OR RESOLUTIONS; AUTHORIZING AND DIRECTING UPON CERTAIN CONDITIONS AND UPON RECEIPT OF THE APPROVAL OF DEPARTMENT OF COMMUNITY AFFAIRS THE EXECUTION AND DELIVERY OF SAID GUARANTY AGREEMENT; APPROVING THE FORM OF THE AUTHORITY BOND; AND APPROVING THE FORM OF GUARANTY.

WHEREAS, the Multi-Purpose Stadium Authority of Lackawanna County (the "Authority") was organized on April 25, 1985, by the Board of County Commissioners (the "Board") of the County of Lackawanna Pennsylvania (the "County") under provisions of the Pennsylvania Municipality Authorities Act of 1945, P.L. 382, as amended; and

WHEREAS, the Authority intends to undertake as a project (the "Project") the issuance of its Guaranteed Stadium Revenue Bonds, Series 1987 in the aggregate principal amount of \$7,600,000 (the "1987 Bonds"); and

WHEREAS, the 1987 Bonds are to be issued under and pursuant to an Indenture of Trust, dated as of August 1, 1986, and a First Supplemental Indenture of Trust, dated as of December 15, 1987, between the Authority and Northeastern Bank of Pennsylvania, as trustee (the "Trustee"); and

WHEREAS, the proceeds derived from the issuance of the 1987 Bonds are to be applied, together with proceeds of the Authority's Guaranteed Stadium Revenue Bonds, Series 1986 (the "1986 Bonds") to design, construct, furnish and equip a multi-purpose stadium facility (the "Stadium Facility"), to be located in the Borough of Moosic, County of Lackawanna, as well as to pay capitalized interest on the 1986 Bonds and the 1987 Bonds, to fund certain reserves and to pay certain costs of issuance in connection with the 1987 Bonds; and

WHEREAS, the Project will promote the general health and welfare of the residents of the County of Lackawanna; and

WHEREAS, the County desires that the Authority issue the 1987 Bonds and apply the proceeds as aforesaid and is willing to enter into a guaranty agreement (the "1987 Guaranty Agreement") because the Project will promote the purposes of the County at less expense than would otherwise be incurred and in order to enhance the marketability of the 1987 Bonds and thereby achieve interest cost and other savings with respect to the operations of the Authority and as an inducement to the purchase of the 1987 Bonds by all who shall at any time become holders of the 1987 Bonds;

WHEREAS, the obligation of the County under the 1987 Guaranty Agreement constitutes lease rental debt under the Local Government Unit Debt Act, P.L. 871 of 1972, as amended and reenacted by P.L. 52 of 1978, as amended (the "Debt Act"); and

WHEREAS, said Debt Act requires certain actions as a prerequisite to incurring lease rental debt.

NOW, THEREFORE, the Board of County Commissioners of the County of Lackawanna Pennsylvania, hereby **ORDAINS AND ENACTS** that:

SECTION 1. The County hereby authorizes the incurring of lease rental debt in the form of the guaranty contained in the 1987 Guaranty Agreement hereinafter recited, to secure the payment of principal and interest on the 1987 Bonds which the Authority proposes to issue to provide funds for and toward the costs of the Project, all as more fully described in the Bond Purchase Proposal (the "Bond Purchase Proposal") of PNC Investment Company, for the purchase of the 1987 Bonds, such proposal being dated December 4, 1987, and having been accepted that day by the Authority, and in the Official Statement approved by resolution of the Authority and by resolution of the Board of County Commissioners, adopted concurrently herewith. The description of the Project, as described in the foregoing documents, is hereby incorporated by reference herein and is adopted and approved.

SECTION 2. The realistic estimated useful life of the Stadium Facility is hereby declared to be 50 years.

SECTION 3. The Chairman of the Board and the Administrative Director of the County, or any duly appointed successor to either thereof, as the case may be, are hereby authorized and directed to prepare, certify and file with the Department of Community Affairs, in accordance with the Debt Act, a Debt Statement required by Section 410 thereof and are further hereby authorized and directed to prepare and file any statements required by the Debt Act which are necessary to qualify that portion of the gross lease rental debt of the County securing the payment of principal and interest of the 1987 Bonds which may be excluded from such gross lease rental debt as subsidized or self-liquidating debt, for the purpose of establishing the net lease rental debt of the County and determining its debt limit, and the said Chairman and Administrative Director are hereby authorized and directed to prepare and execute a certificate stating the County's borrowing base, as that term is defined in the Debt Act, for submission to the Department of Community Affairs.

SECTION 4. Subject to the satisfaction of the conditions of the Bond Proposal by the Authority and the approval of the Department of Community Affairs of the authorization to incur debt, the members of the Board and the Controller and the Treasurer of the County are hereby authorized, and directed to execute, acknowledge and deliver, and the Administrative Director of the County is hereby authorized and directed to affix and attest the corporate seal of the county to a 1986 Guaranty Agreement in substantially the form attached hereto and made a part hereof as Exhibit A, with such changes therein as counsel may advise and the Officers executing the same may approve, their approval to be evidenced by their execution thereof.

SECTION 5. The 1987 Bonds to be issued by the Authority shall be guaranteed revenue bonds as defined in the Debt Act, to be substantially in the form approved in Exhibit B hereto, maturing, bearing interest, redeemable and payable at the place and on the dates as contained in the form of 1987 Bond and 1987 Guaranty Agreement set forth in Exhibit A hereto.

SECTION 6. The 1987 Bonds shall be sold at negotiated sale to the firm hereinabove recited.

SECTION 7. The County intends hereby to incur lease rental debt in accordance with the Debt Act. The County covenants to and with the holders, from time to time, of the 1987 Bonds, that the County: (1) shall include the amount payable in respect of the Guaranty for each fiscal year in which such sums are payable in its budget for that fiscal year, (2) shall appropriate such amounts from its revenues for the payment of the Guaranty, and (3) shall duly and punctually pay or cause to be paid from its revenues or funds the principal of and interest on the 1987 Bonds, to the extent of its obligations as provided in the Guaranty Agreement, and, for such budgeting, appropriation and payment, the County shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenants of the County shall be specifically enforceable.

SECTION 8. All prior ordinances or resolutions or parts thereof inconsistent herewith are hereby repealed.

SECTION 9. The 1987 Guaranty Agreement shall be in substantially the form contained in Exhibit A, the terms and provisions thereof being in all respects adopted fully herein, and the form of the Authority Bonds shall be in substantially the form contained in Exhibit B, and such form is hereby approved.

SECTION 10. This Ordinance shall become effective December 15, 1987.

DULY ADOPTED, by the Governing Body of this County, in lawful session duly assembled, this 4th day of December, 1987.

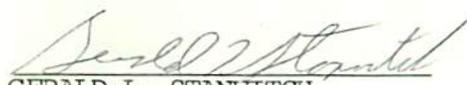
COUNTY OF LACKAWANNA


RAY A. ALBERIGI


JOSEPH J. CORCORAN

CHARLES LUGER

ATTEST:


GERALD L. STANVITCH,
ADMINISTRATIVE DIRECTOR