

ORDINANCE #99

FIRST READING - August 1, 1995
 SECOND READING - September 12, 1995

TO AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF LACKAWANNA, PENNSYLVANIA, DESIGNATED AS "GENERAL OBLIGATION BONDS, SERIES A OF 1995" AND "TAXABLE GENERAL OBLIGATION BONDS, SERIES B OF 1995" (COLLECTIVELY, THE "BONDS"), IN A TOTAL AGGREGATE PRINCIPAL AMOUNT OF SEVEN MILLION SEVEN HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$7,725,000) FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND THE COUNTY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 1992, GENERAL OBLIGATION BONDS, SERIES OF 1994 AND GENERAL OBLIGATION NOTE (TAXABLE), SERIES OF 1994 (COLLECTIVELY, THE "PRIOR OBLIGATIONS") AND TO PAY THE COSTS INCIDENTAL TO SUCH REFUNDINGS AND OF ISSUING AND INSURING THE BONDS (ALL AS MORE SPECIFICALLY SET FORTH HEREIN); DESCRIBING CERTAIN PRIOR PROJECTS AND RATIFYING AND CONFIRMING THE ORIGINALLY ESTIMATED REALISTIC USEFUL LIVES THEREOF; DIRECTING THE PROPER OFFICERS OF THE GOVERNING BODY TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT AND BORROWING BASE CERTIFICATE; COVENANTING THAT THE COUNTY SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; PROVIDING FOR FULLY REGISTERED BONDS, DATE OF THE BONDS, INTEREST PAYMENT DATES, PROVISIONS FOR REDEMPTION AND STATED PRINCIPAL MATURITY AMOUNTS AND FIXING THE RATES OF INTEREST ON SUCH BONDS; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO CONTRACT WITH A BANK OR BANK AND TRUST COMPANY FOR ITS SERVICES AS SINKING FUND DEPOSITARY, PAYING AGENT AND REGISTRAR AND STATING A COVENANT AS TO PAYMENT OF PRINCIPAL AND INTEREST WITHOUT DEDUCTION FOR CERTAIN TAXES; PROVIDING FOR THE REGISTRATION, TRANSFER AND EXCHANGE OF BONDS; PROVIDING FOR FACSIMILE SIGNATURES AND SEAL AND AUTHENTICATION; APPROVING THE FORM OF THE BONDS, PAYING AGENT'S AUTHENTICATION CERTIFICATE AND ASSIGNMENT AND PROVIDING FOR CUSIP NUMBERS TO BE PRINTED ON THE BONDS; PROVIDING FOR TEMPORARY BONDS; AWARDING SUCH BONDS AT PRIVATE SALE AND STATING THAT SUCH PRIVATE SALE IS IN THE BEST FINANCIAL INTEREST OF THE COUNTY; CREATING A SINKING FUND; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE COUNTY TO CERTIFY AND TO FILE WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; APPROVING THE FORMS OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF CERTAIN ESCROW AGREEMENTS AND OTHERWISE PROVIDING FOR THE REFUNDING OF THE PRIOR OBLIGATIONS; COVENANTING THAT THE PROCEEDS OF THE BONDS SHALL NOT BE USED IN SUCH A MANNER AS TO CAUSE THE BONDS TO BE ARBITRAGE BONDS UNDER FEDERAL TAX LAW PROVISIONS; APPROVING THE CONTENT AND FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE DISTRIBUTION THEREOF AND AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AUTHORIZING CONTINUING DISCLOSURE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE COUNTY TO DO ALL THINGS NECESSARY TO CARRY OUT THE ORDINANCE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE COUNTY TO PAY ISSUANCE COSTS; AND REPEALING ALL INCONSISTENT ORDINANCES.

The Board of County Commissioners (the "Governing Body") of the County of Lackawanna, Pennsylvania (the "County"), pursuant to the Pennsylvania Local Government Unit Debt Act, as amended (the "Act"), hereby ORDAINS AND ENACTS as follows:

Section 1. Incurrence of Debt; Amount and Purpose of Bonds. The Governing Body of the County hereby authorizes and directs the incurring of non-electoral debt through the issuance of general obligation bonds in an aggregate principal amount of \$7,725,000, consisting of General Obligation Bonds, Series A of 1995 (the "1995 Series A Bonds") in an aggregate principal amount of Seven Million Dollars (\$7,000,000) and Taxable General Obligation Bonds, Series B of 1995 (the "1995 Series B Bonds") in an aggregate principal amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000). The 1995 Series A Bonds and the 1995 Series B Bonds are collectively referred to herein as the "Bonds".

The 1995 Series A Bonds are being issued to provide funds to advance refund the County's outstanding General Obligation Bonds, Series B of 1992 (the "1992 Series B Bonds") and outstanding General Obligation Bonds, Series of 1994 (the "1994 Bonds"; together with the 1992 Series B Bonds, the "Refunded Bonds") and to pay the costs incidental to such refundings and of issuing and insuring the 1995 Series A Bonds (the "Series A Project").

The 1995 Series B Bonds are being issued to provide funds to currently refund the County's outstanding General Obligation Note (Taxable), Series of 1994 (the "1994 Note"; together with the Refunded Bonds, the "Prior Obligations") and to pay the costs incidental to such refundings and of issuing and insuring the 1995 Series B Bonds (the "Series B Project"; together with the Series A Project, the "1995 Project").

The refunding of the Prior Obligations is being undertaken by the County for the purpose of reducing total debt service over the life of the series in compliance with Section 1101 (1) of the Act.

Section 2. Certain Prior Projects; Realistic Estimated Useful Lives Thereof.

(A) The 1992 Series B Bonds were issued to finance, *inter alia*, the costs of construction of various capital improvements and acquisitions to and for County facilities (the "1992 Series B Projects").

The realistic estimated useful lives of the 1992 Series B Projects were each determined, at the time of issuance of the 1992 Series B Bonds, to be five (5) years and 1992 Series B Bonds in an aggregate principal amount equal to the separate cost of each component constituting the 1992 Series B Projects having a shorter useful life than the period during which the 1992 Series B Bonds are outstanding have been scheduled to mature prior to the end of such shorter useful life, and the balance prior to the end of the longest useful life. Such determinations are hereby ratified and confirmed. The 1995 Series A Bonds being issued for the 1992 Series B Projects do not extend beyond the realistic estimated useful lives thereof nor beyond the original maturities of the bonds issued therefor.

(B) The 1994 Bonds were issued to finance, *inter alia*, the costs of acquisition and installation of a 911 emergency communication system (the "1994 Project").

The realistic estimated useful life of the 1994 Project was determined, at the time of issuance of the 1994 Bonds, to be in excess of twenty (20) years and the principal amount of the 1994 Bonds equal to the separate cost of the 1994 Project having a shorter useful life than the period during which the 1994 Bonds were to be outstanding have been scheduled to mature prior to the end of such shorter useful life, and the balance prior to the end of the longest useful life. Such determinations are hereby ratified and confirmed. The 1995 Series A Bonds being issued for the 1994 Project do not extend beyond the realistic estimated useful lives thereof nor beyond the original maturities of the bonds issued therefor.

(C) The 1994 Note was issued to provide funds to reimburse the County for certain capital expenditures theretofore made by the County in connection with the acquisition and installation of the 911 emergency communication system (the "1994 Note Project").

The realistic estimated useful life of the 1994 Note Project was determined, at the time of issuance of the 1994 Note, to be in excess of twenty (20) years and the principal amount of the 1994 Note equal to the separate cost of the 1994 Note Project having a shorter useful life than the period during which the 1994 Note was to be outstanding has been scheduled to mature prior to the end of such useful life, and the balance prior to the end of the longest useful life. Such determinations are hereby ratified and confirmed. The 1995 Series B Bonds being issued for the 1994 Note Project do not extend beyond the realistic estimated useful life thereof nor beyond the original maturities of the note issued therefor.

Section 3. Debt Statement and Borrowing Base Certificate. The Chairman or Vice Chairman of the Governing Body, the County Treasurer and the County Administrator, or any one of them, and/or any other duly authorized or appointed officer of the County, are hereby authorized and directed to prepare and certify a debt statement required by Section 410 of the Act and a Borrowing Base Certificate.

Section 4. Covenant to Pay Bonds. It is covenanted with the registered owners from time to time of the Bonds that the County shall (i) include the amount of the debt service for the Bonds for each fiscal year in which such sums are payable in its budget for that year, (ii) appropriate such amounts from its general revenues for the payment of such debt service, and (iii) duly and punctually pay, or cause to be paid, from its sinking fund for any other of its revenues or funds the principal of, and the interest on, the Bonds at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. As provided by the Act, this covenant shall be specifically enforceable.

Section 5. Description of Bonds; Maturity Schedule; Redemption of Bonds; Notices of Redemption. The Bonds shall be in fully registered form without coupons, shall be numbered, shall be in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof, shall be dated as of October 1, 1995, and shall bear interest from the dates, which interest is payable at the rates provided herein, until maturity or prior redemption, all as set forth in the form of 1995 Series A Bonds and 1995 Series B Bonds attached hereto as Exhibits "A" and "B", respectively, and made a part hereof.

If the date for payment of the principal or redemption price of, and interest on, the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in each of the municipalities where a corporate trust office of the Paying Agent (as hereinafter defined) is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

The Bonds shall bear interest, until maturity or prior redemption, at the rates per annum, and shall mature in the amounts and on October 1 of certain years, all as follows:

1995 Series A Bonds

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Maturity Year</u> |
|-------------------------|----------------------|----------------------|
| \$165,000 | 3.60% | 1996 |
| 270,000 | 3.75 | 1997 |
| 285,000 | 4.00 | 1998 |
| 290,000 | 4.10 | 1999 |
| 305,000 | 4.20 | 2000 |
| 320,000 | 4.35 | 2001 |
| 325,000 | 4.50 | 2002 |
| 345,000 | 4.60 | 2003 |
| 360,000 | 4.70 | 2004 |
| 380,000 | 4.80 | 2005 |
| 400,000 | 5.00 | 2006 |
| 415,000 | 5.00 | 2007 |
| 435,000 | 5.20 | 2008 |
| 460,000 | 5.30 | 2009 |
| 480,000 | 5.35 | 2010 |
| 505,000 | 5.45 | 2011 |
| 1,260,000 | 5.70 | 2014 |

1995 Series B Bonds

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Maturity Year</u> |
|-------------------------|----------------------|----------------------|
| \$30,000 | 6.00% | 1996 |
| 35,000 | 6.10 | 1997 |
| 40,000 | 6.25 | 1998 |
| 40,000 | 6.35 | 1999 |
| 40,000 | 6.45 | 2000 |
| 45,000 | 6.60 | 2001 |
| 50,000 | 6.70 | 2002 |
| 50,000 | 6.80 | 2003 |
| 55,000 | 6.90 | 2004 |
| 60,000 | 7.00 | 2005 |
| 280,000 | 7.25 | 2009 |

The stated maturities of the Bonds have been fixed in compliance with Section 602 (b) (1) of the Act.

(a) Optional Redemption:

The 1995 Series A Bonds maturing on or after October 1, 2001, are subject to redemption prior to maturity at the option of the County, at par plus accrued interest to the date fixed for redemption, in whole or in part (and if in part, in such order of maturity as the County shall select and within a maturity by lot), at any time on and after October 1, 2000.

The 1995 Series B Bonds are not subject to optional redemption prior to maturity.

(b) Mandatory Redemption:

The 1995 Series A Bonds maturing on October 1, 2014, are subject to mandatory redemption prior to maturity in part, by lot, on October 1 of each of the years 2012 to 2013, at a redemption price of par and accrued interest to the date fixed for redemption, from funds which the County hereby covenants to deposit in the Sinking Fund (as hereinafter defined) annually on or before October 1 of each of the following years, sufficient to redeem by lot on each such October 1 the following respective principal amount of 1995 Series A Bonds:

| <u>Mandatory Redemption Date (October 1)</u> | <u>Principal Amount to be Redeemed</u> |
|--|--|
| 2012 | \$535,000 |
| 2013 | 355,000 |

The 1995 Series B Bonds maturing on October 1, 2009, are subject to mandatory redemption prior to maturity in part, by lot, on October 1 of each of the years 2006 to 2008, inclusive, at a redemption price of par and accrued interest to the date fixed for redemption, from funds which the County hereby covenants to deposit in the

Sinking Fund (as hereinafter defined) annually on or before October 1 of each of the following years, sufficient to redeem by lot on each such October 1 the following respective principal amount of 1995 Series B Bonds:

| <u>Mandatory Redemption Date (October 1)</u> | <u>Principal Amount to be Redeemed</u> |
|--|--|
| 2006 | \$65,000 |
| 2007 | 65,000 |
| 2008 | 70,000 |

The Paying Agent (as hereinafter defined) is hereby authorized and directed, (i) upon notification by the County of its option to redeem Bonds in part to select by lot the particular Bonds or portions thereof to be redeemed, (ii) without further authorization of the County with respect to a redemption pursuant to (b) above to select by lot the particular Bonds or portions thereof to be redeemed, and (iii) upon notification by the County of its option to redeem Bonds in whole or in part and when required pursuant to (b) above, to cause a notice of redemption to be given once by first-class United States mail, postage prepaid, or by another method of giving notice which is acceptable to the Paying Agent and customarily used by fiduciaries for similar notices at the time such notice is given, at least thirty (30) days prior to the redemption date, to each registered owner of Bonds to be redeemed. Such notice shall be mailed to the address of such registered owner appearing on the registration books of the Paying Agent, unless such notice is waived by the registered owner of the Bonds to be redeemed. Any such notice shall be given in the name of the County, shall identify the Bonds to be redeemed, including CUSIP numbers, if applicable, which may, if appropriate, be expressed in designated blocks of numbers (and, in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the place where such Bonds are to be surrendered for payment, shall state the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable and from such redemption date interest will cease to accrue. Failure to give any notice of redemption or any defect in the notice or in the giving thereof to the registered owner of any Bond to be redeemed shall not affect the validity of the redemption as to other Bonds for which proper notice shall have been given. The costs incurred for such redemptions shall be paid by the County.

In addition to the notice described in the preceding paragraph, further notice shall be given by the Paying Agent as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption, plus (A) the date of issue of the Bonds as originally issued; (B) the rate of interest borne by each Bond being redeemed; (C) the maturity date of each Bond being redeemed; and (D) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least twenty-five (25) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania on the date of execution and delivery hereof) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Moody's Investors Service, Inc.).

(iii) Such further notice shall be mailed by first class United States mail, postage prepaid, to The Bond Buyer of New York, New York, or to another financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds.

(iv) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The notices required to be given by this Section shall state that no representation is made as to the correctness or accuracy of CUSIP numbers listed in such notice or stated on the Bonds.

In lieu of redeeming the principal amount of Bonds set forth in (b) above on a mandatory redemption date, or any portion thereof, the County or the Paying Agent with the approval of the County may apply the moneys required to be deposited in the Sinking Fund (as hereinafter defined) to the purchase of a like amount of Bonds at prices not in excess of the principal amount thereof, provided that the following provisions are met:

(a) no purchase of any Bonds of any later maturity shall be made if any Bonds of any earlier maturity will remain outstanding; and

(b) firm commitments for the purchase must be made prior to the time notice of redemption would otherwise be required to be given; and

(c) if Bonds aggregating the amount required to be redeemed cannot be purchased, a principal amount of such Bonds equal to the difference between the principal amount required to be redeemed and the amount purchased shall be redeemed as aforesaid.

In the event of purchases of Bonds at less than the principal amount thereof, the balance remaining in the Sinking Fund representing the difference between the purchase price and the principal amount of Bonds purchased shall be paid to the County.

If at the time of the mailing of any 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 shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

Section 6. Paying Agent, Sinking Fund Depository and Registrar; Payment of Principal and Interest Without Deduction for Taxes. The County Treasurer, or such other duly authorized official of the County, is hereby authorized and directed to contract with CoreStates Bank, N.A., Philadelphia, Pennsylvania, for its services as sinking fund depository, paying agent and registrar with respect to the Bonds and such Bank or its successors or assigns is hereby appointed to act in such capacities with respect to the Bonds.

The principal or redemption price of the Bonds shall be payable upon surrender thereof when due in lawful money of the United States of America at the principal corporate trust office of CoreStates Bank, N.A., in Philadelphia, Pennsylvania, or its successors or assigns, or at the designated office of any additional or appointed alternate or successor paying agent or agents (the "Paying Agent"). Such payments shall be made to the registered owners of the Bonds so surrendered, as shown on the registration books of the County on the date of payment. Interest on the Bonds shall be paid by check mailed to the registered owner of such Bond as shown on the registration books kept by the Paying Agent, as of the close of business on the fifteenth (15th) day of the calendar month (whether or not a business day) immediately preceding the interest payment date in question (the "Regular Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Regular Record Date and prior to such interest payment date. If the County shall default in the payment of interest due on such interest payment date, such interest shall thereupon cease to be payable to the registered owners of the Bonds shown on the registration books as of the Regular Record Date. Whenever moneys thereafter become available for the payment of the defaulted interest, the Paying Agent on behalf of the County shall immediately establish a "special interest payment date" for the payment of the defaulted interest and a "special record date" (which shall be a business day) for determining the registered owners of Bonds entitled to such payments; provided, however, that the special record date shall be at least ten (10) days but not more than fifteen (15) days prior to the special interest payment date. Notice of each date so established shall be mailed by the Paying Agent on behalf of the County to each registered owner of a Bond at least ten (10) days prior to the special record date, but not more than thirty (30) days prior to the special interest payment date. The defaulted interest shall be paid on the special interest payment date by check mailed to the registered owners of the Bonds, as shown on the registration books kept by the Paying Agent as of the close of business on the special record date.

The principal or redemption price of, and interest on, the Bonds are payable without deduction for any tax or taxes, except gift, succession, franchise, excise or inheritance taxes, now or hereafter levied or assessed thereon under any present or future laws of the Commonwealth of Pennsylvania, all of which taxes, except as above provided, the County assumes and agrees to pay.

Section 7. Registration, Transfer and Exchange of Bonds. The County shall keep, at the principal corporate trust office of the Paying Agent, as registrar, books for the registration, transfer and exchange of Bonds. The Governing Body hereby authorizes and directs the Paying Agent, as registrar and transfer agent, to keep such books and to make such transfers or exchanges on behalf of the County.

The ownership of each Bond shall be recorded in the registration books of the County, which shall contain such information as is necessary for the proper discharge of the Paying Agent's duties hereunder as Paying Agent, registrar and transfer agent.

The Bonds may be transferred or exchanged as follows:

(a) Any Bond may be transferred if endorsed for such transfer by the registered owner thereof and surrendered by such owner or his duly appointed attorney or other legal representative at the principal corporate trust office of the Paying Agent, whereupon the Paying Agent shall authenticate and deliver to the transferee a new Bond or Bonds of the same series and maturity and in the same denomination as the Bond surrendered for transfer or in different authorized denominations equal in the aggregate to the principal amount of the surrendered Bond.

(b) Bonds of a particular maturity may be exchanged for one or more Bonds of the same maturity and series and in the same principal amount, but in a different authorized denomination or denominations. Each Bond so to be exchanged shall be surrendered by the registered owner thereof or his duly appointed attorney or other legal representative at the principal corporate trust office of the Paying Agent, whereupon a new Bond or Bonds shall be authenticated and delivered to the registered owner.

(c) In the case of any Bond property surrendered for partial redemption, the Paying Agent shall authenticate and deliver a new Bond in exchange therefor, such new bond to be of the same maturity and series and in a denomination equal to the unredeemed principal amount of the surrendered Bond; provided that, at its option, the Paying Agent may certify the amount and date of partial redemption upon the partial redemption certificate, if any, printed on the surrendered Bond and return such surrendered Bond to the registered owner in lieu of an exchange.

Except as provided in subparagraph (c) above, the Paying Agent shall not be required to effect any transfer or exchange during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the Bond to be transferred or exchanged has been called for such redemption. No charge shall be imposed in connection with any transfer or exchange except for taxes or governmental charges related thereto.

No transfers or exchanges shall be valid for any purposes hereunder except as provided above.

New Bonds delivered upon any transfer or exchange shall be valid general obligations of the County, evidencing the same debt as the Bonds surrendered.

The County and the Paying Agent may treat the registered owner of any Bonds as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and any notice to the contrary shall not be binding upon the County or the Paying Agent.

Section 8. Execution of Bonds. The Bonds shall be executed by the manual or facsimile signature of the members of the Governing Body and shall have the corporate seal of the County or a facsimile thereof affixed thereto, duly attested by the manual or facsimile signature of the County Administrator and countersigned by the manual or facsimile signature of the County Treasurer, and the said officers are hereby authorized and directed to execute the Bonds in such manner. The Chairman of the Governing Body, the County Treasurer and the County Administrator, or any one of them, and/or any other duly authorized or appointed officers of the County, are authorized and directed to deliver, or cause to be delivered, the Bonds to the purchasers thereof against the full balance of the purchase price therefor. The Bonds shall be authenticated by the Paying Agent.

Section 9. Forms of Bonds; CUSIP Numbers. The forms of the Bonds, paying agent's authentication certificates and assignments shall be substantially as set forth in Exhibits "A" and "B" attached hereto.

The Bonds shall be executed in substantially the form as set forth said Exhibits with such appropriate changes, additions or deletions as may be approved by the officers executing the Bonds in the manner provided in Section 8 hereof; such execution shall constitute approval by such officers on behalf of the Governing Body. The opinion of bond counsel is authorized and directed to be printed upon the Bonds.

The County, pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures (CUSIP) has caused CUSIP numbers to be printed on the Bonds. No representation is made as to the accuracy of said numbers either as printed on the Bonds or as contained in any notice of redemption, and the County shall have no liability of any sort with respect thereto. Reliance with respect to any redemption notice with respect to the Bonds may be placed only on the identification numbers printed thereon.

Section 10. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the proper officers of the Governing Body may execute and, upon their request in writing, the Paying Agent shall authenticate and deliver in lieu of such Bonds in definitive form one or more printed or typewritten bonds in temporary form, substantially of the tenor of the Bonds hereinbefore described with appropriate omissions, variations and insertions, as may be required. Such bond or bonds in temporary form may be for the principal amount of Five Thousand Dollars (\$5,000) or any whole multiple or multiples thereof, as such officers may determine. The aforesaid officers, without unnecessary delay, shall prepare, execute and deliver Bonds in definitive form to the Paying Agent, and thereupon, upon presentation and surrender of the bond or bonds in temporary form, the Paying Agent shall authenticate and deliver, in exchange therefor, Bonds in definitive form in an authorized denomination of the same maturity for the same aggregate principal amount as the bond or bonds in temporary form surrendered. Such exchange shall be made by the County as its own expense and without any charge therefor. When and as interest is paid upon bonds in temporary form without coupons, the fact of such payment shall be endorsed thereon. Until so exchanged, the temporary bond or bonds shall be in full force and effect according to their terms.

Section 11. Manner of Sale; Award of Bonds; Bid Price; Range of Interest Rates. The Governing Body of the County after due deliberation and investigation has found that a private sale by negotiation is in the best financial interest of the County and based upon such finding the Governing Body of the County hereby awards the Bonds, at private sale, to Wheat First Butcher Singer (the "Underwriters"), upon the terms set forth in their proposal, a copy of which is attached hereto and made a part hereof. As set forth in such proposal, the Bonds are purchased at a bid price of \$7,647,750.00 less original issue discount of \$24,336.95, for a total purchase price of \$7,623,413.05, plus accrued interest. The 1995 Series A Bonds bear interest ranging from 3.60% to 5.70% and the 1995 Series B Bonds bear interest ranging from 6.00% to 7.25%. Original issue discount increases the effective yield on 1995 Series A Bonds of certain maturities, as follows:

| 1995 Series Bonds Maturing | Interest Rate | Effective Yield |
|-------------------------------|------------------|--------------------|
| 10/1/2003 | 4.60% | 4.65% |
| 10/1/2004 | 4.70 | 4.75 |
| 10/1/2005 | 4.80 | 4.85 |
| 10/1/2007 | 5.00 | 5.10 |
| 10/1/2008 | 5.20 | 5.25 |
| 10/1/2009 | 5.30 | 5.35 |
| 10/1/2010 | 5.35 | 5.40 |
| 10/1/2011 | 5.45 | 5.50 |
| 10/1/2014 | 5.70 | 5.75 |

Such details are hereby approved.

Section 12. Sinking Fund; Appropriation of Annual Amounts for Payment of Debt Service. There are hereby established two separate sinking funds for the County designated as "Sinking Fund - 1995 Series A General Obligation Bonds" and "Sinking Fund - 1995 Series B General Obligation Bonds" (respectively, the "Series A Sinking Fund" and the "Series B Sinking Fund"; and collectively, the "1995 Sinking Funds") and into the 1995 Sinking Funds there shall be paid, when and as required, all moneys necessary to pay the debt service on the 1995 Series A Bonds and the 1995 Series B Bonds, and the 1995 Sinking Funds shall be applied exclusively to the payment of the interest covenanted to be paid upon the applicable Series of Bonds and to the principal thereof at maturity or prior redemption and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid.

In each of the following fiscal years the following amounts shall be pledged to pay the debt service on the Bonds, and such amounts are annually hereby appropriated to the 1995 Sinking Funds for the payment thereof:

1995 Series A Bonds Sinking Fund

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 1996 | \$509,512.50 |
| 1997 | 608,572.50 |
| 1998 | 613,447.50 |
| 1999 | 607,047.50 |
| 2000 | 610,157.50 |
| 2001 | 612,347.50 |
| 2002 | 603,427.50 |
| 2003 | 608,802.50 |
| 2004 | 607,932.50 |
| 2005 | 611,012.50 |
| 2006 | 612,772.50 |
| 2007 | 607,772.50 |
| 2008 | 607,022.50 |
| 2009 | 609,402.50 |
| 2010 | 605,022.50 |
| 2011 | 604,342.50 |
| 2012 | 606,820.00 |
| 2013 | 396,325.00 |
| 2014 | 391,090.00 |

1995 Series A Bonds Sinking Fund

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 1996 | \$79,570.00 |
| 1997 | 82,770.00 |
| 1998 | 85,635.00 |
| 1999 | 83,135.00 |
| 2000 | 80,595.00 |
| 2001 | 83,015.00 |
| 2002 | 85,045.00 |
| 2003 | 81,695.00 |
| 2004 | 83,295.00 |
| 2005 | 84,500.00 |
| 2006 | 85,300.00 |
| 2007 | 80,587.50 |
| 2008 | 80,875.00 |
| 2009 | 85,800.00 |

Section 13. Debt Proceedings. The County Administrator is hereby authorized and directed to certify to and file with the Pennsylvania Department of Community Affairs, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement and borrowing base certificate referred to hereinabove, and to pay the filing fees necessary in connection herewith.

Section 14. Refunding of Prior Obligations. The proper officers of the County are hereby authorized and directed, (a) with respect to the refunding of the 1992 Series B Bonds, to contract with CoreStates Bank, N.A. (formerly Third National Bank & Trust Company), Philadelphia, Pennsylvania, or its successors or assigns, and (b) with respect to the refunding of the 1994 Bonds, to contract with CoreStates Bank, N.A., Philadelphia, Pennsylvania, or its successors or assigns, as the true and lawful attorney and agent of the County to effect the payment and the redemption and payment, including payment of interest, of the 1992 Series B Bonds and the 1994 Bonds, respectively, pursuant to the terms and provisions of two certain Escrow Agreements (respectively, the "1992 Series B Bonds Agreement" and the "1994 Bonds Agreement" and collectively, the "Agreements") each dated as of October 1, 1995. Each Agreement shall be entered into by the County and CoreStates Bank, N.A., or its successors or assigns, as escrow agent (respectively, the "1992 Series B Bonds Escrow Agent" and the "1994 Bonds Escrow Agent" and collectively, the "Escrow Agent". The County hereby ratifies and confirms CoreStates Bank, N.A., as the paying agent, sinking fund depository and registrar for the 1992 Series B Bonds and the 1994 Bonds, respectively.

The forms, terms and provisions of the Agreements, substantially in the forms as presented to this meeting (copies of which shall be filed with the records of the County) are hereby approved. The proper officers of the County are hereby authorized and directed to execute and deliver the Agreements, in such forms, subject to such subsequent additions, changes, variations, omissions, insertions and modifications, if any, as may be approved by such officer, with the advise of the County Solicitor and Bond Counsel, the execution of the Agreements to be conclusive evidence of such approval, and the County Administrator is hereby authorized and directed to affix thereto the corporate seal of the County and to attest the same.

Subject only to completion of delivery of, and settlement for, the Bonds, the County authorizes and directs the irrevocable deposit in trust with the Escrow Agent of proceeds of the 1995 Series A Bonds in an amount which will be sufficient, together with the interest earned thereon and any other available moneys, to effect the refunding of the 1992 Series B Bonds and the 1994 Bonds pursuant to the terms and provisions of the applicable Agreement. The Escrow Agent is irrevocably authorized and directed to apply the moneys to be made available to it in accordance with the applicable Agreement. The Escrow Agent, in the name, place and stead of the County, shall mail, as applicable, with respect to the 1992 Series B Bonds and the 1994 Bonds being refunded, a notice of redemption as required by the terms of the such series of bonds. In addition, the Escrow Agent is hereby authorized and directed to mail as required by the applicable Agreement, a notice of refunding of the 1992 Series B Bonds and the 1994 Bonds. Such notices, in the forms attached to the Agreements as presented to this meeting, are hereby approved, subject to such changes, variations, omissions, insertions and modifications, if any, as may be approved by the Governing Body of the County, or its designee, with the advice of the County Solicitor and Bond Counsel, the execution of the Agreements to be conclusive evidence of such approval, and the County Administrator is hereby authorized and directed to affix thereto the corporate seal of the County and to attest the same. The County hereby agrees to provide for payment of the expenses of such mailings from proceeds of the 1995 Series A Bonds or from moneys otherwise made available by the County and gives and grants the Escrow Agent full authority to do and perform all and every act and thing whatsoever requisite and necessary to effectuate said purposes as the County might do on its own behalf, and hereby ratifies and confirms all that said agent shall do or cause to be done by virtue thereof.

Subject only to completion of delivery of, and settlement for, the Bonds, the County hereby calls for redemption and payment (a) on April 1, 2002, all of its outstanding 1992 Series B Bonds maturing after such date and (b) on December 15, 1999 all of its outstanding 1994 Bonds maturing after such date.

Subject only to completion of delivery of, and settlement for, the Bonds, the County hereby authorizes and directs the payment and redemption, on a date not more than forty-five (45) days following the date of issuance of the Bonds, of the 1994 Note.

Section 15. Tax Covenants and Designations. The County hereby covenants that:

(i) The County will make no use of the proceeds of the 1995 Series A Bonds during the term thereof which would cause such 1995 Series A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and that it will comply with the requirements of all Code sections necessary to ensure that the 1995 Series A Bonds are described in Code section 103 (a) and not described in Code section 103 (b) throughout the term of the 1995 Series A Bonds; and

(ii) If the gross proceeds of the 1995 Series A Bonds, other than amounts held in a debt service fund for the 1995 Series A Bonds, are invested at a yield which exceeds the yield on the 1995 Series A Bonds and are not expended within six months from the date of issuance of the 1995 Series A Bonds, the County will calculate and pay amounts representing excess investment income thereon (the "Rebate Amounts") in the manner required by Code section 148 (f) and the regulations thereunder. The obligation to remit the Rebate Amounts and to comply with all other requirements of this Section shall survive the defeasance and payment in full of the 1995 Series A Bonds.

In order to ensure that the registered owners of the 1995 Series A Bonds, if they are financial institutions, will not be subject to certain provisions of the Code as a result of acquiring and carrying the 1995 Series A Bonds, the County hereby designates the 1995 Series A Bonds as "qualified tax-exempt obligations," within the meaning of Code section 265 (b) (3) (B), and the County hereby covenants that it will take such steps as may be necessary to cause the 1995 Series A Bonds to continue to be obligations described in such Code section during the period in which the 1995 Series A Bonds are outstanding. The County represents that it has not issued, and does not reasonably anticipate issuing, tax-exempt obligations which, when combined with the 1995 Series A Bonds, will result in more than \$10,000,000 of tax-exempt obligations being issued in the calendar year in which the 1995 Series A Bonds are issued. For purposes only of the foregoing sentence, the term "tax-exempt obligation" shall include any "qualified 501 (c) (3) bond," as defined in Code section 145, but shall not include any other "private activity bond," as defined in Code section 141 (a), any obligation which would be an "industrial development bond" or a "private loan bond" as defined in sections 103 (b) (2) and 103 (o) (2) (a) of the Internal Revenue Code of 1954, as amended, but for the fact that it is issued pursuant to section 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986, or any obligation issued to currently refund any obligation to the extent the amount thereof does not exceed the outstanding amount of the refunded obligation.

Section 16. Preliminary Official Statement; Official Statement. The Preliminary Official Statement in the form presented at this meeting (a copy of which shall be filed with the records of the County), is hereby approved with such subsequent, necessary and appropriate additions or other changes as may be approved by the Governing Body of the County, or its designee, with the advice of the County Solicitor. The use and distribution of the Preliminary Official Statement by the Underwriter in the form hereby approved, and the distribution thereof on and after the date hereof, with such subsequent additions or other changes as aforesaid, is hereby authorized in connection with the public offering by the Underwriter of the Bonds. An Official Statement in substantially the same form as the Preliminary Official Statement, with such additions and other changes, if any, as may be approved by the Governing Body of the County, or its designee, with the advice of the County Solicitor, is hereby authorized and directed to be prepared and upon its preparation, to be executed by the Chairman of the Governing Body following such investigation as he deems necessary as to the contents thereof, such execution being conclusive evidence of the County's approval thereof. The County hereby further approves the distribution and use of the Official Statement as so prepared and executed in connection with the sale of the Bonds.

Section 17. Continuing Disclosure. The County hereby agrees to provide certain continuing disclosure for the benefit of the holders of the Bonds. The County hereby agrees to file:

(i) with each nationally recognized municipal securities information repository ("NRMSIR"), recognized by the Securities and Exchange Commission (the "SEC") pursuant to SEC Rule 15c2-12 (the "Rule") and the state information depository, if any, of the Commonwealth of Pennsylvania ("SID"), recognized by the SEC pursuant to the Rule, within 180 days after the end of each fiscal year, a copy of its audited financial statements, prepared in accordance with the guidelines adopted by the Government Accounting Standards Board and the American Institute of Certified Public Accountants' Audit Guide, Audits of State and Local Government, and an annual updating of the information contained in the Official Statement under the heading "COUNTY FINANCES - Tax Structure", -- "Trend in Assessed Valuation" and -- "Realty Tax Collection".

(ii) in a timely manner, with each NRMSIR and the SID, notice of the occurrence of any of the following events (if material) with respect to the Bonds: (a) principal and interest payment delinquencies; (b) non-payment related defaults; (c) unscheduled draws on any credit enhancements reflecting financial difficulties; (d) substitution of any credit or liquidity provider, or their failure to perform; (e) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (f) modifications to rights of holders of the Bonds; (g) bond calls; (h) defeasance; (i) release, substitutions, or sale of property securing repayment of the Bonds; and (j) rating changes.

(iii) in a timely manner to the Paying Agent, each NRMSIR and to the SID, notice of a failure by the County to provide a required annual financial information within the time limit specified above.

The County may modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary as a result of a change in legal requirements or change in the nature of the County; provided that any such modification will be done in a manner consistent with the Rule and will not, in the opinion of the Paying Agent (who may rely on an opinion of counsel) substantially impair the interest of the holders of the Bonds. The County acknowledges that its undertaking pursuant to the Rule described herein and in the Official Statement under the heading "CONTINUING DISCLOSURE" is intended to be for the benefit of the holders of the Bonds. Breach of the undertaking will not be a default under this Ordinance but the undertaking may be enforced by any bondholder exclusively by mandamus action.

Section 18. Incidental Actions. The proper officers of the County are hereby authorized, directed and empowered on behalf of the County to execute any and all agreements, papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the purposes of this Ordinance and in connection with the application for, and issuance of, municipal bond insurance.

Section 19. Payment of Issuance Costs. The proper officers of the County are hereby authorized and directed to pay the costs of issuing and insuring the Bonds at the time of delivery of the Bonds to the Underwriter, such costs being estimated in the proposal attached hereto; provided that the total of such costs shall not exceed the amount of Bond proceeds available therefor.

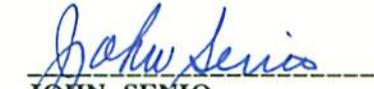
Section 20. Appointment of Bond Counsel. The County hereby appoints the law firm of Nogi, Appleton, Weinberger & Wren, P.C., as Bond Counsel for the 1995 Project.

Section 21. Inconsistent Ordinances. All ordinances or parts of ordinances inconsistent herewith be and the same are hereby repealed.

COUNTY OF LACKAWANNA


JOSEPH J. CORCORAN


RAY A. ALBERIGI


JOHN SENIO

ATTEST:


GERALD L. STANVITCH,
ADMINISTRATIVE DIRECTOR

Approved as to form and legality:


JOSEPH A. O'BRIEN, ESQUIRE
COUNTY SOLICITOR