

COUNTY OF LUZERNE
Commonwealth of Pennsylvania

ORDINANCE

AN ORDINANCE AUTHORIZING THE INCURRENCE OF NONELECTORAL INDEBTEDNESS OF THE COUNTY OF LUZERNE, COMMONWEALTH OF PENNSYLVANIA, BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2019, IN AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$34,705,000 FOR AND TOWARD FINANCING A CAPITAL IMPROVEMENT PROGRAM, A CURRENT REFUNDING PROGRAM AND PAYING THE COSTS OF ISSUING THE NOTE; PROVIDING FOR MAXIMUM INTEREST RATES, MAXIMUM MATURITY AMOUNTS AND PLACE OF PAYMENT WITH RESPECT TO THE NOTE; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENTS; PROVIDING FOR THE APPOINTMENT OF A PAYING AGENT AND SINKING FUND DEPOSITORY FOR THE NOTE; AUTHORIZING THE EXECUTION, SALE AND DELIVERY THEREOF AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the County of Luzerne (the “**County**”) is granted the power by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. Cons. Stat. § 8001 *et seq.*, as amended (the “**Act**”), to incur indebtedness and to issue bonds or notes for the purpose of funding capital projects and refunding outstanding indebtedness; and

WHEREAS, pursuant to the provisions of the Act, the County has determined to undertake a capital improvement program, including, but not limited to, the acquisition of a 911 system infrastructure and equipment and voting machines (collectively, the “**Capital Improvement Program**”); and

WHEREAS, the County has heretofore issued its General Obligation Notes, Series D of 2008 which are presently outstanding in the principal amount of \$1,695,000 (the “**2008D Notes**”); and

WHEREAS, the County has heretofore issued its General Obligation Bonds, Series E of 2008 which are presently outstanding in the principal amount of \$1,755,000 (the “**2008E Bonds**”); and

WHEREAS, the County has heretofore issued its General Obligation Notes, Series of 2009 which are presently outstanding in the principal amount of \$5,400,000 (the “**2009 Notes**”); and

WHEREAS, the County has heretofore issued its General Obligation Bonds, Series of 2009 which are presently outstanding in the principal amount of \$3,135,000 (the “**2009 Bonds**”); and

WHEREAS, the County has determined to currently refund all of the outstanding 2008D Notes, 2008E Bonds, 2009 Notes and 2009 Bonds (collectively, the “**Refunded Bonds**”) in order to achieve debt service savings (the “**Refunding Program**”); and

WHEREAS, it is necessary that the indebtedness of the County be increased for and toward providing funds for financing the Capital Improvement Program and the Refunding Program and paying the costs of issuance of the indebtedness; and

WHEREAS, the proposed increase in indebtedness, together with the County’s nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the debt limitations of the Act to be exceeded; and

WHEREAS, the County has determined to finance the Capital Improvement Program and the Refunding Program by incurring indebtedness and issuing its General Obligation Note, Series of 2019 in an aggregate principal amount not exceeding \$34,705,000 (the “**Note**”), all in accordance with applicable and appropriate provisions of the Act; and

WHEREAS, the County has retained PFM Financial Advisors LLC, as financial advisor (the “**Financial Advisor**”) in connection with the authorization and issuance of the Note pursuant to this Ordinance which has solicited competitive proposals for the purchase of the Note and has presented a report on such proposals to the County; and

WHEREAS, the proposed increase in indebtedness, together with the County’s nonelectoral indebtedness presently outstanding, will not cause the debt limitations of the Act to be exceeded.

NOW, THEREFORE, BE IT ORDAINED, by the County Council of the County of Luzerne and it is hereby ORDAINED as follows:

SECTION 1. The County hereby authorizes an increase in its indebtedness through the issuance of the Note in an aggregate principal amount of up to \$34,705,000, the same to be issued as nonelectoral debt under the Act, and for the purpose of providing funds for and toward the Capital Improvement Program, Refunding Program and payment of the costs of issuance of the Note.

The projects comprising the Capital Improvement Program are hereby combined for financing purposes and it is hereby determined and stated that the estimated average useful life of the projects is not less than thirteen (13) years. The County has obtained realistic estimates of the costs of the projects included in the Capital Improvement Program, determined through bid prices or estimates from persons qualified by experience to provide such estimates, and the total of such costs, plus the estimated costs of issuing the Note, and reasonable allowances for contingencies, is not less than the principal amount of the Note. The estimated completion date of the Capital Improvement Program is Summer of 2021.

The County hereby reserves the right to abandon any one or more of the projects comprising the Capital Improvement Program and to undertake the projects comprising the Capital Improvement Program in such order and at such time or times as it shall determine, to issue the Note for such projects in such amounts and at such times as it shall determine, and to allocate proceeds of the Note and other available monies to the final costs of such projects in such amounts and order of priority as it shall determine. The County hereby further reserves the right to modify the scope of the Capital Improvement Program by deleting, adding or modifying components.

It is hereby determined and set forth that the purpose of the Refunding Program is to reduce the debt service that would otherwise be payable on the Refunded Bonds.

The 2008D Notes were issued to (1) currently refund a portion of the County's outstanding General Obligation Bonds, Series C of 2003; (2) currently refund a portion of the County's outstanding General Obligation Bonds, Series A of 2005 and (3) pay the costs and expenses of issuing the 2008D Notes (the "**2008D Notes Refunding Program**"). The latest maturity of the Note attributable to the refunding of the 2008D Notes (11/1/2027) does not extend beyond the final maturity of the 2008D Notes (11/1/2027). In summary, this new financing's latest maturity is not being extended; it is identical to the latest maturity of the 2008D Notes being refunded and, therefore, if the final maturity of the 2008D Notes did not exceed the useful lives of the projects originally funded, then the new Note's debt service does not exceed the useful lives of the projects originally funded.

The 2008E Bonds were issued to (1) currently refund a portion of the County's outstanding Federally Taxable General Obligation Notes, Series C of 2006; and (2) pay the costs and expenses of issuing the 2008E Bonds (the "**2008E Bonds Refunding Program**"). The latest maturity of the Note attributable to the refunding of the 2008E Bonds (11/1/2027) does not extend beyond the final maturity of the 2008E Bonds (11/1/2027). In summary, this new financing's latest maturity is not being extended; it is identical to the latest maturity of the 2008E Bonds being refunded and, therefore, if the final maturity of the 2008E Bonds did not exceed the useful lives of the projects originally funded, then the new Note's debt service does not exceed the useful lives of the projects originally funded.

The 2009 Notes were issued to provide funds for a project (the "**Project**") consisting of (1) refunding a portion of the County's outstanding General Obligation Bonds, Series A of 2000 (the "**2000A Bonds**"); (2) refunding a portion of the County's outstanding General Obligation Bonds, Series C of 2002 (the "**2002C Bonds**"); (3) refunding a portion of the County's outstanding General Obligation Bonds, Series C of 2003 (the "**2003C Bonds**"); (4) refunding a portion of the County's outstanding General Obligation Bonds, Series A of 2005 (the "**2005A Bonds**"); (5) refunding a portion of the County's outstanding General Obligation Bonds, Series A of 2008 (the "**2008A Bonds**"); and (6) paying the costs and expenses of issuance of the 2009 Notes. The latest maturity of the Note attributable to the refunding of the 2009 Notes (11/1/2026) does not extend beyond the final maturity of the 2009 Notes (11/1/2026). In summary, this new financing's latest maturity is not being extended; it is identical to the latest maturity of the 2009 Notes being refunded and, therefore, if the final maturity of the 2009 Notes

did not exceed the useful lives of the projects originally funded, then the new Note's debt service does not exceed the useful lives of the projects originally funded.

The 2009 Bonds were issued to provide funds for a project (the "**Project**") consisting of (1) refunding a portion of the County's outstanding General Obligation Notes, Series A of 2006 (the "**2006A Notes**"); (2) refunding a portion of the County's outstanding General Obligation Notes, Series C of 2006 (the "**2006C Notes**"); and (3) paying the costs and expenses of issuance of the 2009 Bonds. The latest maturity of the Note attributable to the refunding of the 2009 Bonds (11/1/2023) does not extend beyond the final maturity of the 2009 Bonds (11/1/2023). In summary, this new financing's latest maturity is not being extended; it is identical to the latest maturity of the 2009 Bonds being refunded and, therefore, if the final maturity of the 2009 Bonds did not exceed the useful lives of the projects originally funded, then the new Note's debt service does not exceed the useful lives of the projects originally funded.

The County hereby states that the Note is scheduled to mature in accordance with the limitations set forth in Section 8142 of the Act.

The Note is to be sold and delivered as hereinafter provided. The County reserves the right not to issue the Note, or to issue the Note in an amount less than the maximum principal amount authorized hereunder, if the County Council decides not to proceed or to proceed with a smaller version of the Capital Improvement Program and/or Refunding Program, and to cancel any unused authorization hereunder in accordance with Section 8202 of the Act.

SECTION 2. The County hereby establishes that the Note authorized hereunder shall be subject to the following parameters: (a) the Note shall not exceed THIRTY-FOURMILLION SEVEN HUNDRED FIVE THOUSAND DOLLARS (\$34,705,000) in aggregate principal amount; (b) the Note shall not mature later than fiscal year end 2030; (c) the purchase price for the Note shall be the par amount of the Note; (d) the maximum principal amounts of each maturity shall not exceed those stated on **Exhibit A** attached hereto and made a part hereof; and (e) the interest rate on the Note shall not exceed two and one hundred seventy four hundredths percent (2.174%) per annum (the "**Maximum Rate**").

The County hereby acknowledges receipt of a Note Purchase Proposal from Webster Public Finance Corporation pursuant to which the County agrees to sell its Note to Webster Public Finance Corporation subject to Webster Public Finance Corporation satisfying the conditions and parameters set forth therein and herein. A copy of the Note Purchase Proposal shall be delivered to the Clerk to County Council of the County and shall be affixed to and shall become part of this Ordinance.

If and when the County has determined the principal amount of the Note and the conditions permit Webster Public Finance Corporation to purchase the Note and meet the parameters, Webster Public Finance Corporation shall submit an Addendum to Note Purchase Agreement ("**Addendum**") to the County setting forth the actual terms of the Note. The County Manager and Council Chair, in consultation with its financial advisor and bond counsel, shall determine the actual terms of the Note, within the parameters set forth in the Note Purchase Proposal and this Ordinance, including, without limitation, the aggregate principal amount, the interest rate, the annual maturity amounts, the purchase price at par, and any other appropriate

terms and conditions applicable to the Note. Upon presentation by the Webster Public Finance Corporation of the actual terms of the Note in satisfaction of the conditions and parameters set forth in the Note Purchase Proposal and this Ordinance, the Chair or Vice Chair is hereby authorized and directed to execute an Addendum to the Note Purchase Proposal in accordance therewith, and deliver a copy of the same to the Clerk to County Council of the County.

SECTION 3. Said nonelectoral indebtedness shall be evidenced by one instrument in fully registered form. The Note shall be issued in the aggregate principal amount of not more than \$34,705,000 shall be dated as determined in accordance with the final terms of the Note (the “**Note Issuance Date**”), shall bear interest from the Note Issuance Date at the rates per annum in accordance with and within the parameters established pursuant hereto, calculated on the basis of a 30/360 day count, with interest payable semiannually on the Note on May 1 and November 1 of each year commencing May 1, 2020 (each an “**Interest Payment Date**”), all as set forth herein and in the Note Purchase Proposal and Addendum, and shall mature on those dates contained therein, but in no event later than November 1, 2030 with respect to the Note.

The Note is being amortized so that the debt service on all outstanding debt of the County following the issuance of the Note will be brought more nearly into an over-all level annual debt service plan as shown on the total debt service schedule attached hereto as **Exhibit B** and made a part hereof.

The County may prepay the Note at any time without penalty.

The principal of and interest on said Note shall be payable at the corporate trust office of the sinking fund depository for the Note designated therein.

SECTION 4. The said Note is hereby declared to be a general obligation of the County. The County hereby covenants that the County shall include the amount of debt service on the Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the County is hereby irrevocably pledged.

SECTION 5. The form of said Note shall be dated the date of issuance thereof and shall be substantially as follows:

[FORM OF NOTE]

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

COUNTY OF LUZERNE
Commonwealth of Pennsylvania)

\$ _____ General Obligation Note,
Series of 2019
Dated November 26, 2019

COUNTY OF LUZERNE, Commonwealth of Pennsylvania (the “County”), for value received, hereby promises to pay to Webster Public Finance Corporation, Providence, Rhode Island, or registered assigns hereof (the “Purchaser”) the principal sum of _____ DOLLARS (\$ _____) and to pay interest from the date hereof at the annual rate of two and one hundred seventy four hundredths percent (2.174%) (the “Basic Rate”), payable on May 1 and November 1 of each year, commencing May 1, 2020 (each, an “Interest Payment Date”). Principal of this Note shall be fully amortized over the term of the loan by annual principal payments on November 1 of each year, commencing on November 1, 2020. The principal and interest on this Note shall be paid in installments as set forth on the schedule attached hereto and incorporated herein by reference.

Each payment on this Note shall be applied first to the payment of fees, charges or expenses of the Purchaser, if any, then to the payment of interest accrued and unpaid, and the balance of such installment shall be applied to any principal then due and payable. Anything herein to the contrary notwithstanding, the entire unpaid principal balance of this Note, together with all interest accrued thereon, shall be due and payable on November 1, 2030. The Purchaser must surrender this Note to the Paying Agent in order to receive final payment upon maturity or redemption in whole of this Note.

[In the event any of the aforesaid payments of principal and interest in whole or in part are fifteen (15) days beyond their due date, the County shall pay the Purchaser a “late charge” equal to \$500.00 or five percent (5.00%) of the amount due on the due date, whichever is less, to cover the extra expense involved in handling delinquent payments.]

[Any payments not made as and when due shall bear interest from the date due until paid at the Default Rate, in Purchaser’s discretion. “Default Rate” means a rate equal to the lesser of (a) the rate of interest provided under this Note plus two percent (2%) per annum, or (b) the highest rate of interest allowed by law.]

All interest on this Note shall be calculated on the basis of a 30/360 day count. If the payment date for any payment of interest and/or principal falls on a Saturday, Sunday or Purchaser holiday for such sinking fund depository, such payment shall be made on the next succeeding business day (based on interest accrued through the nominal payment date).

The County covenants that it will not make any investment or other use of any portion of the “proceeds” of this Note (within the meaning of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “**Code**”) or any applicable regulations thereunder) which would cause the Note to be an “arbitrage bond” as such term is defined in Section 148 of the Code or which would otherwise cause the interest on this Note to be includable in gross income of the Purchaser for purposes of federal income taxation under the Code. The County covenants to comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, including, but not limited to, the requirements regarding the use or investment of the proceeds of the Note and the rebate requirements in Section 148(f) of the Code.

The Paying Agent for this Note is Webster Bank, N.A., with an office in Conshohocken, Pennsylvania. Payments of principal of and interest on this Note shall be made by check or draft mailed by the Paying Agent to the person in whose name the Note is registered for that purpose on the close of business on the last day preceding the Interest Payment Date (the “**Record Date**”); provided, however that, upon request of the registered owner hereof to the Paying Agent, such payments shall be by wire transfer or internal bank transfer by the Paying Agent to an account designated by the registered owner.

This Note is transferable by the Purchaser hereof or his duly authorized attorney upon presentation of this Note at the payment office of the Paying Agent by execution of the assignment form hereon in a manner satisfactory to the Paying Agent. Transfers shall be recorded by the Paying Agent on the books maintained for such purpose and upon the Certificate of Registration attached to this Note. The County may treat the person in whose name this Note is registered on the registration books maintained by the Paying Agent as the absolute owner of this Note for all purposes and despite notice to the contrary.

This Note is issued in fully registered form in the principal amount of \$_____ in accordance with the Act and pursuant to an Ordinance of the County duly passed on October 7, 2019 (the “**Ordinance**”). This Note is issued for the purposes set forth in the Ordinance. Reference is hereby made to the Act and the Ordinance for complete statement of the provisions thereof.

Under the laws of the Commonwealth of Pennsylvania this Note and the interest thereon, shall at all times be free from taxation within the Commonwealth of Pennsylvania, but this exemption shall not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on this Note or the interest thereon. Profits, gains or income derived from the sale, exchange or other disposition of this Note are subject to state and local taxation.

[Upon (i) the occurrence of a “Determination of Taxability”, as defined in the following paragraph, or (ii) in the event this Note be declared taxable for Pennsylvania tax purposes (as specified hereinabove), or (iii) no longer qualifies as a “qualified tax-exempt obligation” under Section 265(b)(3)(B) of the Code (as specified hereinabove), the interest rate payable hereunder may, at the sole discretion of the Purchaser, be increased to a taxable rate (the “**Taxable Rate**”) of _____ percent (_____%), retroactively if necessary, from the date of issuance

of this Note, or (i) the date of the Determination of Taxability, or (ii) the date this Note is taxable for Pennsylvania tax purposes.]

[For the purposes of the preceding paragraph, the phrase **“Determination of Taxability”** shall refer to the earliest to occur of the following: (a) the effective date of a statute or regulation eliminating in whole or in part the presently applicable exemption from federal income taxes for interest payable under this Note or altering to the detriment of the Purchaser the presently applicable method of allocating the deductions of the Purchaser because of the receipt of such interest, or (b) the date of a determination by decision or ruling by a judicial or duly constituted administrative authority to the effect that such exemption is not available or is no longer available or is contrary to law, or (c) the date upon which the Internal Revenue Service asserts in writing that such interest is taxable to the Purchaser (or that a deduction may not be taken due to receipt of such interest) in whole or in part or takes any other official action (including the issuance of a statutory notice of deficiency, the denial of a claim for refund, or the assessment of any tax) the effect of which is to assert against or impose upon the Purchaser a tax attributable to the Purchaser’s receipt of (or right to receive) such interest (or the loss of a deduction due to receipt of such interest).]

It is covenanted with the holders from time-to-time of this Note that the County shall (i) include the amount of the debt service for the Note 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 the principal of and the interest on this Note on the dates and at the places and in the manner stated in this Note according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

The principal amount of the Note outstanding shall be subject to prepayment prior to maturity, at the option of the County, at any time, as a whole or, from time to time, in part, on any date, in any order of maturity or portion of a principal installment, as specified by the County, upon payment of the principal amount to be redeemed together with accrued interest thereon to the date fixed for prepayment and without any premium or penalty. Any partial prepayment of principal may be credited against such stated installments of principal on the Note as the County may designate in writing to the Purchaser at the time of prepayment; otherwise a partial prepayment shall be applied against the principal installments last, by date, due and payable.

It is hereby certified that all actions required by the Act to be taken to render this Note valid and obligatory have been duly taken pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed precedent to and in the authorization and issuance of this Note exist, have happened and have been performed in regular and due form and manner and as required by law; and that all existing indebtedness of the County is within every limitation prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania.

The Purchaser shall not by an act of omission or commission be deemed to waive any of its rights or remedies hereunder unless such waiver be in writing and signed by the Purchaser,

and then only to the extent specifically set forth therein; a waiver of one event shall not be construed as continuing or as a bar to or waiver of such right or remedy on a subsequent event.

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

This Note does not pledge the general credit or taxing power of the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania, other than the County.

The words "Purchaser" and "County" whenever occurring herein shall be deemed and construed to include the respective heirs, personal representatives, successors and assigns of the Purchaser and the County. This instrument shall be construed according to and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, and intending to be legally bound, the County has duly executed this Note this 26th day of November, 2019.

COUNTY OF LUZERNE

By: _____
Chair, County Council

ATTEST:

Clerk to County Council

(COUNTY SEAL)

**CERTIFICATE OF REGISTRATION
NOTICE. NO WRITING HEREON EXCEPT
BY PAYING AGENT ON BEHALF OF THE COUNTY**

It is hereby certified that the foregoing Note is registered as to principal and interest as follows:

<u>Name of Registered Owner</u>	<u>Address of Registered Owner</u>	<u>Date of Registration</u>	<u>Paying Agent's Authorized Signature</u>
Webster Bank, N.A.	Two Tower Bridge, One Fayette Street, Suite 400, Conshohocken, PA 19428	November 26, 2019	_____

SCHEDULE OF INTEREST AND PRINCIPAL PAYMENTS

[Final Debt Service Schedule to be included here]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer said Note on the books of the within named Purchaser, with full power of substitution in the premises.

Tax Identification No.

Dated: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the fact of the within Note in every particular, without alteration or any change whatever.

[END OF FORM OF NOTE]

SECTION 6. The Note shall be executed in the name and under the corporate seal of the County by the Chair or Vice Chair and attested to by the Clerk to County Council or Treasurer or any Assistant or Acting Clerk to County Council or Treasurer of the County. The Chair or Vice Chair is hereby authorized and directed to deliver said Note to the purchaser, and receive payment therefor on behalf of the County. The Chair or Vice Chair and Clerk to County Council or Treasurer or any Assistant or Acting Clerk to County Council or Treasurer of the County or by any other officers of the County are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act, and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. Webster Bank, N.A., Conshohocken, Pennsylvania, is hereby designated as the Paying Agent and Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as “Sinking Fund-Series of 2019 General Obligation Note,” for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Clerk to County Council or Treasurer or any Assistant or Acting Clerk to County Council or Treasurer of the County shall deposit or cause to be deposited into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the County, withdraw available monies in the Sinking Fund and apply said monies to payment of the principal of and interest on the obligation.

SECTION 8. The Chair or Vice Chair and Clerk to County Council or any other officers of the County are hereby authorized to contract with Webster Bank, N.A., for its services as Sinking Fund Depository and Paying Agent for the Note.

SECTION 9. In compliance with Section 8161 of the Act, the members of the County Council have determined, in consultation with its Financial Advisor, that a private competitive sale of the Note by invitation is in the best interest of the County. Therefore, the Note herein authorized to be issued and sold, is hereby awarded and sold to Webster Public Finance Corporation, as Purchaser (the “Purchaser”), in accordance with its proposal to purchase the said Note dated September 20, 2019 (submission date) (the “Proposal”), at a price of par (in an amount of up to \$34,705,000) subject to the provisions of Section 2 of this Ordinance and a submission of an Addendum to its proposal satisfying the parameters set forth herein; provided that the proceedings for the issuance of the Note have been approved by the Department of Community and Economic Development pursuant to the Act. The County hereby authorizes the proper officers of the County to execute the accepted proposal of the purchaser. The County hereby further authorizes the proper officers of the County to execute and deliver the Note to the Purchaser at settlement upon receipt of the purchase price therefore.

SECTION 10. The County shall not assume the payment of any tax or taxes in consideration of the purchase of the Note.

SECTION 11. The officers of the County are authorized to apply the proceeds of the Note to the purposes set forth in the recitals hereto.

SECTION 12. The purchase price of the Note payable by the Purchaser shall be paid to the Paying Agent on behalf of the County. Upon receipt of such funds, the Paying Agent shall wire to the respective paying agents for the Refunded Bonds, the amount required to effect the refunding of the Refunded Bonds to effectuate the Refunding Program as provided in Section 12 hereof. The final amounts of the issuance costs shall be set forth in written instructions, the execution and delivery of which on behalf of the County shall constitute the approval of such costs, which shall be paid by the Paying Agent. Any net proceeds of the Note remaining after provisions for payment of the foregoing items shall be deposited in an account established for the Capital Improvement Program.

The County hereby approves the establishment of a “General Obligation Note 2019 Construction Fund.” The balance of the proceeds shall be deposited in the General Obligation Note 2019 Construction Fund pending disbursement to pay the costs of the Capital Improvement Program. The monies in the General Obligation Note 2019 Construction Fund will be invested in accordance with Section 8224 of the Act.

SECTION 13. The County hereby authorizes the calling of the Refunded Bonds for redemption on or about November 26, 2019. The officers of the County are hereby authorized and directed to execute all documents and take all action to effectuate the Refunding Program.

SECTION 14. The County hereby covenants not to take or omit to take any action so as to cause interest on the Note to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of the Note. The County further covenants that it will make no investments or other use of the proceeds of the Note which would cause the Note to be an “arbitrage bond” as defined in Section 148 of the Code. The County further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

SECTION 15. For the purpose of expediting the closing and the issuance and delivery of the Note, or in the event that the Chair or the Clerk to County Council of the County shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they or either of them may be authorized to take pursuant to this Ordinance, the Vice Chair or any Assistant or Acting Clerk to County Council or Treasurer of the County, respectively, are hereby authorized and directed to execute documents, or otherwise to act on behalf of the County in their stead.

SECTION 16. The proper officers of the County are hereby authorized and directed to take any and all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Ordinance and the Act in the name and on behalf of the County.

SECTION 17. This Ordinance is enacted pursuant to, and the Note issued hereunder shall be subject to, the provisions of the Act, and all of the mandatory provisions of the Act shall apply hereunder whether or not explicitly stated herein.

SECTION 18. This Ordinance constitutes a contract with the registered owner of the Note and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

SECTION 19. In case any one or more of the provisions contained in this Ordinance or in the Note issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of the Note and this Ordinance and the Note shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

SECTION 20. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in a newspaper of general circulation, is ratified and confirmed. In accordance with the Act, the advertisement in said paper of the enactment of the Ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 21. All Ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

SECTION 22. This Ordinance shall become effective fifteen (15) days after enactment. Enacted by the County Council this ____ day of October, 2019. For Act purposes only, this Ordinance shall become effective in accordance with, and on the earliest date permitted by, the Act.

PASSED this 7th day of October, 2019.

(COUNTY SEAL)

ATTEST:

COUNTY COUNCIL
COUNTY OF LUZERNE

Clerk to County Council

Chair, County Council

Vice Chair, County Council

EXHIBIT A

**GENERAL OBLIGATION NOTE
SERIES OF 2019**

PARAMETERS NOTE MATURITY SCHEDULE

<u>Date</u>	<u>Max Principal</u>	<u>Max Coupon</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Proposed Fiscal Year Debt Service</u>
5/1/2020			324,848.44	324,848.44	
11/1/2020	1,440,000	2.174	377,243.35	1,817,243.35	2,142,091.79
5/1/2021			361,590.55	361,590.55	
11/1/2021	110,000	2.174	361,590.55	471,590.55	833,181.10
5/1/2022			360,394.85	360,394.85	
11/1/2022	1,495,000	2.174	360,394.85	1,855,394.85	2,215,789.70
5/1/2023			344,144.20	344,144.20	
11/1/2023	2,640,000	2.174	344,144.20	2,984,144.20	3,328,288.40
5/1/2024			315,447.40	315,447.40	
11/1/2024	240,000	2.174	315,447.40	555,447.40	870,894.80
5/1/2025			312,838.60	312,838.60	
11/1/2025	2,605,000	2.174	312,838.60	2,917,838.60	3,230,677.20
5/1/2026			284,522.25	284,522.25	
11/1/2026	1,660,000	2.174	284,522.25	1,944,522.25	2,229,044.50
5/1/2027			266,478.05	266,478.05	
11/1/2027	3,555,000	2.174	266,478.05	3,821,478.05	4,087,956.10
5/1/2028			227,835.20	227,835.20	
11/1/2028	5,000	2.174	227,835.20	232,835.20	460,670.40
5/1/2029			227,780.85	227,780.85	
11/1/2029	14,900,000	2.174	227,780.85	15,127,780.85	15,355,561.70
5/1/2030			65,817.85	65,817.85	
11/1/2030	6,055,000	2.174	65,817.85	6,120,817.85	6,186,635.70
TOTALS	34,705,000		6,235,791.39	40,940,791.39	40,940,791.39

EXHIBIT B

**GENERAL OBLIGATION NOTE
SERIES OF 2019**

TOTAL OUTSTANDING DEBT SERVICE SCHEDULE

Fiscal Year Ended	G.O. Bonds Series of 2003C	G.O. Notes Series of 2008D	G.O. Bonds Series of 2008E	G.O. Notes Series of 2009	G.O. Bonds Series of 2009	G.O. Bonds Series A of 2015	G.O. Bonds Series B of 2015	LCIDA 2017	LCIDA Taxable 2017A	G.O. Bonds Series A of 2017	G.O. Bonds Series B of 2017 [1]	County Share Series of 2017B [1]	G.O. Bonds Series of 2019	Subtotal Gross GO Debt Service [2]	Subtotal Net GO Debt Service [3]	LRDA Peninvest 2005 [3]	PIB Series of 2009 [3]	Total Net Debt Service [2]	
12/31/2019	1,738,413	141,000	145,800	383,350	1,727,463	7,882,500	4,375,500	3,830,000	867,148	2,959,750	1,441,000	720,500		25,491,923	24,771,423	50,219	38,801	24,860,442	
12/31/2020	1,733,350					7,911,750	4,372,750	4,677,000		3,955,500	1,922,000	961,000	2,142,092	26,714,442	25,753,442	50,219		25,803,680	
12/31/2021	989,350					10,266,500	2,327,625	3,956,500		6,768,750	1,922,000	961,000	833,181	27,063,906	26,102,906	50,219		26,153,125	
12/31/2022						11,600,000	2,332,125	4,449,500		4,921,000	1,923,750	961,875	2,215,790	27,442,165	26,480,290	50,219		26,530,508	
12/31/2023						11,557,000	2,316,500	4,431,750		3,883,000	1,927,000	963,500	3,328,288	27,443,538	26,480,038	50,219		26,530,257	
12/31/2024						13,747,250		4,412,250		6,378,250	1,926,500	963,250	870,895	27,335,145	26,371,895	50,219		26,422,113	
12/31/2025						13,673,250		4,560,750		3,937,250	1,927,250	963,625	3,230,677	27,329,177	26,365,552	50,219		26,415,771	
12/31/2026						14,806,750		3,313,500		5,170,250	1,924,000	962,000	2,229,045	27,443,545	26,481,545	50,219		26,531,763	
12/31/2027						4,606,250		12,694,500		4,179,000	1,926,750	963,375	4,087,956	27,494,456	26,531,081			26,531,081	
12/31/2028						25,959,250				346,250			460,670	26,766,170	26,766,170			26,766,170	
12/31/2029						3,927,000				7,161,000			15,355,562	26,443,562	26,443,562			26,443,562	
12/31/2030													6,186,636	6,186,636	6,186,636			6,186,636	
Totals	4,461,113	141,000	145,800	383,350	1,727,463	125,937,500	15,724,500	46,325,750	867,148	49,660,000	16,840,250	8,420,125	40,940,791	303,154,664	294,734,539	401,748	38,801	295,175,088	
Principal:	4,065,000	5,000	5,000	5,000	1,420,000	93,350,000	10,430,000	35,400,000	1,085,000	37,495,000	13,220,000	6,610,000	34,705,000	231,185,000	224,575,000	407,258	6,350	224,988,608	
Call Date:	Non-Callable	11/1/2018	11/1/2018	11/1/2019 Ref 2000A, 2002C, 2003C,	11/1/2019	11/15/2025	Noncallable	12/15/2025	Noncallable	12/15/2027	12/15/2027	12/15/2027	Anytime	Cur Ref 2008D, 2008E, 2009	Notes, 2009	Bonds, New	New Money	New Money	
Purpose:	1995A; 1997	2003C, 2005A	2006C	2005A, 2008A	2006C	2006A, Swap	2006A, Swap	1998A	LCFPA	2009	Adv Ref 2009	Money	2008B	2008A, New	2008B	Money			

[1] County responsible for portion of total debt service
 [2] Column 17 includes only the County's share of the debt service
 [3] Not paid from General Fund.

CERTIFICATE OF CLERK TO COUNTY COUNCIL

The undersigned, Clerk to the County Council of the County of Luzerne, DOES HEREBY CERTIFY that:

The foregoing Ordinance, attached hereto and made a part hereof, authorizing the issuance of the \$34,705,000 General Obligation Note, Series of 2019 of the County of Luzerne, was duly moved and seconded and enacted by a majority vote of the entire County Council at a duly called and convened public meeting of said Council held on October 7, 2019; and that public notice of said meeting was given as required by law; that the roll of the County Council was called and such members voted, were absent or abstained as follows:

<u>Name</u>	<u>Vote</u>
Tim McGinley, Chair	
Jane Walsh Waitkus, Vice Chair	
Harry Haas	
Linda McClosky Houck	
Chris Perry	
Sheila Saidman, Esq.	
Robert Schnee	
Stephen A. Urban	
Matthew Vough	
Patrick Bilbow	
Rick Morelli	

Said Ordinance is a true, complete and correct copy of said Ordinance, which has not been altered, amended, modified, suspended or repealed and is still in full force and effect as of the date of the delivery of this Certificate.

WITNESS my hand and seal this 7th day of October, 2019.

Clerk to County Council

(COUNTY SEAL)