

CITY OF SCRANTON
SCRANTON CITY, PENNSYLVANIA

FILE OF THE COUNCIL NO. 4

2024

AN ORDINANCE

THE CITY OF SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THIRTY-SIX MILLION TWO HUNDRED THOUSAND DOLLARS (\$36,200,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA.C.S., CHAPTERS 80-82, AS AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE CITY; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE CITY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR A CERTAIN PROJECT OF THE CITY WHICH CONSISTS OF THE FOLLOWING: (1) CURRENTLY REFUNDING THE CITY'S OUTSTANDING GENERAL OBLIGATION NOTES, SERIES OF 2016; AND (2) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; SETTING FORTH THE REASONABLE ESTIMATED REMAINING USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE REFINANCED BY THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE CITY; FIXING THE DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES AND REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE CITY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY IN SUPPORT THEREOF; CREATING ONE OR MORE SINKING FUNDS IN CONNECTION WITH SUCH BONDS, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE CITY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE INVESTMENT OF PROCEEDS OF THE BONDS AND THE CURRENT REFUNDING OF THE CITY'S OUTSTANDING GENERAL OBLIGATION NOTES, SERIES OF 2016; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE CITY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE BONDS, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED

Introduced in Council on above date and referred to Committee on February 20, 2024

FINANCE

City Clerk

Scranton, PA February 27, 2024
Committee on Finance reports favorably on the within ordinance

Chair

SIXTH ORDER:
February 27, 2024

CERTIFIED COPY

1
 City Clerk

BY SUCH BONDS, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE CITY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE CITY TO DELIVER THE BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE CITY FROM TAKING ACTIONS WHICH WOULD CAUSE THE BONDS TO BECOME "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY BONDS," AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING THE PURCHASE OF BOND INSURANCE (IF APPLICABLE) AND SETTING FORTH THE PROVISIONS, IF ANY, REQUIRED TO BE INCLUDED BY THE BOND INSURER; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF; APPROVING THE PREPARATION, USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT BY THE PURCHASER IN CONNECTION WITH THE MARKETING OF THE BONDS; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING FOR THE REPEALING OF ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HEREWITH.

WHEREAS, the City of Scranton, Pennsylvania (the "City"), is a home rule charter city operating under the Home Rule Charter and Optional Plans Law of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, the City, in contemplation of the issuance and sale of one or more series of its general obligation bonds in an aggregate principal amount not to exceed Thirty-Six Million Two Hundred Thousand Dollars (\$36,200,000), to provide funds for and towards a certain project of the City, has determined that the Bonds (hereinafter defined) shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act") and has determined that a private sale by negotiation is in the best financial interests of the City; and

WHEREAS, the Council of the City (the "Council") has determined that such Bonds will be issued as one or more series of general obligation bonds designated generally as "City of Scranton, Lackawanna County, General Obligation Bonds, Series of 2024" (the "Bonds") or such other name or designation including the appropriate designation of the series and year such Bonds are issued as shall be selected by the Mayor of the City upon delivery of each series of the definitive Bonds in accordance with this Ordinance; and

WHEREAS, the Council has determined to accept the proposal of PNC Capital Markets LLC, Pittsburgh, Pennsylvania, as representative of itself and Raymond James & Associates, Inc., Lancaster, Pennsylvania, or one or more assignees of either of such entities designated in writing by the City, as the purchasers of the Bonds (collectively, the "Purchaser"), such sale to be conditioned upon, among other things, the receipt of approval from the Department of Community and Economic Development of the Commonwealth (the "Department") relating to the incurring of the indebtedness to be evidenced by the Bonds; and

WHEREAS, the City has heretofore issued its \$32,850,000 original principal amount General Obligation Notes, Series of 2016 (the "2016 Notes"), a portion of which remains outstanding (such portion of the 2016 Notes or such other principal amount of the outstanding 2016 Notes to be refunded by the Bonds, as such amount shall be selected by the Mayor of the City upon delivery of each series of the definitive Bonds in accordance with this Ordinance, being hereinafter referred to as the "Refunded 2016 Notes"); and

WHEREAS, the City desires to authorize the current refunding of the outstanding Refunded 2016 Notes for the purpose of reducing the total debt service over the life of the 2016 Notes; and

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

WHEREAS, if necessary or desirable, a portion of the proceeds of the Bonds shall be deposited in escrow pursuant to the terms of an escrow agreement (the "Escrow Agreement"), to be executed by and between the City and an escrow agent named therein (the "Escrow Agent"), such that such portion of the proceeds of the Bonds, together with interest to be earned thereon (if any), will be held by the Escrow Agent in a separate escrow account and irrevocably pledged for the redemption of the Refunded 2016 Notes, all as shall be set forth more fully in the Escrow Agreement; and

WHEREAS, the Council has determined to and desires to accept the proposal of the Purchaser and to incur nonelectoral debt in the aggregate principal amount not to exceed Thirty-Six Million Two Hundred Thousand Dollars (\$36,200,000) to fund a certain project (hereinafter described) of the City pursuant to the provisions of the Act; and

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Council of the City of Scranton, Lackawanna County, Pennsylvania, in lawful session duly assembled, as follows:

Section 1. Pursuant to the provisions of this Ordinance, the Council hereby authorizes and directs the issuance of one or more series of general obligation bonds in the aggregate principal amount not to exceed Thirty-Six Million Two Hundred Thousand Dollars (\$36,200,000) to be designated generally as "City of Scranton, Lackawanna County, General Obligation Bonds, Series of 2024", or such other name or designation including the appropriate designation of the series and year such Bonds are issued as shall be selected by the Mayor of the City upon delivery of the definitive Bonds in accordance with this Ordinance. The Bonds shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation. In connection therewith, the Council hereby finds and determines that a private sale by negotiation is in the best financial interests of the City.

Section 2. The Council determines that the debt to be incurred pursuant to this Ordinance, which will be evidenced by the Bonds, shall be nonelectoral debt of the City.

Section 3. A brief description of the project (the "Project") to be funded with the proceeds of the Bonds is as follows: (1) currently refunding the Refunded 2016 Notes; and (2) paying the costs and expenses of issuance of the Bonds.

The remaining realistic estimated useful lives of the capital projects that were financed and refinanced by the proceeds of the 2016 Notes which are to be refinanced by the proceeds of the Bonds range from at least 10 years to at least 17 years. It is hereby certified that an aggregate principal amount of the Bonds at least equal to the realistic estimated cost of each such capital project shall mature prior to the end of the useful life of such project.

Stated installments of maturities of principal of the Bonds will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project or two years from the date of issuance of the Bonds.

The City hereby finds and certifies that realistic cost estimates have been obtained for the costs of the Project from financial analysts, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

Section 4. In connection with the issuance and sale of the Bonds, the City, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the current refunding of the Refunded 2016 Notes is to reduce total debt service over the life of the 2016 Notes; and (b) that the current refunding of the Refunded 2016 Notes is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The City further finds and determines that the final maturity date of the Bonds issued to effect the current refunding of the Refunded 2016 Notes does not extend to a date that could not have been included in the 2016 Bond issue.

The Council hereby authorizes and directs Mayor of the City to determine the principal amount of the outstanding 2016 Notes to be refunded upon delivery of each series of

the definitive Bonds in accordance with this Ordinance and hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the current refunding of the Refunded 2016 Notes, including, but not limited to, providing notice to The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania, as successor Paying Agent for the Refunded 2016 Notes, to refund the Refunded 2016 Notes in full on the date of issuance of the Bonds or such other date as selected by the Mayor of the City upon delivery of the definitive Bonds in accordance with this Ordinance. In accordance with Section 8246 of the Act, it is the intent of the Council that the Refunded 2016 Notes shall no longer be outstanding from and after the date of the issuance of the Bonds.

Section 5. Subject to the approval of the Department, as required by the provisions of the Act, the City shall and does hereby accept the proposal of the Purchaser for the purchase of the Bonds in accordance with the terms and conditions of this Ordinance and the Purchaser's proposal, dated the date of final enactment of this Ordinance (the "Proposal"). The sale of the Bonds shall be for an aggregate purchase price of not less than 96% of the aggregate par amount of the Bonds issued by the City, exclusive of any original issue discount and any original issue premium, plus accrued interest, if any, from the date of the Bonds to the date of delivery thereof. The Mayor of the City and the Controller of the City are hereby authorized and directed to accept and to execute the Proposal and any supplements, amendments and/or confirmations thereto in the name and on behalf of the City, and the City Clerk of the City is hereby authorized and directed to attest to such acceptance and execution. A copy of the Proposal, as presented to the City and accepted by this Ordinance, is incorporated herein by reference and shall be attached to this Ordinance and maintained with the minutes of this meeting. The bid security, if any, accompanying the Proposal shall be held and shall be applied as provided by the Act; provided, however, that no allowance for interest shall be made by the City with respect to such bid security, except as provided by the Act. Upon final pricing of each series of the Bonds, the Purchaser will present to the City an addendum or confirmation to the Proposal for each series of the Bonds setting forth the final terms and conditions of each series of the Bonds, including the final principal amount, interest rates, redemption provisions and purchase price for each series of the Bonds which may be (i) an addendum from the Purchaser or (ii) an addendum or proposal from one or more banks or other financial institutions if an assignee or assignees are designated in writing by the City (collectively, the "Addendum"). As long as the terms and conditions set forth in the Addendum satisfy the parameters set forth in this Ordinance, the Mayor of the City and the Controller of the City are hereby authorized and directed to accept and to execute the Addendum in the name and on behalf of the City, and the City Clerk of the City is hereby authorized and directed to attest to such acceptance and execution.

Section 6. Each series of the Bonds, when issued, will be a general obligation of the City.

Section 7. Each series of the Bonds shall be fully registered, without coupons, in denominations of \$5,000 or any integral multiple thereof, in substantially the form hereinafter set forth in Section 10. Each series of the Bonds shall be dated and shall bear interest from that date at the applicable rates per annum on the dates (each an "Interest Payment Date"), until maturity or prior redemption, as set forth in the definitive Bonds for such series as delivered to the Purchaser in accordance with the provisions hereof, subject, in each case, to the parameters set forth in Section 8.

Notwithstanding the foregoing, in the event that one or more series of the Bonds are privately placed with one or more banks or other financial institutions the minimum denominations may be changed at the consent of the City and such banks or other financial institutions.

Section 8. The Bonds shall bear the maximum rates of interest and shall mature, whether by maturity or mandatory sinking fund redemption, on the dates and in the maximum amounts as set forth on Exhibit A attached hereto.

Each series of the Bonds shall be issued in such aggregate principal amounts among series, as serial bonds or term bonds and shall be subject to optional and mandatory sinking fund redemption as set forth in the definitive Bonds as delivered to the Purchaser in accordance with the provisions hereof and the delivery instructions of the Purchaser; provided

however that the interest rates on the Bonds, and any serial maturities or mandatory sinking fund redemption amounts shall be within the parameters set forth on Exhibit A.

In lieu of such mandatory redemption, the Paying Agent, on behalf of the City, may purchase from money in the hereinafter-defined Sinking Funds, or the City may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of the same series and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent (hereinafter defined) as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

If at the time of mailing of the notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all of the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by such Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under this Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

Section 9. The Mayor of the City or other proper officers of the City are hereby authorized, empowered and directed to contract with The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania, as paying agent, or such other paying agent which shall be a bank or bank and trust company authorized to do business in the Commonwealth, as may be selected by the Mayor of the City upon delivery of each series of the definitive Bonds in accordance with this Ordinance (any such paying agent selected in accordance with this Section 9 being hereinafter referred to as the "Paying Agent"), for its services as paying agent and sinking fund depository in accordance with the terms and conditions of the Proposal, this Ordinance and the Act. Payment of the principal of and interest on the Bonds shall be made, when due, in accordance with the provisions of the Bonds, at the corporate trust office of the Paying Agent in lawful money of the United States of America.

Section 10. Each series of the Bonds shall be in substantially the form set forth in Exhibit B hereto. The form of the Bonds as submitted to the City is hereby approved in substantially such form, with such changes, insertions and variations as are necessary or appropriate to reflect the final terms, including, but not limited to, series designation, interest rates, principal amounts, the name or designation and the final redemption provisions, of the Bonds as specified to

the City in the delivery instructions of the Purchaser and such other changes as the Mayor of the City may approve upon advice of counsel to the City, such approval to be evidenced by such officer's execution and delivery of the Bonds.

Section 11. The Bonds shall be executed in the name and on behalf of the City by the true or facsimile signatures of the Mayor and Controller of the City and the true or facsimile official seal of the City shall be affixed thereunto, duly attested by the true or facsimile signature of the City Clerk of the City. Said officers are authorized and directed to execute and attest the Bonds. The execution and delivery of the Bonds shall constitute conclusive proof of the approval of the final terms and provisions of the Bonds by the City.

No Bond constituting one of the Bonds shall be entitled to any benefit under this Ordinance nor shall it be valid, obligatory or enforceable for any purpose until such Bond shall have been registered and authenticated by the Certificate of Authentication endorsed thereon duly signed by the Paying Agent; and the Paying Agent is authorized to register and authenticate the Bonds in accordance with the provisions hereof.

Each series of the Bonds shall initially be issued in the form of one fully-registered Bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Bonds issued in the name of Cede & Co. in accordance with the provisions of this Section may be issued in typewritten form satisfactory to DTC. Except as provided below all of the Bonds shall be registered in the registration books kept by the Paying Agent in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the City or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Paying Agent, in connection with discontinuing the book-entry system as below or otherwise.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price, if any, or interest on such Bonds shall be made to DTC or its nominee. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City or the Paying Agent with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid.

The City and the Paying Agent shall treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of the Bonds, registering the transfer of the Bonds, obtaining any consent or other action to be taken by registered owners of the Bonds and for all other purposes whatsoever; and neither the City nor the Paying Agent shall be affected by any notice to the contrary. Neither the City nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Paying Agent as being a registered owner, with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any such participant; (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; (4) any notice which is permitted or required to be given to registered owners of the Bonds; (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds; or (6) any consent given or other action taken by DTC as the registered owner of the Bonds.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the registered owners of the Bonds under this Ordinance shall be given to DTC.

In connection with any notice or other communication to be provided to registered owners of the Bonds pursuant to this Ordinance by the City or the Paying Agent with respect to

any consent or other action to be taken by registered owners of the Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the City or the Paying Agent may establish a special record date for such consent or other action. The City or the Paying Agent shall give DTC notice of such special record date not less than 10 calendar days in advance of such special record date to the extent possible.

The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if: (1) after notice to the City and the Paying Agent, DTC determines to resign as securities depository for the Bonds; (2) after notice to DTC and the Paying Agent, the City determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the City or the beneficial owners of the Bonds. In any such event, unless the City appoints a successor securities depository, the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated in writing by DTC, but without any liability on the part of the City or the Paying Agent for the accuracy of such designation. Whenever DTC requests the City and the Paying Agent to do so, the City and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable written notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Notwithstanding the foregoing, in the event that a series of Bonds is privately placed with one or more banks or other financial institutions, the City and such bank or financial institution may agree to not use the book-entry system for registration of the ownership of the Bonds.

Section 12. The City covenants to and with the registered owners from time to time of the Bonds that the City (i) shall include in its budget in each fiscal year the amount of the debt service for each fiscal year of the City in which such sums are payable, (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Bonds for such year, and (iii) shall duly and punctually pay or cause to be paid from its Sinking Funds or any other of its revenues or funds the principal amount of the Bonds and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the City shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in Section 8104 of the Act, the foregoing covenant of the City shall be enforceable specifically.

Section 13. The City hereby covenants to create and there is hereby created, pursuant to Section 8221 of the Act, a sinking fund for each series of the Bonds issued, each such sinking fund to be known as "Sinking Fund - City of Scranton, Lackawanna County, Pennsylvania, General Obligation Bonds, Series of 2024" (collectively, the "Sinking Funds"), or such other name or designation to coincide with the series of Bonds issued, the name of the Bonds and the series and year issued as selected by the proper officers of the City, which such Sinking Funds shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Ordinance.

Section 14. The Paying Agent shall be the "sinking fund depository" with respect to the Sinking Funds created pursuant to Section 13. The City covenants and agrees to deposit in the Sinking Funds, on or before each Interest Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Interest Payment Date all principal and accrued interest becoming due with respect to the Bonds. After such deposit, the Paying Agent shall, without further authorization or direction from the City or any of its officials, upon proper and timely presentation, execution and surrender of the Bonds, with respect to the payment of principal of the Bonds, or at the Interest Payment Date, with respect to the payment of interest on the Bonds, withdraw moneys from the Sinking Funds and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Ordinance and the provisions of the Act.

Section 15. Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication of such Bonds, unless (a) such Bonds are registered and authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from said Interest Payment Date; or (b) the Bonds are registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bonds shall bear interest from such Interest Payment Date, or (c) the Bonds

are registered and authenticated on or prior to the Record Date preceding the first Interest Payment Date, in which event such Bonds shall bear interest from the dated date thereof, or (d) as shown by the records of the Paying Agent, interest on such Bonds shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bonds. Interest shall be paid as set forth in the definitive Bonds, until the principal sum is paid. Interest on the Bonds is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date or such other day approved by the Mayor of the City upon delivery of each series of the definitive Bonds in accordance with this Ordinance (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the City shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of the Bonds not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing or such other day approved by the Mayor of the City upon delivery of each series of the definitive Bonds in accordance with this Ordinance.

If the date for payment of the principal of or the interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then the payment of such principal or interest need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

The City and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

The Bonds shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, at its principal corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Bonds in the registration books of the City maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees new fully registered Bonds of authorized denominations of the same series and maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time.

The City and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered on the registration books of the City maintained by the Paying Agent as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of and/or interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein and in the Bonds provided. All such payments shall be valid and effectual to satisfy in full and discharge the liability of the City upon the Bonds so paid, to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The City shall cause to be kept, and the Paying Agent shall keep, at the principal corporate trust office of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as the Bonds shall remain outstanding.

Such registrations, exchanges and transfers shall be made without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

Section 16. If necessary, the City hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "Investments") for investment of the proceeds of the Bonds and the refunding of the Refunded 2016 Notes. The City hereby authorizes and directs the Mayor and the Controller of the City to execute and the City Clerk of the City to attest, any investment agreement on behalf of the City, in the form approved by the Solicitor to the City. The Investments shall be limited to those authorized under law for proceeds of the Bonds.

Section 17. The Mayor, Controller and City Clerk of the City, and, if applicable, their duly qualified respective successors, are each hereby authorized and directed, in the name and on behalf of the City: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare, execute and file with the Department, as required by Section 8111 of the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Proposal of the Purchaser and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the Bonds, including the debt statement and borrowing base certificate; (c) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (d) to pay or cause to be paid from proceeds of the Bonds or otherwise, all costs and expenses incurred by the City in connection with the issuance of the Bonds; (e) to advertise the enactment of this Ordinance, as required by the Act; and (f) to take any and all other action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal of the Purchaser, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the Bonds, to the extent not inconsistent with this Ordinance or applicable law.

The Mayor, Controller and City Clerk of the City, and, if applicable, their duly qualified respective successors, are each authorized and directed, if necessary or desirable, to cause to be prepared and filed with the Department appropriate statements required by Section 8026 of the Act which are necessary to qualify the nonelectoral or lease rental debt of the City, which is subject to exclusion of self-liquidating or subsidized debt, for exclusion from the appropriate debt limits of the City as self-liquidating or subsidized debt.

Section 18. It is hereby declared that the debt to be evidenced by the Bonds, together with all other indebtedness of the City, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by the City.

Section 19. The proper officers of the City are hereby authorized and directed to deliver the Bonds to the Purchaser, upon due registration and authentication thereof as provided herein, upon receipt of full and proper payment of the purchase price therefor, provided, however, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 20. The City covenants to and with the registered owners of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder. The City further covenants that it will comply with the requirements of such Section 148 and Section 141 and with the regulations thereunder throughout the term of this issue. In addition, the Mayor and the Controller of the City, being the official(s) responsible for issuing the Bonds, attested by City Clerk of the City, are hereby authorized and directed to execute and deliver, in the name and on behalf of the City, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds are not "arbitrage bonds" or "private activity bonds" within the meanings of Section 148 and Section 141 of the Code and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the Bonds, which certificate shall set forth the reasonable expectations of the City as to the amount and use of the proceeds of the Bonds.

Section 21. With respect to each series of the Bonds, if determined to be advantageous to the Mayor of the City, the City hereby authorizes and directs the purchase of a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by a municipal bond insurer (the "Insurer") acceptable to the Purchaser and the Mayor of the City insuring the payment when due of the principal of and interest on such series of the Bonds as provided therein. Proper officers of the City are authorized and directed to take all required, necessary and/or appropriate action with respect to such insurance, including the payment of the premium thereof.

The Mayor of the City and the City Clerk of the City are each hereby authorized and directed to execute any and all insurance agreements and certificates with or for the benefit of the Insurer as may be necessary regarding the issuance of the Bonds and the delivery of the Municipal Bond Insurance Policy and acceptable to such officers executing the same.

Section 22. The Mayor, Controller and City Clerk of the City or other proper officers of the City are each hereby authorized to execute the Continuing Disclosure Certificate (hereinafter defined) on behalf of the City and the City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder or on the Bonds; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section.

As used herein, the term "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate to be executed by the City in order to comply with Securities and Exchange Commission Rule 15c2-12, and dated the date of issuance and delivery of each series of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

As used herein, the term "Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries).

Section 23. The Council hereby approves the preparation, use and distribution of one or more Preliminary Official Statements by the Purchaser in connection with the marketing of each series of the Bonds. The Mayor of the City is hereby authorized to execute and approve one or more final Official Statements relating to each series of the Bonds and any amendments or supplements to the same, provided that the final Official Statement and any amendment and/or supplement shall have been approved by counsel to the City. The Purchaser is hereby authorized to use the final Official Statement (and any amendment or supplement thereto) in connection with the sale of the Bonds.

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

Section 25. All expenses incurred in connection with issuance of the Bonds shall be paid out of the proceeds derived from the issuance of the Bonds and the Mayor of the City is authorized to approve requests for payment of such expenses and to pay such expenses.

Section 26. If necessary or desirable, on the date of delivery of the Bonds, to the extent required for a lawful defeasance of the Refunded 2016 Notes, the proper officers of the City are hereby authorized, empowered and directed to execute, attest and deliver the Escrow Agreement in the form approved by such officers with the advice of the Solicitor to the City. The Escrow Agreement shall provide for, among other things, the following: (i) a certification to the Escrow Agent of the amount required to pay the principal of, premium, if any, and interest on, the Refunded 2016 Notes, (ii) the deposit with the Escrow Agent of an amount which, when taken together with the interest to be earned thereon, will be in the amount necessary to pay the

principal of, premium, if any, and interest on the Refunded 2016 Notes on the date fixed for the redemption thereof, (iii) the investment of the amounts deposited with and held by the Escrow Agent, (iv) a direction to the Escrow Agent to cause notice of redemption to be given to the holders of the Refunded 2016 Notes, and (v) the irrevocable pledge and escrow of, and grant of a security interest in favor of the Escrow Agent of all investments held by it pursuant to the Escrow Agreement.

Section 27. The City hereby authorizes and directs the proper officers, agents and employees to execute any and all other documents and to take any and all action necessary in connection with the Project to cause the Refunded 2016 Notes to "no longer be deemed to be outstanding" as of the date of delivery of the Bonds, within the meaning and for the purposes of Section 8250 of the Act and to pay the principal of and interest due on the Refunded 2016 Notes when due.

Section 28. The proper officers of the City are hereby authorized, jointly and severally, to do any and all other things necessary to effectuate the issuance, execution, delivery and sale of the Bonds and the financing of the Project, including the execution and delivery of any and all additional documents, representations, declarations, loan agreements, reimbursement agreements, security agreements, remarketing agreements, promissory notes, intercreditor agreements, derivative and/or interest rate management agreements, derivative and/or interest rate management termination agreements, escrow agreements, assignments, financing statements, certificates, authorizations, contracts, agreements, insurance binders and other papers as may be necessary to effectuate any of the foregoing, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by the City.

Section 29. If any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the City that the remainder of this Ordinance shall remain in full force and effect. The City reserves the right to amend this Ordinance or any portion hereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration hereof.

Section 30. This Ordinance is enacted by the Council of the City under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law," and any other applicable law arising under the laws of the Commonwealth.

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

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

Passed by the Council

February 27, 2024

Receiving the Affirmative votes of Council Persons
King, Schuster, Rothchild, McAndrew, Smurl

Negative

NONE

President

Approved

02/28/2024

Mayor

City Clerk

Certified Copy