

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D/A  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
RULE 13D-2(A)

(Amendment No. 2)

Lake Ariel Bancorp, Inc.  
(Name of Issuer)

Common Stock, par value \$.21 per share  
(Title of Class of Securities)

507467 10 8  
(CUSIP Number)

Mr. Daryl R. Forsythe  
President and Chief Executive Officer  
NBT Bancorp Inc.  
52 South Broad Street  
Norwich, New York 13815  
(607) 337-2265

(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

December 27, 1999

(Date of Event Which Requires Filing of This Statement)

Copy to:

Brian D. Alprin, Esq.  
Laurence S. Lese, Esq.  
Duane, Morris & Heckscher LLP  
1667 K Street, N.W., Suite 700  
Washington, D.C. 20006  
(202) 776-7800

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f), or 13d-1(g), check the following box: [ ].

-----  
(1) NAMES OF REPORTING PERSONS  
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

NBT BANCORP INC.  
16-1268674

-----  
(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

(a) [ ]  
(b) [ ]

-----  
(3) SEC USE ONLY

-----  
(4) SOURCE OF FUNDS\*

WC/00

-----  
(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(d) or 2(e)

[ ]

-----  
(6) CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

-----  
NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH:

(7) SOLE VOTING POWER  
965,300(1)

-----  
(8) SHARED VOTING  
-0-  
-----

(9) SOLE DISPOSITIVE  
965,300(1)

(10) SHARED DISPOSITIVE  
-0-

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

965,300(1)

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES CERTAIN SHARES\* [ ]

N/A

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11

APPROXIMATELY 16.6%(2)

(14) TYPE OF REPORTING PERSON\*

CO

\* SEE INSTRUCTIONS BEFORE FILLING OUT!

(1) The shares of Issuer common stock covered by this report are purchasable by the Reporting Person upon exercise of an option granted to the Reporting Person as of August 16, 1999, and described in Item 4 of this report. Prior to the exercise of the option, the Reporting Person is not entitled to any rights as a stockholder of Issuer as to the shares covered by the option. The option may only be exercised upon the happening of certain events referred to in Item 4, none of which has occurred as of the date hereof. The Reporting Person expressly disclaims beneficial ownership of any of the shares of common stock of Issuer which are purchasable by the Reporting Person upon exercise of the option until such time as the Reporting Person purchases any such shares upon any such exercise. The number of shares indicated represents 19.9% of the total outstanding shares of common stock of Issuer as of August 16, 1999, excluding shares issuable upon exercise of the option.

(2) After giving effect to the exercise of the option as described herein.

ITEM 1. SECURITY AND ISSUER.

This statement on Amendment No. 2 to Schedule 13D (the "Schedule 13D") relates to the common stock, par value \$.21 per share (the "Shares" or the "Issuer Common Stock"), of Lake Ariel Bancorp, Inc., a Pennsylvania corporation ("Issuer"). The principal executive office of Issuer is located at Post Office Box 67, Route 191, Lake Ariel, PA 18436.

The information set forth in the Exhibits hereto is hereby expressly incorporated herein by reference and the responses to each item of this Schedule 13D are qualified in their entirety by the provisions of such Exhibits.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(c) This Schedule 13D is filed by NBT Bancorp Inc., a Delaware corporation ("Reporting Person").

The business address of Reporting Person is 52 South Broad Street, Norwich, New York 13815. The principal business of Reporting Person is a bank holding company.

To the best of Reporting Person's knowledge as of the date hereof, the name; business address; present principal occupation or employment; name, principal business and address of any corporation or other organization in which such employment is conducted; and citizenship of each executive officer and director of Reporting Person is set forth in Schedule I hereto. The information contained in Schedule I is incorporated herein by reference.

(d)-(e) During the last five years, neither Reporting Person nor, to the best knowledge of Reporting Person, any of the executive officers or directors of Reporting Person, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such items.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

We hereby incorporate by reference the information provided under this Item set forth in Reporting Person's Schedule 13D filed by Reporting Person on August 18, 1999.

ITEM 4. PURPOSE OF THE TRANSACTION.

We hereby incorporate by reference the information provided under this Item set forth in Reporting Person's Schedule 13D filed by Reporting Person on August 18, 1999.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

We hereby incorporate by reference the information provided under this Item set forth in Reporting Person's Schedule 13D filed by Reporting Person on August 18, 1999.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

We hereby incorporate by reference the information provided under this Item set forth in Reporting Person's Schedule 13D filed by Reporting Person on August 18, 1999 and in Reporting Person's Amendment No. 1 to Schedule 13D filed by Reporting Person on December 17, 1999.

On December 27, 1999, Reporting Person and Issuer amended the Plan of Merger (the "Second Amended Plan"). The material feature of the amendments set forth in the Second Amended Plan is that, if, on or prior to the seventh business day preceding the effective time of the merger between Reporting Person and Issuer (the "Merger"), Reporting Person and Issuer shall have received a letter in satisfactory form from all holders of unexercised stock options of Issuer stating that they elect to receive in the Merger shares of Reporting Person common stock in exchange for and in full satisfaction of their converted options, then at the effective time of the Merger, each converted option, whether vested or unvested, will be converted into a number of shares of Reporting Person common stock in accordance with a formula set forth in the Second Amended Plan.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

EXHIBIT DESCRIPTION

- 2.1 Agreement and Plan of Merger, dated as of August 16, 1999, by and between NBT Bancorp Inc. and Lake Ariel Bancorp, Inc. (incorporated by reference to Exhibit 2.1 of Schedule 13D filed by NBT Bancorp Inc. on August 18, 1999)
- 2.2 Amendment to Agreement and Plan of Merger, dated as of December 13, 1999, by and between NBT Bancorp Inc. and Lake Ariel Bancorp, Inc. (incorporated by reference to Exhibit 2.2 of Schedule 13D filed by NBT Bancorp Inc. on December 17, 1999)
- 2.3 Second Amendment to Agreement and Plan of Merger, dated as of December 27, 1999 by and between NBT Bancorp Inc. and Lake Ariel Bancorp, Inc. (filed herewith)
- 2.4 The Directors' Agreement, dated as of August 16, 1999, is part of the Plan of Merger, which is filed as Exhibit 2.1 above (incorporated by reference to Exhibit 2.1 of Schedule 13D filed by NBT Bancorp Inc. on August 18, 1999)

- 2.5 Stock Option Agreement, dated August 16, 1999, by and between Lake Ariel Bancorp, Inc. as "Issuer" and NBT Bancorp Inc. as "Grantee" (incorporated by reference to Exhibit 2.3 of Schedule 13D filed by NBT Bancorp Inc. on August 18, 1999)
- 2.6 Form of Employment Agreement with John G. Martines (incorporated by reference to Exhibit 2.4 of Schedule 13D filed by NBT Bancorp Inc. on August 18, 1999)
- 2.7 Form of Change-in-Control Agreement (incorporated by reference to Exhibit 2.5 of Schedule 13D filed by NBT Bancorp Inc. on August 18, 1999)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

NBT BANCORP INC.

By: /s/ Daryl R. Forsythe

-----  
Name: Daryl R. Forsythe  
Title: President and Chief  
Executive Officer

Dated: December 27, 1999

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF NBT BANCORP INC.

The following table sets forth the name, business address and present principal occupation or employment of each director and executive officer of Reporting Person. Each such person is a U.S. citizen, and the business address of each such person is 52 South Broad Street, Norwich, New York 13815.

Name and Business Address -----	Present Principal Occupation -----
*Daryl R. Forsythe	President and Chief Executive Officer
*Everett A. Gilmour	Chairman, Retired
Joe C. Minor	President and Chief Operating Officer, NBT Financial Services, Inc.
Michael J. Chewens	Executive Vice President, Chief Financial Officer
John D. Roberts	Vice President and Secretary
*J. Peter Chaplin	Retired
*Peter B. Gregory	Partner, Gatehouse Antiques
*Andrew S. Kowalczyk, Jr.	Partner, Kowalczyk, Tolles, Deery & Johnston, attorneys
*Dan B. Marshman	Marshman Farms, Inc.
*John C. Mitchell	President, I.L. Richer Co. (agribusiness)
*William L. Owens	Partner, Stafford, Trombley, Owens & Curtin, P.C., attorneys
*Paul O. Stillman	Chairman, Preferred Mutual Insurance Co.
*Director of NBT Bancorp Inc.	



## EXHIBIT INDEX

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EXHIBIT 2.3

SECOND AMENDMENT TO AGREEMENT AND PLAN OF MERGER

THIS SECOND AMENDMENT (the "Amendment") dated as of the twenty-seventh day of December, 1999, to the Agreement and Plan of Merger dated as of August 16, 1999 and amended as of December 13, 1999 (the "Merger Agreement") made between NBT Bancorp Inc. ("NBTB"), a Delaware corporation having its principal office in Norwich, New York, and Lake Ariel Bancorp, Inc. ("LABN"), a Pennsylvania corporation having its principal office in Lake Ariel, Pennsylvania

W I T N E S S E T H T H A T :

WHEREAS, NBTB and LABN are bank holding companies which desire to affiliate with each other through the merger of LABN with and into NBTB, with NBTB to be the surviving corporation (the "Merger");

WHEREAS, NBTB and LABN are parties to the Merger Agreement providing for, among other things, the Merger;

WHEREAS, LABN has requested the assent of NBTB that the Merger Agreement be amended to provide that the LABN stock options to be outstanding as of the effective time of the Merger be converted into shares of the common stock of NBTB ("NBTB Common Stock"), rather than into options to acquire shares of NBTB Common Stock, and NBTB is amenable to making such amendment in the terms and subject to the conditions provided for herein;

NOW, THEREFORE, in consideration of these premises and mutual agreements hereinafter set forth, intending to be legally bound, the parties agree as follows:

1. Amendment to Section 1.4. Section 1.4 of the Merger Agreement is hereby amended to read in its entirety as follows:

"1.4. No Fractional Shares. NBTB will not issue fractional shares of its stock. In lieu of fractional shares of NBTB Common Stock, if any, each shareholder and, if applicable, each optionholder of LABN who is entitled to a fractional share of NBTB Common Stock shall receive an amount of cash equal to the product of such fraction times the Average Closing Price. Such fractional share interest shall not include the right to vote or to receive dividends or any interest thereon."

2. Amendment to Section 1.9. Section 1.9 is hereby amended to read in its entirety as follows:

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"1.9. Treatment of Stock Options.  
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"(a) If, on or prior to the Determination Date (as defined in section 11.2(d)(iii)(A) of this Agreement), NBTB and LABN shall have received from each person listed on Schedule 6.9 hereof and each other person who holds an unexercised stock option to purchase LABN Common Stock, whether vested or unvested, an executed letter in form and substance reasonably acceptable to NBTB and LABN, stating that:

"(i) he or she has (A) received and read the Joint Proxy Statement/Prospectus relating to the Merger and understands the contents of the Joint Proxy Statement/ Prospectus as it relates to the Merger, (B) discussed with legal counsel of his or her choice the effect of delivering the subject letter, and (C) discussed with his or her tax advisor the tax effect of receiving shares of NBTB common stock in exchange for the stock options to purchase LABN Common Stock held by him or her and not exercised prior to the Effective Time (each, a "Converted Option"), including that such exchange (I) will result in ordinary taxable income to him or her to the extent of the full amount of the fair market value of the shares of NBTB Common Stock received by him or her in exchange for his or her Converted Options and (II) will give rise to withholding obligations with respect to the income and employment taxes on such ordinary income which must be met by him or her through the remittance of cash to NBTB on or

about the Effective Time to satisfy such withholding tax obligations; and

"(ii) he or she elects to receive shares of NBTB common stock in exchange for, and in full satisfaction, discharge, and settlement for, his or her Converted Options,

"then at the Effective Time, each Converted Option, whether vested or unvested, shall automatically be converted into that number of shares of NBTB Common Stock equal to the quotient obtained by dividing (A) the value of the Converted Option at the Effective Time (determined by subtracting the aggregate exercise price under such Converted Option at the Effective Time from the product of (I) the number of shares of LABN Common Stock subject to such Converted Option at the Effective Time, (II) the Exchange Ratio, and (III) the Average Closing Price) by (B) the Average Closing Price.

"(b) If by the Determination Date NBTB and LABN shall not have received from each person listed on Schedule 6.9 hereof and each other person who holds an unexercised stock option to purchase LABN Common Stock, whether vested or unvested, an executed letter as contemplated by subsection (a) of this section 1.9, then

"(i) at the Effective Time, each Converted Option, whether vested or unvested, shall automatically be converted into an option (a "Replacement Option") to acquire, on the same terms and conditions as were applicable under the terms of such Converted Option and any option plan under which such Converted Option was issued (or as near thereto as is practicable), a number of shares of NBTB Common Stock equal to (rounded down to the nearest whole number of shares) (a) the number of shares of LABN

Common Stock subject to such Converted Option as of the Effective Time multiplied by (b) the Exchange Ratio, at an exercise price per share (rounded down to the nearest whole cent) equal to (x) the aggregate exercise price under such Converted Option for all of the shares of LABN Common Stock subject to such Converted Option at the Effective Time divided by (y) the number of shares of NBTB Common Stock subject to such Replacement Option;

"(ii) notwithstanding the foregoing subsection (i), each Converted Option which is intended to be an "incentive stock option" (as defined in section 422 of the Code) shall be adjusted in accordance with the requirements of section 424 of the Code;

"(iii) at or prior to the Effective Time, LABN shall take all action, if any, necessary with respect to any Converted Options or stock plans under which Converted Options have been issued to permit the replacement of the Converted Options with Replacement Options as contemplated by this section 1.9; and

"(iv) at the Effective Time, NBTB shall assume such stock plans; provided, that such assumption shall only be in respect of the Replacement Options and that NBTB shall have no obligation with respect to any awards under such plans other than the Replacement Options and shall have no obligation to make any additional grants or awards under such assumed plans."

3. Amendment to Section 9.5. Section 9.5 is hereby amended to read in its -----  
entirety as follows:

"9.5. Options. At or prior to the Effective Time, NBTB shall take all corporate action necessary to reserve for issuance a sufficient number of shares of NBTB Common Stock for delivery upon exercise of options to purchase LABN Common Stock assumed by it in accordance with section 1.9(b) hereof. NBTB shall use commercially reasonable efforts to maintain the effectiveness of the registration statement that pertains to the shares subject to such options (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such options remain outstanding. NBTB shall at and after the Effective Time have reserved sufficient shares of NBTB Common Stock for issuance with respect to such options. NBTB shall also take any action required to be taken under any applicable state blue sky or securities laws in connection with the issuance of such shares."

4. Amendment to Section 9.8. Section 9.8 is hereby amended to read in its -----  
entirety as follows:

"9.8. Registration of Shares Subject to Option. If by the Determination Date NBTB and LABN shall not have received from each person listed on Schedule 6.9 hereof and each other person who holds an unexercised stock option to purchase LABN Common Stock, whether vested or unvested, an executed letter as contemplated by section 1.9(a), then within thirty days after the Effective Time, NBTB shall file a registration statement on Form S-3 or Form S-8, as the case may be (or any successor or other appropriate forms), with respect to the shares of NBTB Common Stock subject to Replacement Options and

shall use its reasonable best efforts to maintain the current status of the prospectus or prospectuses contained therein for so long as Replacement Options remain outstanding."

5. Section 1(a) of Exhibit IV. Section 1(a) of Exhibit IV is amended by striking from it the words "president and".
6. Section 2(a) of Exhibit IV. Section 2(a) of Exhibit IV is amended by striking from it the words "president and".
7. Defined Terms. Capitalized terms not otherwise defined herein have the meanings given them in the Merger Agreement.
8. Counterparts. This Second Amendment may be executed in two or more counterparts each of which shall be deemed to constitute an original, but such counterparts together shall be deemed to be one and the same instrument and to become effective when one or more counterparts have been signed by each of the parties hereto. It shall not be necessary in making proof of this Second Amendment or any counterpart hereof to produce or account for the other counterpart.
9. Entire Agreement. The Merger Agreement, as amended by the amendment dated as of December 13, 1999 and by this Second Amendment, sets forth the entire understanding of the parties hereto with respect to their commitments to each other and their undertakings vis-a-vis each other on the subject matter hereof. This Second Amendment shall not constitute an amendment or waiver of any provision of the Merger Agreement not expressly referred to herein.
10. Section Headings. The section headings herein have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.
11. Choice of Law. This Second Amendment shall be governed by, construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof, except that the BCL (in the case of LABN) shall govern with respect to the terms and conditions of the Merger, the approval and effectiveness thereof, and the authorization, cancellation or issuance of the stock or options of LABN with respect thereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

NBT BANCORP INC.

By: DARYL R. FORSYTHE  
-----  
Daryl R. Forsythe  
President and Chief Executive Officer

By: JOHN D. ROBERTS  
-----  
John D. Roberts  
Senior Vice President and Secretary

LAKE ARIEL BANCORP, INC.

By: JOHN G. MARTINES  
-----  
John G. Martines  
Chief Executive Officer

By: DONALD E. CHAPMAN  
-----  
Donald E. Chapman  
Secretary