

ORDINANCE #85

FIRST READING - July 27, 1993
SECOND READING - August 24, 1993

APPROVING THE UNDERTAKING OF A PROJECT BY THE NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY AT THE REQUEST OF THE TAYLOR LONG-TERM CARE CENTER, INC. D/B/A TAYLOR NURSING AND REHABILITATION CENTER; APPROVING THE ISSUANCE OF REVENUE BONDS BY THE NORTHEASTERN PENNSYLVANIA HOSPITAL AND EDUCATION AUTHORITY FOR THE PROJECT IN AN AMOUNT NOT TO EXCEED \$4,500.00.

WHEREAS, the Northeastern Pennsylvania Hospital and Education Authority ("Authority") is a body corporate and politic and an instrumentality of the Commonwealth created under the Pennsylvania Municipality Authorities Act of 1945 (Act of May 2, 1945, P.L. 382), as amended (the "Act"); and

WHEREAS, Taylor Long Term Care Center, Inc. d/b/a Taylor Nursing and Rehabilitation Center (the "Borrower") is a Pennsylvania nonprofit corporation, qualified to do business in the Commonwealth which owns and operates a 161-bed intermediate and skilled nursing facility located in the Borough of Taylor, Lackawanna County, Pennsylvania (together with improvements, additions, or renovations thereto, the "Facilities"); and

WHEREAS, in connection with a project (the "1982 Project") consisting of the construction of a 99-bed skilled nursing and intermediate care facility (the "1982 Facilities"), the Lackawanna County Industrial Development Authority (the "Lackawanna County IDA") heretofore issued \$2,910,000 First Mortgage Medical Facilities Revenue Bonds (Taylor Long Term Care Center, Inc. Project), Series 1982 (the "Bonds") pursuant to a Mortgage and Trust Indenture dated as of March 1, 1982 between the Lackawanna County IDA and United Penn Bank, as trustees; and

WHEREAS, the Lackawanna County IDA entered into an Installment Sale Agreement with the Borrower pursuant to which it lent the proceeds of the 1982 Bonds to the Borrower and the Borrower agreed to repay principal, interest, and premium, if any on the 1982 Bonds; and

WHEREAS, in order to enable the Borrower to redeem the 1982 Bonds and to construct additions and renovations to the 1982 Facilities including an addition to house 60 new beds and ancillary services and to provide equipment therefor (the "1986 Project"), the Borrower on June 17, 1986, executed a Note to First Eastern Bank, N.A. in the aggregate principal amount of \$4,500,000 (the "1986 Note"); and

WHEREAS, the proceeds of the 1986 Note were applied on March 1, 1987 to retire the entire outstanding principal amount of the 1982 Bonds together with accrued interest thereon totaling \$2,672,632.64 and the remainder of such proceeds were applied in due course to construct and planned additions and renovations and the equipment therefore; and

WHEREAS, at the request of the Borrower, the Authority has determined to issue an amount not to exceed \$4,500,000 aggregate principal amount of its Health Care Revenue Bonds (Taylor Long Term Care Center, Inc. d/b/a Taylor Nursing and Rehabilitation Center), Series 1993 (the "Series 1993 Bonds" or the "1993 Bonds"), and to lend the proceeds thereof to the Borrower for application to a project (the "1993 Project") consisting of: (a) paying outstanding principal of and accrued interest on, the 1986 Note; (b) providing funding for certain improvements to the Facility; (c) funding a debt service reserve fund for the 1993 Bonds; and (d) paying a portion of the costs of issuance for the 1993 Bonds; and

WHEREAS, the loan will be made by the Authority and repaid by the Borrower pursuant to the terms of a Loan and Security Agreement between them (the "Loan Agreement"), which will be assigned to the Third National Bank & Trust Company, Scranton, Pennsylvania as Trustee by the Authority to secure repayment of the 1993 Bonds and any "Additional Bonds" as herein defined; and

WHEREAS, the Borrower's payment obligations under the Loan Agreement will be general obligations of the Borrower, secured by a lien on and security interest in the Borrower's Gross Revenues, subject to such prior security interests as are set forth in the Loan Agreement; and

WHEREAS, the Borrower's payment obligations under the Loan Agreement will be additionally secured by the Guaranty which the Borrower will provide to the Trustee; and

WHEREAS, in order to secure the Guaranty, the Hospital will execute and deliver to the Trustee, as mortgagee, a Mortgage and Security Agreement on the Facilities and the site on which it is located (the "Premises");

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. For the reasons and purposes recited above, the County hereby approves the undertaking of the Project for the benefit of the Borrower and the Authority's issuance of the 1993 Bonds to accomplish its undertaking of the Project is hereby approved, it being understood that such approval shall not, directly or indirectly, obligate the taxing power of the County or otherwise obligate the County in any way whatsoever, and is given for the sole purpose of complying with the provisions of the Act relating to the undertaking of the Project by the Authority.

Section 2. It is hereby declared desirable for the health, safety and welfare of the people in the area served by the Borrower to have the Authority issue the 1993 Bonds to accomplish its undertaking of the Project.

Section 3. At least two members of the Board of Commissioners, Administrative Director, Comptroller, and/or Treasurer of the County, are duly appointed successor, as the case may be, are hereby authorized and directed to prepare and verify a certified copy of this Ordinance.

Section 4. All prior ordinances or resolutions or parts thereof inconsistent with are hereby appealed.

Section 5. This Ordinance shall become effective ten days after enactment.

COUNTY OF LACKAWANNA


RAY A. ALBERIGI

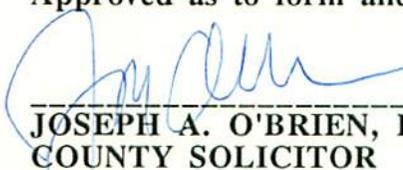

JOSEPH J. CORCORAN


JOHN SENIO

ATTEST:


GERALD L. STANVITCH,
ADMINISTRATIVE DIRECTOR

Approved as to form and legality:


JOSEPH A. O'BRIEN, ESQUIRE
COUNTY SOLICITOR