

ORDINANCE #90

FIRST READING - March 8, 1994
SECOND READING - March 22, 1994
AMENDED - April 12, 1994
ENACTED - April 26, 1994

AUTHORIZING THE INCURRING OF DEBT; APPROVING THE FINANCING OF AND BRIEFLY DESCRIBING THE PROJECT FOR WHICH THE DEBT IS TO BE INCURRED AND STATING A REALISTIC ESTIMATED USEFUL LIFE THEREOF; STATING THE AGGREGATE PRINCIPAL AMOUNT OF GUARANTEED REVENUE BONDS TO BE ISSUED BY THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY AND THE AMOUNT OF BONDS TO BE SECURED BY GUARANTY AGREEMENT AND THAT THE DEBT IS TO BE INCURRED AS LEASE RENTAL DEBT AS DEFINED IN THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT; APPROVING THE FORM OF A GUARANTY BETWEEN AND AMONG THE COUNTY, THE AUTHORITY AND PNC BANK, NATIONAL ASSOCIATION, AS TRUSTEE, AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE GUARANTY; STATING THE MAXIMUM ANNUAL AMOUNTS OF PRINCIPAL AND INTEREST COVENANTED TO BE PAID THEREUNDER AND COVENANTING THE PAYMENT THEREOF AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY THEREFORE; AUTHORIZING AND DIRECTING CERTAIN OFFICERS OF THE COUNTY TO VERIFY AND FILE THE DEBT STATEMENT REQUIRED BY SECTION 410 OF SAID ACT; APPROVING THE REPORT OF BUTCHER & SINGER PREPARED IN ACCORDANCE WITH SECTION 206 (a) (1) OF THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT AND AUTHORIZING AND DIRECTING THE FILING THEREOF AND THE PREPARATION AND FILING OF ANY OTHER STATEMENTS AND REPORTS REQUIRED TO QUALIFY THE DEBT FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMIT AS SELF-LIQUIDATING; AUTHORIZING THE OFFICIALS OF THE COUNTY TO TAKE OTHER APPROPRIATE ACTION; AND REPEALING ALL ORDINANCES INCONSISTENT HERewith.

WHEREAS, the Scranton-Lackawanna Health and Welfare Authority (the "Authority"), a municipality authority created under the Pennsylvania Municipality Authorities Act of 1945, as amended (the "Authorities Act"), has determined to refund its Guaranteed Revenue Bonds, Series of 1978 (Scranton-Old Forge Nursing Care Facilities) (the "1978 Bonds") and its Health Facilities Revenue Bonds, Series 1983 (Allied Services for the Handicapped, Inc.) (the "1983 Bonds"), the proceeds of which bonds were used to finance the construction and equipment of certain nursing care facilities and an ambulatory care unit in the County of Lackawanna, Pennsylvania (the "County") owned and operated by Allied Services for the Handicapped, Inc. (now Allied Services Skilled Nursing Center) ("Allied"); and

WHEREAS, in order to refund such bonds, the Authority has determined to (i) issue its Guaranteed Revenue Bonds, Series B of 1994 (The Allied Services Skilled Nursing Center Project) (the "1994 Series B Bonds") in the principal amount of up to \$9,500,000 pursuant to the Authorities Act, to be issued under and secured by a Loan and Trust Agreement dated as of March 15, 1994 (the "Loan and Trust Agreement") among the Authority, Allied and PNC Bank, National Association, as trustee (the "Trustee"); (ii) apply the net proceeds of the 1994 Series B Bonds, together with other available funds, to refund the 1978 Bonds and the 1983 Bonds, (iii) to establish certain accounts under the Loan and Trust Agreement and (iv) to pay a portion of the costs of issuance of the 1994 Series B Bonds ((i), (ii), (iii) and (iv), collectively, the "1994 Series B Project");

WHEREAS, Allied will pay pursuant to the Loan and Trust Agreement amounts sufficient to pay, inter alia, the debt service on the 1994 Series B Bonds and the Authority's administrative expenses and the fees fairly attributable to the 1994 Series B Project; and

WHEREAS, in order to induce the Authority to enter into the Loan and Trust Agreement and authorize the issue of the 1994 Series B Bonds and to further secure the payment of the principal of, and interest on, the 1994 Series B Bonds, the County and the Authority intend to enter into a guaranty agreement (the "County Guaranty"), as authorized by the Pennsylvania Local Government Unit Debt Act of 1972, P.L. 781, No. 185, as amended and re-enacted (the "Debt Act"), providing for the unconditional guarantee of payment of the principal of (including amounts required by the Loan and Trust Agreement to be paid into the Debt Service Reserve Fund and the Sinking Fund Account for the 1994 Series B Bonds), and interest on (including amounts required by the Loan and Trust Agreement to be paid into the Debt Service Reserve Fund for the 1994

Series B Bonds) the 1994 Series B Bonds, by the County and the pledge by the County of its full faith, credit and taxing power to discharge all of its obligations under such County Guaranty; and

WHEREAS, Butcher & Singer, a division of Wheat, First Securities, Inc., Scranton, Pennsylvania has prepared and will submit to the Board of County Commissioners of the County a report (the "Report") prepared in accordance with Section 206 (a) (1) of the Debt Act; and

WHEREAS, the execution of the County Guaranty constitutes the incurring of lease rental debt by the County within the meaning of the Debt Act;

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF LACKAWANNA:

Section 1. The County does hereby approve the financing by the Authority of the 1994 Series B Project, consisting of the refunding of its 1978 Bonds and its 1983 Bonds, the establishing of certain accounts under the Loan and Trust Agreement, and the payment of a portion of the costs of issuing the 1994 Series B Bonds. The 1978 Bonds and the 1983 Bonds were originally issued to finance nursing care facilities and an ambulatory care unit. The realistic estimated useful life of the Project is determined to be in excess of 40 years.

Section 2. The aggregate principal amount of the 1994 Series B Bonds to be issued by the Authority and to be secured by the County Guaranty is up to \$9,500,000. The Board of Commissioners of the County does hereby authorize the incurring of lease rental debt of the County, pursuant to the Debt Act, in the maximum amount of \$9,500,000, to be evidenced by the County Guaranty between and among the County, the Authority and the Trustee.

Section 3. The Chairman of the Board of County Commissioners, the County Controller and the County Treasurer are hereby authorized to prepare and verify a debt statement required by Section 410 of the Debt Act and the Administrative Director/Chief Clerk of the County is hereby authorized and directed to certify, to the Department of Community Affairs, a transcript of these proceedings, consisting of such debt statement, including a borrowing base certificate, and a certified copy of this Ordinance as finally enacted, together with proofs of publications, and to pay any filing fees required under Section 803 of the Act.

Section 4. The form of the County Guaranty as presented to the Board of Commissioners is hereby approved. The Chairman of the Board of County Commissioners, the County Controller and the County Treasurer are hereby authorized and directed, upon receipt of approval from the Department of Community Affairs, to execute the County Guaranty in such form, subject to such changes and modifications, if any, as may be approved by such officials, the execution of the County Guaranty to be conclusive evidence of such approval, and the Administrative Director/Chief Clerk of the County is hereby authorized and directed to affix thereto the corporate seal of the County, to attest the same and to deliver the County Guaranty to the Authority and the Trustee.

Section 5. The maximum annual amounts of principal and interest covenanted to be paid by the County under the County Guaranty (including restoration of the 1994 Series B Bonds Debt Service Reserve Fund) are as set forth in Schedule A attached hereto.

It is covenanted with the holders from time to time of the 1994 Series B Bonds, that the County shall (i) include the amount of the guarantee of debt service of 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 guaranteed debt service, and (iii) duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds the amount payable in respect of its guarantee, being the principal of (including amounts required by the Loan and Trust Agreement to be paid into the Debt Service Reserve Fund and the Sinking Fund Account for the 1994 Series B Bonds), and interest on (including amounts required by the Loan and Trust Agreement to be paid into the Debt Service Reserve Fund for the 1994 Series B Bonds), the 1994 Series B Bonds, at the dates and places and in the manner stated in the Guaranty according to the true intent and meaning thereof. For such budgeting, appropriation and payment in respect of its guaranty of the 1994 Series B Bonds, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights. Nothing in this Section shall be construed to give the County any taxing power not granted by another provision of law.

Section 6. The Report of Butcher & Singer, a division of Wheat, First Securities, Inc., as submitted to this meeting, is hereby approved. The Chairman of the Board of County Commissioners, the County Controller and the County Treasurer are each further authorized and directed to prepare and file any statements required under Section 206 of the Debt Act which are necessary to qualify all of the lease rental indebtedness incurred hereby for exclusion as self-liquidating debt.

Section 7. The proper officers of the County are hereby authorized and empowered on behalf of the County to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of this Ordinance.

Section 8. All ordinances or parts of ordinances inconsistent herewith be and the same hereby are repealed.

Butcher & Singer

Exhibit A

Refinancing Analysis For Scranton-Lackawanna Health and Welfare Authority
Guaranteed Revenue Bonds, Series B of 1994 Allied Services Skilled Nursing Center
Debt Service Summary

Average Interest Rate 5.96%

Date	Principal	Coupon	*Interest	LESS:	Total * D / S	Annual D / S
				Accrued Interest		
15-Aug-94	320,000	3.550%	217,274	(40,557.81)	496,716	496,716
15-Feb-95			255,049		255,049	
15-Aug-95	385,000	3.850%	255,049		640,049	895,098
15-Feb-96			247,638		247,638	
15-Aug-96	395,000	4.200%	247,638		642,638	890,275
15-Feb-97			239,343		239,343	
15-Aug-97	415,000	4.400%	239,343		654,343	893,685
15-Feb-98			230,213		230,213	
15-Aug-98	435,000	4.600%	230,213		665,213	895,425
15-Feb-99			220,208		220,208	
15-Aug-99	455,000	4.800%	220,208		675,208	895,415
15-Feb-2000			209,288		209,288	
15-Aug-2000	475,000	5.000%	209,288		684,288	893,575
15-Feb-2001			197,413		197,413	
15-Aug-2001	500,000	5.150%	197,413		697,413	894,825
15-Feb-2002			184,538		184,538	
15-Aug-2002	525,000	5.300%	184,538		709,538	894,075
15-Feb-2003			170,625		170,625	
15-Aug-2003	550,000	5.400%	170,625		720,625	891,250
15-Feb-2004			155,775		155,775	
15-Aug-2004	580,000	6.000%	155,775		735,775	891,550
15-Feb-2005			138,375		138,375	
15-Aug-2005	620,000	6.000%	138,375		758,375	896,750
15-Feb-2006			119,775		119,775	
15-Aug-2006	650,000	6.000%	119,775		769,775	889,550
15-Feb-2007			100,275		100,275	
15-Aug-2007	690,000	6.000%	100,275		790,275	890,550
15-Feb-2008			79,575		79,575	
15-Aug-2008	735,000	6.000%	79,575		814,575	894,150
15-Feb-2009			57,525		57,525	
15-Aug-2009	315,000	6.500%	57,525		372,525	430,050
15-Feb-2010			47,288		47,288	
15-Aug-2010	330,000	6.500%	47,288		377,288	424,575
15-Feb-2011			36,563		36,563	
15-Aug-2011	350,000	6.500%	36,563		386,563	423,125
15-Feb-2012			25,188		25,188	
15-Aug-2012	375,000	6.500%	25,188		400,188	425,375
15-Feb-2013			13,000		13,000	
15-Aug-2013	400,000	6.500%	13,000		413,000	426,000
	9,500,000		5,672,571	(40,557.81)	15,132,014	15,132,014

*All figures are rounded out to the nearest dollar

COUNTY OF LACKAWANNA

Joseph J. Corcoran

JOSEPH J. CORCORAN

Ray A. Alberigi

RAY A. ALBERIGI

John Senio

JOHN SENIO

ATTEST:

Gerald L. Stanvitch

GERALD L. STANVITCH,
ADMINISTRATIVE DIRECTOR

Approved as to form and legality:

Joseph A. O'Brien

JOSEPH A. O'BRIEN, ESQUIRE
COUNTY SOLICITOR