

## RESOLUTION

Resolution declaring the financing of a project by the Allegheny County Hospital Development Authority on behalf of Jefferson Regional Medical Center (formerly South Hills Health System) as desirable for the health, safety and welfare of the people in the County.

**Whereas**, Jefferson Regional Medical Center, a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania (the "Corporation"), desires to undertake a project consisting of financing, through the issuance of one or more series of bonds in an aggregate principal amount not expected to exceed \$22,000,000 of Hospital Variable Rate Revenue Bonds, Series 2006 (Jefferson Regional Medical Center) or similar designation (the "Variable Rate Bonds") and the issuance of one or more series of bonds in an aggregate principal amount not expected to exceed \$23,000,000 of Hospital Fixed Rate Revenue Bonds, Series 2006 (Jefferson Regional Medical Center) or similar designation (the "Fixed Rate Bonds" and together with the Variable Rate Bonds, the "Bonds") by the Allegheny County Hospital Development Authority (the "Authority"), the costs of: all or a portion of the costs of (i) refinancing all or a portion of the Authority's outstanding \$52,250,000 Allegheny County Hospital Development Authority Hospital Revenue Bonds, Series A of 1996 (South Hills Health System Project) (the "Prior Bonds"), (ii) funding of any necessary reserves, and (iii) payment of all or part of the costs of issuing the Bonds including, but not limited to, the costs of providing credit and/or liquidity enhancement for the Bonds (collectively, the "Project"); and

**Whereas**, the Prior Bonds were issued for the purpose of financing various capital projects and the refunding of the Authority's Hospital Revenue Bonds, Series 1987A (South Hills Health System Project) (the "1987 Bonds"), which were issued to finance the costs various capital projects at the Corporation's facilities (the capital projects financed with proceeds of the Prior Bonds and the 1987 Bonds are referred to as the "Prior Projects"); the assets and facilities financed or to be financed with proceeds of the Bonds, the Prior Bonds and the 1987 Bonds are referred to collectively as the "Project Facilities"; and

**Whereas**, the Authority was created by the County of Allegheny, Pennsylvania (the "County") under the Municipality Authorities Act, as amended (the "Act"), and is authorized under the Act to issue its bonds for the purposes aforesaid, and the Authority has determined that the public interest will be served and that the purposes of the Act can be fulfilled by the Authority's issuance of bonds in order to obtain funds to loan to the University for the foregoing purposes; and

**Whereas**, Section 5607(b)(2)(iv) of the Act provides, among other things, that hospital building projects and facilities such as the Project Facilities to be financed with loans to private, nonprofit, nonsectarian hospitals such as the Corporation may be financed by an authority

created under the Act, notwithstanding that such projects and facilities may duplicate or compete with existing enterprises serving substantially the same purposes, if the municipality organizing such authority declares by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such projects and facilities to have such projects and facilities provided by, or financed through, such authority;

***The Council of the County of Allegheny hereby resolves as follows:***

***Section 1.*** It is hereby declared that it is desirable for the health, safety and welfare of the people in the County to have the Project and the Project Facilities financed through the Authority.

***Section 2.*** If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.

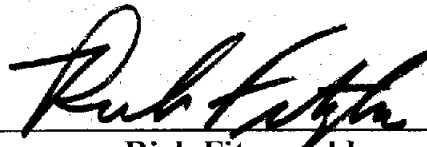
***Section 3.*** Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

***Section 4. Severability. If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.***

***Section 5. Repealer. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.***

Enacted in Council, this 21st day of March, 2006

Council Agenda No. 2448-06

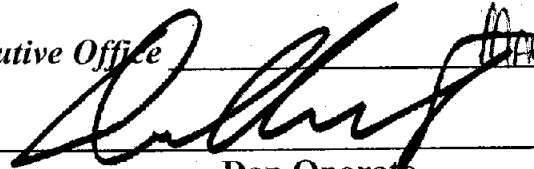


**Rich Fitzgerald**  
President of Council

Attest: John Mascio  
**John Mascio**  
Chief Clerk of Council

Chief Executive Office

Approved:



**Dan Onorato**  
Chief Executive

Attest:

Donna Beltz  
**Donna Beltz**  
Executive's Secretary

SUMMARY PAGE  
JEFFERSON REGIONAL MEDICAL CENTER RESOLUTION  
SUBMITTED FOR COUNCIL MEETING 3/7/06

On behalf of Jefferson Regional Medical Center (JRMC) formerly South Hills Health System, a non-profit corporation, the Allegheny County Hospital Development Authority (the "Authority") intends to issue \$45,000,000<sup>1</sup> of Tax-Exempt Bonds. The Bonds will finance the costs of the following:

- 1) Refinancing Bonds previously issued by the Authority in 1996<sup>2</sup>; and
- 2) Funding any necessary reserves;

Additionally, the proceeds of the Bonds will pay all or a portion of the costs of issuance, including the costs of providing credit enhancement for the Bonds.

As is typical with these transactions issued through the Hospital Development Authority, the Bonds are limited obligations of the Authority payable solely from the project or from JRMC.


<sup>1</sup> This number comprises 22 million dollars of Bonds that will be issued on a variable rate basis and 23 million dollars of Bonds that will be issued on a fixed rate basis.

<sup>2</sup> It should be noted that the project from 1996 funded various capital expenditures such as renovations of existing facilities, acquisition of management information system hardware and software and acquisition of clinical equipment.

**MEMORANDUM**

**OFFICE OF THE COUNTY MANAGER**

TO: John Mascio  
Chief Clerk

FROM: James M. Flynn, Jr.   
County Manager

DATE: March 2, 2006

RE: Proposed Resolution

ALLEGHENY COUNTY COUNCIL

'06 MAR 2 AM 9:50

Attached is a Resolution declaring the financing of a project by the Allegheny County Hospital Development Authority on behalf of Jefferson Regional Medical Center (formerly South Hills Health System) as desirable for the health, safety and welfare of the people in the County.

The Allegheny County Law Department has reviewed this legislation prior to submitting it to Council.

Please place this on the next agenda for County Council approval.

Thank you.