

No. 13-03-RE

RESOLUTION

Resolution of the Council of Allegheny County that it is desirable for the health, safety and welfare of the people in the area served by Ohio Valley General Hospital for the Allegheny County Hospital Development Authority to issue its obligation on behalf of Ohio Valley General Hospital for a project consisting of: financing all or a portion of the costs of (a) acquiring and installing medical equipment for use at the hospital, including renovation of the hospital facilities to accommodate the equipment; and (b) reimbursing the hospital for moneys advanced by the hospital for the acquisition of the equipment; and approving the issuance of the obligation by the Allegheny County Hospital Development Authority for the purposes of the public approval requirements of the internal revenue code.

Whereas, the Allegheny County Hospital Development Authority (the "Issuer") is a body corporate and politic duly organized, existing and in good standing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), pursuant to the provisions of the Municipality Authorities Act, 53 Pa. C.S.A. §5601 et seq., as amended (the "Act"), the purpose and intent of which is to benefit the people of the Commonwealth by, among other things, increasing their commerce, health, safety and prosperity; and

Whereas, the Issuer is authorized by law to acquire, hold, construct, finance, improve, maintain, operate, own and lease as lessee or lessor, hospitals and health centers, to borrow money, to make and issue negotiable bonds and to secure the payment of such bonds or any part thereof by pledge or deed of trust of all or any of its revenues and receipts, and to make such agreements with the purchasers or holders of such bonds, or with others in connection with any such bonds, whether issued or to be issued, as the Issuer shall deem advisable; and

Whereas, Ohio Valley General Hospital (the "Hospital"), a not-for-profit corporation organized and existing under the laws of the Commonwealth has undertaken a project consisting of financing all or a portion of the costs of: (a) acquiring and installing medical equipment for use at the Hospital, including renovation of the hospital facilities to accommodate the equipment; and (b) reimbursing the Hospital for moneys advanced by the Hospital for the acquisition of the equipment (collectively, the "Project"); and

Whereas, the Hospital has requested the Issuer to enter into a three party agreement (the "Master Financing Agreement") among the Hospital, the Issuer and General Electric Capital Corporation ("GE"), wherein, among other things, (i) GE will agree to advance an amount not to exceed \$3,000,000 to the Issuer to finance the Project, (ii) the Issuer will agree to advance such proceeds to the Hospital, (iii) the Issuer shall agree to repay the advance to GE solely with moneys provided by the Hospital, and (iv) the Hospital shall agree to repay the advance to the Issuer, which payments shall, in turn, be paid to GE; and

Whereas, the financing made pursuant to the Master Financing Agreement will be in an aggregate principal amount not to exceed \$3,000,000, will bear interest at a fixed rate to maturity which rate will not be in excess of 5.00% per annum, will have a maturity not in excess of eight years, and will contain such other terms and provisions as are provided in the Master Financing Agreement; and

Whereas, the obligation of the Issuer under the Master Financing Agreement shall be a limited obligation of the Issuer payable from the revenues derived by the Issuer from the Hospital and assigned to GE and other sources and security as described in the Master Financing Agreement; and

Whereas, pending application to the costs of the Project, the moneys advanced by GE under the Master Financing Agreement will be held in escrow pursuant to the terms of an Escrow Agreement (the "Escrow Agreement") to be executed between the Issuer, GE, the Hospital and a corporate trust department to be selected by the Hospital, as escrow agent; and

Whereas, the Act provides that none of the powers granted to an authority thereby shall be exercised in the construction, financing, improvement, maintenance, extension or operation of any project or projects which in whole or part shall duplicate or compete with existing enterprises serving substantially the same purposes; and

Whereas, the Act further provides that the foregoing limitations shall not apply to hospital projects or health centers financed with loans to nonprofit corporation health centers or nonprofit hospital corporations serving the public, if the municipality organizing the authority financing the project shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such hospital or health center to have such facilities provided by, or financed through, such authority; and

Whereas, the Internal Revenue Code of 1986, as amended, (the "Code") requires that an issue of obligations be approved by the applicable elected representative of the governmental unit on behalf of which such obligations are to be issued after a public hearing following reasonable public notice; and

Whereas, a duly advertised public hearing will be held on March 20, 2003; and

Whereas, the Authority duly adopted a resolution at a meeting duly convened and held on February 26, 2003, at which a quorum was present and acting throughout, authorizing the issuance of the Bonds, which resolution has not been altered, amended or repealed and is in full force and effect on the date of this resolution, and no other resolutions relating to the transaction referred to in the Authority's resolution have been adopted by the Authority; and

Whereas, the Council of Allegheny County is the "applicable elected representative" within the meaning of Section 147 of the Code of the County of Allegheny, the governmental unit on behalf of which such obligations are to be issued and in which the site of the facilities to be financed by the issue is located.

Be it resolved by the Council of Allegheny County as follows:

SECTION 1 *It is desirable for the health, safety and welfare of the people in the area served by the Hospital to have the facilities of the Hospital financed through the Authority*

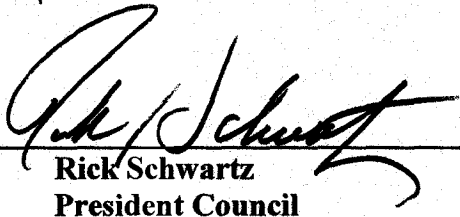
SECTION 2 *The Council of Allegheny County, in satisfaction of the public approval requirements of the Code, hereby approves the issuance of the Obligation and the Project for which the Obligation is to be issued, and authorizes the members of the proper officers of the County to execute and deliver a certificate evidencing such approval.*

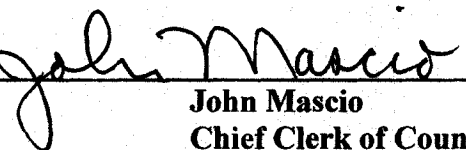
SECTION *If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.*

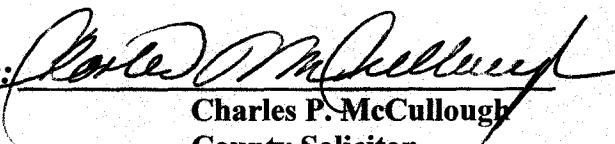
SECTION *Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.*

Enacted in Council, this 1st day of April, 2003

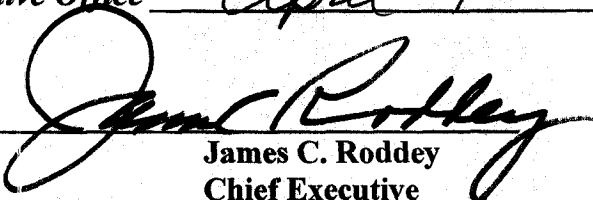
Council Agenda No. 1095-03

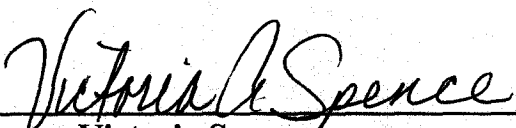

Rick Schwartz
President Council

Attest: 
John Mascio
Chief Clerk of Council

Approved as to form: 
Charles P. McCullough
County Solicitor

Chief Executive Office April 7, 2003

Approved: 
James C. Roddey
Chief Executive

Attest: 
Victoria Spence
Executive's Secretary

03 MAR 13 AM 9:28

MEMORANDUM

OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: Robert B. Webb *RBW*
County Manager

DATE: March 13, 2003

RE: Requesting County Council Approval

Attached is a Resolution of the Council of Allegheny County that it is desirable for the health, safety and welfare of the people in the area served by Ohio Valley General Hospital for the Allegheny County Hospital Development Authority to issue its obligation on behalf of Ohio Valley General Hospital for a project consisting of: financing all or a portion of the costs of (a) acquiring and installing medical equipment for use at the hospital, including renovation of the hospital facilities to accommodate the equipment; and (b) reimbursing the hospital for moneys advanced by the hospital for the acquisition of the equipment; and approving the issuance of the obligation by the Allegheny County Hospital Development Authority for the purposes of the public approval requirements of the internal revenue code. This request is submitted by the Department of Economic Development.

Please put on the next agenda for County Council approval.

Thank you.