

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY IN ONE OR MORE SERIES OF NOT EXCEEDING \$100,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF HOSPITAL REVENUE BONDS (CAREALLIANCE HEALTH SERVICES D/B/A ROPER ST. FRANCIS HEALTHCARE), OF CHARLESTON COUNTY, SOUTH CAROLINA; THE APPLICATION OF THE PROCEEDS OF SAID BONDS TO BE USED TO FINANCE THE CONSTRUCTION AND ACQUISITION OF CERTAIN HOSPITAL FACILITIES AND TO PAY THE COST OF ISSUING THE BONDS, CREDIT ENHANCEMENTS FOR THE BONDS, IF DEEMED APPROPRIATE BY CAREALLIANCE HEALTH SERVICES D/B/A ROPER ST. FRANCIS HEALTHCARE; THE ENTERING INTO OF CERTAIN COVENANTS AND AGREEMENTS AND THE EXECUTION AND DELIVERY OF CERTAIN INSTRUMENTS RELATING TO THE ISSUANCE OF THE AFORESAID BONDS, INCLUDING, WITHOUT LIMITATION, ONE OR MORE INDENTURES BETWEEN CHARLESTON COUNTY AND WACHOVIA BANK, NATIONAL ASSOCIATION, SECURING THE BONDS AND PRESCRIBING MATTERS RELATED THERETO, AND ONE OR MORE LOAN AGREEMENTS BETWEEN CHARLESTON COUNTY AND CAREALLIANCE HEALTH SERVICES D/B/A ROPER ST. FRANCIS HEALTHCARE, AND OTHER MATTERS RELATING THERETO.

WHEREAS, the General Assembly of South Carolina, in enacting Title 44, Article 11, Chapter 7 of the Code of Laws of South Carolina, 1976, as amended (the [Act](#)), declared it to be the policy of the State of South Carolina to promote the public health and welfare by providing means for the financing, refinancing, acquiring, enlarging, improving, constructing and equipping hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the General Assembly of South Carolina declared in the Act that it is necessary that assistance be afforded in the providing of adequate, modern and efficient hospital facilities in the State so that health and hospital care and services may be expanded, improved and fostered to the fullest extent practicable at the lowest possible expense; and

WHEREAS, the General Assembly of South Carolina further declared in the Act its intention to empower the governing bodies of the counties of the State to finance such hospital facilities to the end that the public health and welfare of the people of the State will be promoted at the least possible expense to those utilizing such hospital facilities; and

WHEREAS, Charleston County, South Carolina (the [County](#)), acting by and through its County Council, is empowered under and pursuant to the provisions of the Act, to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds and to issue bonds for the purpose of defraying the cost of providing [hospital facilities](#) as defined in the Act, through which the public health and welfare of the people of the State may be promoted at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County, subject to the approval of the State Budget and Control Board of South Carolina, is authorized by the Act to issue its hospital revenue bonds for the purpose of defraying the cost of acquiring, or causing to be acquired, by construction and purchase, a [project](#) (as such term is used in the Act), such hospital revenue bonds to be payable solely from the revenues and receipts derived under any loan agreement with respect to such project and to be further secured by an assignment of the rights of the County under such loan agreement; and

WHEREAS, CareAlliance Health Services D/B/A Roper St. Francis Healthcare, a South Carolina nonprofit, nonstock, public benefit corporation (the [Corporation](#)), has requested the County to

issue its Hospital Revenue Bonds in one or more series in an aggregate amount not exceeding \$100,000,000 pursuant to the Act for the purpose of financing the construction and acquisition of certain hospital facilities (collectively, the **Project**), in accordance with the provisions of an official intent resolution adopted by the County on September 3, 2002; and

WHEREAS, in order to implement the public purposes enumerated in the Act and in furtherance thereof to assist the Corporation in the acquisition of the Project, the County has agreed to execute and deliver not exceeding \$100,000,000 aggregate principal amount of its Hospital Revenue Bonds (CareAlliance Health Services D/B/A Roper St. Francis Healthcare) in one or more series, under and pursuant to the Act to defray the cost of the Project; and

WHEREAS, the County agrees to make the Project available to the Corporation under and pursuant to the terms of one or more Loan Agreements, each dated as of the first day of the month in which the Bonds are delivered (the **Agreements**) to be entered into between the County and the Corporation; and

WHEREAS, the County Council, having determined that the Project would constitute **hospital facilities** as that term is defined in the Act and that the Project would subserve the purposes of the Act, now proposes to execute and deliver one or more series of bonds to be designated **Charleston County, South Carolina, Hospital Revenue Bonds (CareAlliance Health Services D/B/A Roper St. Francis Healthcare)** (the **Bonds**) in an aggregate principal amount not exceeding \$100,000,000, as may be agreed to by the County and the Corporation, to be issued under and pursuant to the provisions of the Act, and to be secured by and to contain such terms and provisions as are set forth in the Bond Indentures, each dated as of the first day of the month in which the Bonds are delivered (the **Indentures**), by and between the County and Wachovia Bank, National Association (the **Trustee**); the proceeds from the Bonds to be disbursed (i) for the payment of costs incurred by the County or the Corporation in connection with the Project, and (ii) for the payment of related expenses, all as set forth in the Indentures; and

WHEREAS, the County Council, having determined as aforesaid that it will be of substantial public benefit to do so, proposes to make the Project available to the Corporation under and pursuant to the provisions of the Agreements, by and between the County and the Corporation, pursuant to which the Corporation is obligated (i) to make payments directly to the Trustee for the account of the County in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds, and (ii) to maintain the Project in good repair at its own expense and to carry all proper insurance with respect thereto; and

WHEREAS, the acquisition, construction and equipping of the Project and the issuance of the Bonds by the County as herein recited and provided have been duly approved by the State Budget and Control Board of South Carolina, by resolution duly adopted, and will serve the intended purposes and in all respects conform to the provisions and requirements of the Act; and

WHEREAS, it has been determined that the estimated amount necessary to finance the cost of the Project to be defrayed by the County and expenses incidental thereto requires that the Bonds of the County in a principal amount not exceeding \$100,000,000 be authorized as hereinafter provided; and

WHEREAS, the Corporation has caused to be prepared and presented to the County Council prior to the third reading of this Ordinance the following documents which the County proposes to execute and deliver:

1. The forms of the Indentures by and between the County and the Trustee;

2. The forms of the Agreements by and between the County and the Corporation; and
3. The forms of the Preliminary Official Statement.

WHEREAS, it appears that each of the instruments above referred to, which are before the County Council prior to the third reading of this Ordinance, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by the Charleston County Council as follows:

Section 1. In order to promote the public health and welfare of the people of the County and the State of South Carolina, the financing of the Project as herein described is hereby authorized, ratified and approved.

Section 2. Pursuant to the authority of the Act, and for the purpose of defraying the cost of financing the Project, including necessary expenses incidental thereto, there is hereby authorized to be issued, and shall be issued one or more series of hospital revenue bonds of the County in an aggregate principal amount not exceeding One Hundred Million Dollars (\$100,000,000), to be designated ACharleston County, South Carolina, Hospital Revenue Bonds (CareAlliance Health Services D/B/A Roper St. Francis Healthcare).@ The Bonds shall be issued in DTC book-entry form. The Bonds shall be payable as to principal and interest at the office of the Trustee or its assigns under the provisions of the Indentures.

The Bonds shall be dated as of their date of delivery, or such other dates as may be agreed to by the County and the Corporation. The Bonds shall mature, shall bear interest and shall be subject to redemption, all as provided in the Indentures.

The County Council Chairman is hereby authorized to approve such changes in the terms of the Bonds (including, without limitation, the final interest rates thereon) as may be necessary to carry out the transactions contemplated by the Bonds, the Indentures, the Agreements, the Official Statements, the Purchase Contracts among the County, the Corporation, and Goldman, Sachs & Co. and such other underwriters as may be determined by the Corporation (collectively, the AUnderwriters@) (the APurchase Contracts@) and the Tax Agreements and as do not modify in any material respect the County=s undertaking thereunder, the execution and delivery of the Bonds by such Chairman to indicate such approval.

Section 3. The Bonds shall be a limited obligation of the County, the principal and interest on which shall be payable by the County solely out of the moneys derived by the County pursuant to the Agreements. The Bonds and the interest thereon shall never constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation (other than Article X, Section 14 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers. Such limitation shall be plainly stated on the face of the Bonds.

Nothing in this Ordinance, the Agreements or the Indentures shall be construed as an obligation or commitment by the County to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the revenues derived from the Agreements, and (iii) any moneys arising out of the investment or reinvestment of said proceeds, revenues or moneys.

Section 4. The Bonds shall be executed in the name of the County with the manual or facsimile

signature of the County Council Chairman, shall be attested by the manual or facsimile signature of the Clerk of the County Council, and shall have the seal of the County impressed or imprinted thereon.

Section 5. The Bonds shall be in substantially the forms set forth in the respective Indentures, with necessary or appropriate variations, omissions and insertions as permitted or required by such Indenture.

Section 6. The Bonds shall be issued in compliance with and under authority of the provisions of the Act, this Ordinance and the Indentures.

Section 7. While any portion of the Bonds shall remain outstanding and unpaid, the County hereby covenants and agrees with the holder from time to time of the Bonds that it will not issue any additional notes or bonds or incur any obligations of any sort secured by a lien on the revenues derived by the County under the respective Loan Agreement prior to the lien of the respective Indenture.

Section 8. It is hereby found, determined and declared by the County Council, as follows:

(a) The Project will constitute a hospital facilities@ as said term is referred to and defined in Section 44-7-1430(f) of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$100,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing public health and welfare benefits not otherwise provided locally by making available hospital facilities to the fullest extent possible at the lowest possible expense to those utilizing such hospital facilities.

(c) There is a need for the Project in the area in which it is to be located to serve the people of the County.

(d) The Corporation is a hospital agency@ as defined in the Act with established credit and is financially responsible and capable of fulfilling its obligations under the Agreements, including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the Project and to discharge such other responsibilities as may be imposed under the Agreements.

(e) Adequate provision will be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair, maintenance and all other expenses of the Project at the expense of the Corporation including all proper insurance with respect thereto.

(f) The public facilities, including utilities and public services necessary for the Project, will be made available.

(g) Neither the Project, the Bonds proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation (other than Article X, Section 14 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) and

will never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

(h) A reasonable estimate of the cost of the Project, including necessary expenses incident thereto, is an amount not exceeding \$100,000,000. The issuance of the Bonds by the County in an aggregate principal amount not exceeding \$100,000,000 will be required to defray the cost of the Project.

(i) The Project will consist of the acquisition and construction of certain hospital facilities.

(j) The Corporation has advised that the Certificate of Need requirements of Article 3, Chapter 7, Title 44 of the Code of Laws of South Carolina, 1976, as amended will be met by the issuance, prior to the delivery of the Bonds, of one or more Certificates of Need issued by the South Carolina Department of Health and Environmental Control.

(k) Because the Bonds are being issued on behalf of a 501(c)(3) corporation, it is not necessary to secure an allocation of the State's Private Activity Volume Cap.

Section 9. The form, terms and provisions of the Agreements presented prior to the third reading of this Ordinance and filed with the Clerk of the County Council be and they are hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Agreements were set out in this Ordinance in their entirety. The Chairman and the Clerk of the County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver the Agreements in the name and on behalf of the County, and thereupon to cause the Agreements to be delivered to the Corporation and cause the Agreements to be filed as a part of a transcript of proceedings in the Office of the Clerk of Court for Charleston County. The Agreements are to be in substantially the forms now before this meeting and hereby approved, or with such minor changes therein as shall be approved by the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the forms of the Agreements now before this meeting.

Section 10. To provide for the authorization of and to secure the Bonds under the Act, and to prescribe the terms and conditions upon which the Bonds are to be issued, secured, executed, accepted and held, and for the purpose of assigning the interests of the County under the Agreements, the form, terms and provisions of the Indentures presented prior to the third reading of this Ordinance and filed with the Clerk of the County Council be and they are hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Indentures were set out in this Ordinance in their entirety. The Chairman and the Clerk of the County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver the Indentures to the Trustee and cause the Indentures to be filed as a part of a transcript of proceedings in the office of the Clerk of Court for Charleston County. The Indentures are to be in substantially the forms now before this meeting and hereby approved, or with such minor changes therein as shall be approved by the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the forms of Indentures now before this meeting.

Section 11. The initial offering of the Bonds for sale to the Underwriters, under the terms of the Purchase Contracts, is hereby authorized, and the Chairman of the County Council is authorized to execute and deliver the Purchase Contracts on behalf of the County. Without limiting the generality of the foregoing, the execution, delivery and performance of the Purchase Contracts among the

County, the Corporation and the Underwriters are hereby authorized. The Purchase Contracts shall be in substantially the forms presented to the County prior to the third reading of this Ordinance, subject to such changes, insertions or omissions as may be approved by the Chairman of the County Council and the execution of the Purchase Contracts by the Chairman of the County Council shall be conclusive evidence of any such approval.

Section 12. The Chairman of the County Council is hereby authorized and directed to review, consider and approve one or more preliminary official statements and official statements with respect to the Bonds for use in the offer and sale of the Bonds. The preliminary official statements, the final official statements and any and all amendments or supplements to any of them are herein collectively called the "Official Statements." The Official Statements shall be executed by the Chairman of the County Council substantially in the forms presented to the County prior to the third reading of this Ordinance. The execution of the Official Statements by the Chairman of the County Council shall be conclusive evidence of his approval of such information, disclosures, terms and conditions and of the Official Statements in their entirety, and conclusive evidence that such Official Statements are authorized by this Ordinance.

Section 13. The Chairman, the County Administrator, the Clerk of Council, the Chief Financial Officer, and other officers or employees of the County for and on behalf of the County are fully authorized, empowered and directed to take any further action and to execute and deliver all closing documents including the Agreements, the Indentures, the Purchase Contracts, the Tax Agreements, the Official Statements, the Bonds and such additional agreements and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized (the "Bond Documents") and the action of such officers and any one or more of them in executing and delivery of the Bonds Documents in the form as he or they shall approve, is hereby fully authorized; and the Trustee is hereby authorized to receive and receipt for the proceeds of the Bonds on behalf of the County and to hold and disburse said proceeds in accordance with the provisions of the respective Indenture.

Section 14. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 15. Pursuant to GASB (Government Accounting Standards Board) interpretation No. 2, Disclosure of Conduit Debt Obligation, the Corporation shall file a yearly reporting with the County Council, which will include the amount of Bonds outstanding as of June 30 of each year, any change of status in the name or address of the paying agent, and any and all acts of default within the previous fiscal year ending June 30.

Section 16. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the County contained in this Ordinance, the Bonds or the Bond Documents against any member of the County Council, any officer, appointee or employee, as such, in his or her individual capacity, past, present, or future, of the County, either directly or through the County, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Ordinance, the Bonds and the Bond Documents are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer, appointee or employee as such, past, present, or future, of the County, either directly or by reason of any of the obligations, covenants, promises, or agreements, entered into between the County and the owners of the Bonds

or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every such member, officer, appointee and employee is, by the enactment of this Ordinance and the execution of the Bonds and the Bond Documents and as a condition of, and as a part of the consideration for, the enactment of this Ordinance and the execution of the Bonds and the Bond Documents are expressly waived and released. The immunity of the members, officers, appointees and employees, of the County under the provision contained in this Section 16 shall survive the termination of this Ordinance.

Section 17. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

Passed and approved on third reading this 1st day of June, 2004.

CHARLESTON COUNTY, SOUTH CAROLINA