

A RESOLUTION IN SUPPORT OF THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF ITS HOSPITAL REVENUE BONDS (SC HEALTH COMPANY) SERIES 2017, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,500,000,000 AND AUTHORIZING A PLEDGE OF REVENUES OF SC HEALTH COMPANY IN CONNECTION HEREWITH.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the “*Authority*”) is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina, 1976, as amended (the “*Act*”), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina (the “*State*”); and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues to defray the cost of medical facilities where such assistance will help relieve a shortage of doctors, specialists or medical services in the area where the project is located; and

WHEREAS, the Authority, by official action of its governing body, the Board of Directors of the Authority, and SC Health Company, a South Carolina nonprofit organization (the “*Borrower*”), entered into an Inducement Agreement dated November 15, 2017 (the “*Inducement Agreement*”), pursuant to which and in order to implement the public purposes enumerated in the Act, and in furtherance thereof to comply with the undertakings of the Authority pursuant to the Inducement Agreement, the Authority proposes, subject to such approval by the South Carolina Coordinating Council for Economic Development, Greenville County, Oconee County, Richland County and Sumter County (collectively, the “*Counties*”), as may be required by law, to issue not exceeding \$1,500,000,000 aggregate principal amount of Hospital Revenue Bonds (SC Health Company) Series 2017 (the “*Bonds*”), in one or more series, under and pursuant to Section 41-43-110 of the Act; and

WHEREAS, the proceeds of the Bonds will be loaned to the Borrower in connection with the formation of a new integrated health system (the “*System*”) which will be led by the Borrower and includes the Strategic Coordinating Organization, a South Carolina nonprofit corporation (“*SCO*”) and Palmetto Health, a South Carolina nonprofit corporation (“*PH*”) pursuant to an Affiliation Agreement dated as of August 15, 2017 between SCO and PH (the “*Affiliation Agreement*”); and

WHEREAS, SCO is the sole member of Upstate Affiliate Organization (“*UAO*”), and SCO and UAO (which together with Greenville Health System, a public body corporate of the State previously known as Greenville Health System Board of Trustees, are collectively defined herein as “*GHS*”) operate a comprehensive, integrated health care system that includes a range of health care facilities and professional practices with health educational affiliations serving the Upstate region of the State; and

WHEREAS, PH is a comprehensive, integrated health care system including a range of health care facilities and professional practices with health educational affiliations serving the Midlands region of the State; and

WHEREAS, under the Affiliation Agreement, the Borrower will set the strategic direction for the System, provide support services to PH and GHS and other providers joining the System, and exercise certain governance and operational powers that are reserved to it as a member of PH and GHS, respectively; and

WHEREAS, the proceeds of the Bonds will be used to (i) repay certain prior debt obligations issued by or for GHS and PH to finance or refinance hospital and health care facilities (together, the “*Projects*”) to enable the Borrower to integrate the System (the “*Undertaking*”) and (ii) pay certain costs of issuance of the Bonds and fees for any credit enhancements, liquidity facilities or hedges deemed necessary by the Borrower; and

WHEREAS, the Borrower is projecting that the assistance of the Authority by the issuance of the Bonds, in one or more series, to finance the Undertaking, (1) will result in the maintenance of existing employment for approximately 28,000 people from the Counties and the surrounding areas, and (2) will continue to stimulate the economy of the Counties and surrounding areas by (a) increased payrolls, (b) capital investment, and (c) tax revenues; and

WHEREAS, the Board of the Borrower and the Authority requested the County Council of Greenville County hold a public hearing as required by the Act and requested the adoption of this Resolution by the County Council of Greenville County (the “*County Council*”); and

WHEREAS, the County Council, as the governing body of Greenville County, and the Authority have on December 5, 2017, jointly held a public hearing, duly noticed by publication in a newspaper having general circulation in Greenville County, not less than 15 days prior to the date hereof, at which all interested persons have been given a reasonable opportunity to express their views;

NOW THEREFORE, BE IT RESOLVED by the County Council of Greenville County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared, based on information provided by the Borrower, that (a) the Undertaking will subserve the purposes of the Act; (b) the Undertaking is anticipated to benefit the general public welfare of Greenville County by providing services, employment, or other public benefits not otherwise provided locally; (c) the issuance of the Bonds and the Undertaking will give rise to no pecuniary liability of Greenville County or a charge against the general credit or taxing power of Greenville County; (4) the amount of Bonds required to finance the Undertaking is \$1,500,000,000 and (5) the documents to be delivered by the Authority with respect to the Bonds will provide, among other things, (i) for the amount necessary in each year to pay the principal of and interest on the Bonds, (ii) whether reserve funds of any nature will be established in connection with the retirement of the Bonds and the maintenance of the Projects (and, if any such reserve funds are to be so established, the amount necessary to be paid each year into such funds), and (iii) that the Borrower shall maintain the Projects and carry all proper insurance with respect thereto.

Section 2. The County Council supports the Authority in its determination to issue the Bonds allocable to the Undertaking in so far as such relates to Greenville County to defray the costs of the Undertaking, including costs of issuance, if determined by the Borrower.

Section 3. The Bonds shall not constitute an indebtedness of Greenville County within the meaning of any State Constitutional provisions or statutory limitations and shall be payable solely from revenues as set forth in the authorizing documents of the Bonds. The full faith, credit and taxing powers of Greenville County are not pledged to secure the Bonds.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its adoption.

Adopted this 5th day of December, 2017.

GREENVILLE COUNTY, SOUTH CAROLINA

Chairman of County Council

County Administrator

(SEAL)

Attest:

Clerk to County Council