

1999 (the "Prior Bonds") the proceeds of which Prior Bonds were used to finance the acquisition, construction, installation and equipping of a 24-bed general acute care hospital located southwest of the intersection of U.S. Route 32 and Burlington Road, in Jackson, Ohio (the "Existing Facilities"); and

WHEREAS, the City previously issued its \$28,950,000 Hospital Facilities Revenue Refunding Bonds, Series 2005 (Holzer Consolidated Health Systems, Inc. Obligated Group) (the "Series 2005 Bonds"), the proceeds of which, together with other available moneys, were used to (1) advance refund the outstanding principal amount of the Prior Bonds, (2) fund a debt service reserve fund for the Series 2005 Bonds, and (3) pay certain issuance costs and expenses of the City and the Corporation in connection with the issuance of the Series 2005 Bonds, pursuant to the terms of an Indenture of Trust (Bond Indenture) dated as of March 1, 2005 (the "Original Indenture" and together with the hereinafter defined First Supplement, the "Indenture"), between the City and The Huntington National Bank, as Trustee (the "Trustee"); and

WHEREAS, the City has acquired a leasehold interest in the Existing Facilities and has subleased the Existing Facilities to the Corporation pursuant to the terms and provisions of a Sublease dated as of March 1, 2005 (the "Sublease"), by and between the City, as sublessor, and the Corporation, as sublessee; and

WHEREAS, the Series 2005 Bonds are secured by the Revenues (as defined in the Indenture) of the Corporation and are not general obligations, debt or bonded indebtedness of the City or the State of Ohio or any political subdivision thereof, and the holders or owners of the Series 2005 Bonds are not given the right, and have no right, to have excises or taxes levied by the City or the State of Ohio or any political subdivision thereof, for the payment of the bond

service charges on such Series 2005 Bonds as the right to such payment is limited to the revenues and special funds pledged for such purpose under the Indenture; and

WHEREAS, payment of the principal of and interest on the Series 2005 Bonds is insured by a financial guaranty insurance policy (the "Insurance Policy") issued by Radian Asset Assurance Inc., a corporation organized under the laws of the State of New York (the "Insurer"); and

WHEREAS, the Series 2005 Bonds are also the subject of a Standby Bond Purchase Agreement dated as of March 1, 2007 (the "Standby Bond Purchase Agreement") among the Trustee, the Corporation and JPMorgan Chase Bank N.A. (the "Bank"); and

WHEREAS, the Corporation has entered into certain forbearance agreements with the Insurer and the Bank (collectively, the "Forbearance Agreements") relating to the Corporation's ability to meet certain financial covenants relating to the Series 2005 Bonds; and

WHEREAS, in the Forbearance Agreements, the Corporation has agreed to certain modifications of the Original Indenture including, but not limited to, a change regarding the interest rate relating to a portion of the Series 2005 Bonds to be held by the Insurer; and

WHEREAS, based solely on representations of the Corporation, the amendments to the Original Indenture requested by the Bank and the Insurer will be in the best interests of the City and will provide hospital facilities at the lowest possible cost to service the residents of the City, which hospital facilities are and will be available for the service of the general public without discrimination by reason of race, creed, color or national origin; and

WHEREAS, this City Council (the "Council") has determined to authorize such amendments to the Original Indenture; and

WHEREAS, it is necessary in connection with the amendments to the Original Indenture to also provide for the authorization of a Tax Exemption Certificate and Agreement and a Subordination of Lease (as hereinafter defined).

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Jackson, Ohio:

Section 1. That for the purpose of better providing for the health and welfare of the people of the State of Ohio by enhancing the availability, efficiency and economy of hospital facilities and facilitating the financing of hospital facilities to be available to or for the service of the general public without discrimination by reason of race, creed, color or national origin, this Council, acting on behalf of the City, hereby authorizes the Mayor and the Auditor of the City to execute on behalf of the City, the First Supplement to Indenture of Trust (Bond Indenture) (the "First Supplement") with the aforesaid Trustee, in substantially the form presented to this Council and on file with the Clerk. Said First Supplement shall be subject to such changes, insertions and omissions as may be approved by this Council, which approval shall be conclusively evidenced by the execution of said First Supplement as aforesaid.

Section 2. That the Mayor and the Auditor of the City be and they are hereby authorized and directed to execute and deliver on behalf of the City a Tax Exemption Certificate and Agreement (the "Tax Exemption Agreement") with the Corporation and the Trustee. The Tax Exemption Agreement shall be substantially in the form presented to this Council and on file with the Clerk, subject to such changes, insertions and omissions as may be approved by this Council, which approval shall be conclusively evidenced by the execution of said agreement as aforesaid.

Section 3. That the Mayor and the Auditor of the City be and they are hereby authorized and directed to execute and deliver on behalf of the City a Subordination of Lease (the "Subordination"). The Subordination shall be substantially in the form presented to this Council and on file with the Clerk, subject to such changes, insertions and omissions as may be approved by this Council, which approval shall be conclusively evidenced by the execution of said Subordination as aforesaid.

Section 4. That the appropriate officers of the City, including the appropriate members of this Council, be and they hereby are authorized to execute and deliver on behalf of the City such other certificates, documents and instruments in connection with the amendment of the Original Indenture or the transactions contemplated by the Forbearance Agreements as may be required, necessary or appropriate, including, any documents which are necessary or appropriate in order to ensure compliance of the Series 2005 Bonds with the Internal Revenue Code and including conveyances of title to real and personal property, terminations of financing statements and other releases of security interests in property and cancellations of leases. Such documents including the ones specifically authorized hereby, shall be subject to such changes, insertions and omissions as may be approved by this Council, which approval shall be conclusively evidenced by the execution thereof by the proper officers of the City.

Section 5. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the City and for the further reason that this ordinance must be immediately effective in order to implement the amendments to the Original Indenture at the earliest possible time; wherefore, this ordinance shall take effect and be in full force immediately upon its passage and approval by the Mayor.

Section 6. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were passed in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Ohio Revised Code, and the rules of this Council in accordance therewith.

Section 7. That all ordinances or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 8. That this Ordinance shall be effective from and after its passage.

Smith seconded the motion and the roll called for adoption of the foregoing

Ordinance, the vote resulted as follows:

AYES: *Evans, Adams, E. Brown, Smith, C. Brown*

NAYS: *Wiggins*

ABSTENTION: *Elliott*

PASSED this 14th day of September, 2009.

Date: 9-14-09

Ronald B. Spearman
PRESIDENT OF COUNCIL

Anna L. Brown
CLERK OF COUNCIL

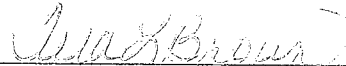
Approved:

Date: 9-15-09

Randy R. Heath
MAYOR

CERTIFICATE

The undersigned, duly appointed and acting Clerk of the City Council of the City of Jackson, Ohio, does hereby certify that the foregoing is a true and correct copy of an ordinance passed by such Council on September 14, 2009, together with an extract from the minutes of the meeting at which that ordinance was passed to the extent pertinent thereto.



Clerk of Council,
City of Jackson, Ohio

Dated: September 14, 2009

EXTRACT OF MINUTES

The City Council of the City of Jackson, Ohio, met in regular session at 7 p.m. on the _____ day of September, 2009, in the City Council Chambers, City Building, 199 Portsmouth Street, Jackson, Ohio with the following members present:

There was presented and read to Council Ordinance No. 76-09 entitled:

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENT TO INDENTURE OF TRUST (BOND INDENTURE); AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX EXEMPTION CERTIFICATE AND AGREEMENT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SUBORDINATION OF LEASE AND OTHER DOCUMENTS, ALL IN CONNECTION WITH THE HOSPITAL FACILITIES REVENUE REFUNDING BONDS, SERIES 2005 (HOLZER CONSOLIDATED HEALTH SYSTEMS, INC. OBLIGATED GROUP) OF THE CITY OF JACKSON, OHIO, ORIGINALLY ISSUED IN 2005 AND DECLARING AN EMERGENCY.

Evans moved the rule requiring an ordinance or resolution of a general or permanent nature be read on three separate days be suspended. Smith seconded the motion, and the following was the result of a vote thereon (at least three-fourths of the members elected thereto concurring):

AYES: Evans, Adams, E. Brown, Smith, C. Brown, Elliott, Wiggins

NAYS:

Wiggins then moved that Ordinance No. 76-09 be passed as read.
Smith seconded the motion, and the vote thereon resulted as follows (at least two-thirds of the members elected thereto concurring):

AYES: *Evans, Adams, E. Brown, Smith, C. Brown*

NAYS: *Wiggins* ABSTAIN: *Elliot*

The Ordinance was declared passed September 14, 2009.

CERTIFICATE

The undersigned, Clerk of Council of the City of Jackson, Ohio hereby certifies that the foregoing is a true and correct extract of the minutes of a meeting of the Council of said City, held on the 14th day of September, 2009.

Tera L. Brown

Clerk of Council

Tera L. Brown

Clerk of Council