

## Deal Spotlight: Health Care

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### **Leesburg Regional Medical Center Obligated Group The Villages Regional Hospital**

\$75,000,000

UW: RBC Capital Markets

Ratings: Aa3/AA/AA

Dated Date: 1/25/06

Leesburg Regional Medical Center issued \$75mm of bonds to expand its north campus, The Villages Regional Hospital (“The Villages”). The issue was sold as Variable Rate Demand Bonds with liquidity support provided by Bank of Nova Scotia and remarketed weekly by RBC Capital Markets.

The obligated group includes Leesburg Regional Medical Center (LRMC), LRMC Home Health Services, and The Villages. The obligated group maintains a strong market position in a rapidly growing central Florida service area. The group’s two acute care campuses capture a leading 56% and 64%, respectively, of their primary service areas admissions. The Villages is a 60-bed acute care hospital located about 11 miles north of Leesburg in a rapidly growing planned-retirement community around Lake Sumter.

The bonds are secured by Gross Revenues of the Obligated Group and a mortgage on both campuses. 40% of the bonds were swapped to fixed rate, enabling the hospital to lock in lower rates than traditional fixed rate issuance.

Hospital performance reflects strong market position, favorable growth in revenues, and solid financial performance.

The Obligated Group accessed the market at lower interest rates based on Radian’s “AA” ratings. The bonds were initially offered at a rate of 3.13%, 11 bps over the BMA Weekly index.

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