

RESOLUTION NO. _____ - 2025

A RESOLUTION OF THE LEXINGTON-FAYETTE URBAN COUNTY COUNCIL REQUESTING THAT THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY ISSUE REVENUE BONDS IN AN AMOUNT OF UP TO \$72,500,000, THE PROCEEDS OF WHICH WILL PROVIDE FOR THE FINANCING AND REFINANCING OF CERTAIN ST. JOSEPH HEALTH SYSTEM PROJECTS IN THE GEOGRAPHIC TERRITORY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT.

WHEREAS, the Kentucky Economic Development Finance Authority (the “Authority”) is authorized to issue bonds from time to time under the provisions of Sections 154.10-035(2), 154.20-035(1) and 103.200 through 103.285 of the Kentucky Revised Statutes (the “Act”) and to use the proceeds of such bonds to make loans to provide financing or refinancing for the costs of acquiring, constructing and installing a “health care facility” within the meaning of the Act;

WHEREAS, the Authority has previously issued bonds for the benefit of CommonSpirit Health, a Colorado nonprofit corporation (“CommonSpirit”) determined by the Internal Revenue Service to be a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

WHEREAS, Saint Joseph Health System, Inc., a Kentucky nonprofit corporation (“St. Joseph”), is a wholly-owned indirect subsidiary of CommonSpirit that owns and operates Saint Joseph Hospital, St. Joseph Hospital-East, The Women’s Hospital at St. Joseph East, and Continuing Care Hospital (collectively, the “Health Care Facilities”), each of which is located in the geographic territory of Lexington-Fayette Urban County Government (the “Urban County Government”);

WHEREAS, CommonSpirit has requested that the Authority issue its industrial building revenue bonds (the “Bonds”) pursuant to the Act, in an amount not to exceed \$72,500,000, to loan the proceeds thereof to CommonSpirit: (i) to refinance a portion of a taxable loan that refinanced on an interim basis the Authority’s Revenue Bonds (Catholic Health Initiatives) Series 2011B-3 (the “2011 Bonds”); (ii) to finance the costs of the acquisition, construction, renovation, and installation of certain additions and improvements to and equipment at health care and health related facilities owned and/or operated by CommonSpirit, Saint Joseph, Flaget Healthcare, Inc., and/or their subsidiaries or affiliates (collectively, “System Affiliates”) and located in or near

Lexington, London, and Mt. Sterling (collectively, the “2025 Projects”); (iii) to pay costs of issuance; and (iv) to fund a debt service reserve fund for the Bonds, if CommonSpirit determines it is necessary and desirable. The proceeds of the 2011 Bonds were used to pay or reimburse certain System Affiliates for, or to refinance (including the refinancing of certain commercial paper notes the proceeds of which were used to refinance on an interim basis the Authority’s Variable Rate Revenue Bonds (Catholic Health Initiatives) Series 2004D), the costs of acquisition, construction, renovation and installation of certain additions and improvements to and equipment at the Health Care Facilities and at other health care and health related facilities owned and/or operated by certain System Affiliates and located in or near Lexington, Bardstown, London, and Mt. Sterling (collectively, the “Prior Projects” and together with the 2025 Projects, the “Projects”) and to refinance certain commercial paper notes the proceeds of which were used to finance a portion of the Prior Projects;

WHEREAS, the Authority and CommonSpirit will enter into a loan agreement pursuant to which CommonSpirit will agree to make loan payments to the Authority sufficient to pay all of the principal of, premium, if any, and interest on the Bonds as the same become due;

WHEREAS, in the opinion of the Urban County Government, the financing and/or refinancing of the Projects will tend to accomplish the public purposes of the Act by promoting the economic development of the Commonwealth, relieving conditions of unemployment, preserving existing jobs and encouraging the increase of industry therein;

WHEREAS, by passing this Resolution, Urban County Government desires to assist CommonSpirit and the System Affiliates in carrying out the proposed financing in order to increase employment opportunities in this area and to provide for the economic development of this area in accordance with the public purposes of the Act; and

WHEREAS, it is provided in KRS Section 103.210 that the Authority may issue such healthcare system revenue bonds if requested by the legislative body of the city or county in which a project (or a portion thereof) is to be located.

NOW, THEREFORE, BE IT RESOLVED BY THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, AS FOLLOWS:

Section 1 - The recitations set out in the foregoing preamble are adopted and incorporated as a part of this Resolution. Terms defined in the foregoing preamble have the same meaning when used herein.

Section 2 - Pursuant to the provisions of KRS Section 103.210, the Urban County Government hereby formally requests the Authority to proceed with the issuance of bonds, in one or more series, for the benefit of CommonSpirit and the other System Affiliates in an amount not to exceed \$72,500,000, in order to loan the proceeds thereof to CommonSpirit, provided that the Bonds shall not constitute a general obligation of the Authority or the Urban County Government and that the Urban County Government shall have no expense in connection with the Projects or the issuance of the Bonds.

Section 3 - The Council Clerk is hereby authorized and directed to submit a copy of this Resolution to the Authority as the Urban County Government's official request in accordance with KRS Section 103.210.

Section 4 - The adoption of this Resolution and any other action taken by the Urban County Government in connection with the described issuance of the Bonds and financing and refinancing of the Projects shall not be deemed to, and shall not, impose any financial liability or responsibility whatsoever upon the Urban County Government.

Section 5 - All formal actions relating to the adoption of this Resolution were taken in open meetings of the Urban County Council, and all deliberations of the Urban County Council which resulted in formal action, were taken in meetings open to the public, in full compliance with all applicable legal requirements. All prior resolutions of the Urban County Council that are inconsistent with the provisions of this Resolution are, to the extent of such inconsistency, hereby repealed.

Section 6 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF URBAN COUNTY COUNCIL
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CERTIFICATE OF THE URBAN COUNTY COUNCIL CLERK

I, the undersigned, Urban County Council Clerk, hereby certify that I am the duly qualified and acting Clerk of the Lexington-Fayette Urban County Council (the "Council"), that the foregoing Resolution is a true copy of said Resolution duly adopted by the Council signed by the Mayor, and attested by me as Clerk of the Council, at a properly convened term and session of the Council, held on [_____], 2025, as shown by the official records in my custody and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of the Lexington-Fayette Urban County Council this [__] day of [_____], 2025.

Clerk of the Urban County Council