

RESOLUTION NO. _____-2019

A RESOLUTION REQUESTING THAT THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY ISSUE REVENUE BONDS IN AN AMOUNT OF UP TO \$330,000,000.00, THE PROCEEDS OF WHICH WILL PROVIDE FOR THE REFINANCING OF CERTAIN OUTSTANDING BONDS THAT FINANCED AND/OR REFINANCED 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 Catholic Health Initiatives, a Colorado nonprofit corporation ("CHI") 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. Effective February 1, 2019, CHI and Dignity Health, a California nonprofit public benefit corporation ("Dignity Health") aligned their respective ministries as a single, Catholic, nonprofit health system known as CommonSpirit Health (the "System");

WHEREAS, Saint Joseph Health System, Inc., a Kentucky nonprofit corporation, is a wholly-owned entity within the System that owns and operates Saint Joseph Hospital and St. Joseph Hospital-East (collectively, the "Health Care Facilities"), each of which is located in the geographic territory of Lexington-Fayette Urban County Government;

WHEREAS, the System has requested that the Authority issue its industrial building revenue bonds (the "Bonds") pursuant to the Act, in an amount not to exceed \$330,000,000.00, to loan the proceeds thereof to one or more System Affiliates identified on Exhibit A hereto (collectively, the "Borrower") to: (i) (x) acquisition finance all or a portion of projects financed and/or refinanced by the Authority's Revenue Bonds (Catholic Health Initiatives) Series 2013A (the "2013A Bonds") and/or (y) refinance all or a portion of the Authority's Revenue Bonds (Catholic Health Initiatives) Series 2004C, 2009A, 2011B-1 and 2011B-2 (collectively with the 2013A Bonds, the "Existing Bonds"),

(ii) pay costs of issuance and (iii) fund a debt service reserve fund for the Bonds, if the System determines it is necessary and desirable. The proceeds of the Existing Bonds were used to pay or reimburse certain System Affiliates for, or refinance, 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, Mt. Sterling, and Nicholasville (collectively, the "Projects") and to refinance certain commercial paper notes the proceeds of which were used to finance a portion of the Projects;

WHEREAS, the Authority and certain System Affiliates will enter into a loan agreement pursuant to which such System Affiliates 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 Lexington-Fayette Urban County Government, the refinancing and/or acquisition financing 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, the Lexington-Fayette Urban County Government desires to assist the System 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 Lexington-

Fayette Urban County Government hereby formally requests the Authority to proceed with the issuance of bonds, in one or more series, for the benefit the System in an amount not to exceed \$330,000,000.00, in order to loan the proceeds thereof to certain System Affiliates, provided that the Bonds shall not constitute a general obligation of the Authority or the Lexington-Fayette Urban County Government and that the Lexington-Fayette 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 Lexington-Fayette 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 Lexington-Fayette Urban County Government in connection with the described issuance of the Bonds and refinancing of the Existing Bonds and Projects shall not be deemed to, and shall not, impose any financial liability or responsibility whatsoever upon the Lexington-Fayette Urban County Government.

Section 5 - All formal actions relating to the adoption of this Resolution were taken in open meetings of the Lexington-Fayette Urban County Council, and all deliberations of the Lexington-Fayette 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 Lexington-Fayette 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 THE 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 County 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 June [__], 2019, 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 June, 2019.

Clerk of the Urban County Council

EXHIBIT A

CommonSpirit Health (f/k/a Catholic Health Initiatives), a Colorado nonprofit corporation

Dignity Health, a California nonprofit public benefit corporation

KentuckyOne Health, Inc., a Kentucky nonprofit corporation, and its subsidiaries and affiliates

St. Joseph Health System, Inc., a Kentucky nonprofit corporation, and its subsidiaries and affiliates