

RESOLUTION NO. _____-2013

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 \$158,195,000, THE PROCEEDS OF WHICH WILL BE LOANED TO CATHOLIC HEALTH INITIATIVES, INC., TO PROVIDE FINANCING FOR ALL OR A PART OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, INSTALLATION AND EQUIPPING OF CAPITAL PROJECTS FOR HEALTH CARE FACILITIES AND RELATED IMPROVEMENTS AND EXPENDITURES.

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), 154.035(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 the costs of acquiring, constructing and installing a "health care facility" within the meaning of the Act;

WHEREAS, Catholic Health Initiatives (the "Corporation"), a Colorado nonprofit corporation, is a corporate member of KentuckyOne Health, Inc., a Kentucky nonprofit corporation, which is the sole corporate member of Saint Joseph Health System, Inc., a Kentucky nonprofit corporation that (i) owns and operates Saint Joseph Hospital, St. Joseph Hospital-East, and The Women's Hospital at St. Joseph East (collectively, the "Health Care Facilities"), each of which is located in the geographic territory of Lexington-Fayette Urban County Government (the "Urban County Government") and (ii) is the sole corporate member of Continuing Care Hospital, Inc. which operates at St. Joseph Hospital and St. Joseph Hospital-East;

WHEREAS, the Corporation has requested that the Authority issue its industrial building revenue bonds (the "Bonds") pursuant to the Act, in an amount not to exceed \$158,195,000, to loan the proceeds thereof to the Corporation in order to (a) pay, or reimburse the Corporation for, among other things, (i) the costs of the acquisition, construction, installation and renovation of certain additions and improvements to and equipment at the Health Care Facilities (collectively, the "Project"), in an aggregate amount not to exceed \$22,000,000 and (ii) the costs of the acquisition, construction, installation and renovation of and equipment at additional health care facilities located in Kentucky that are owned and operated by the Corporation or one of its affiliates, (b) pay the costs of issuing the Bonds and (c) fund a debt service reserve fund for the Bonds, if the Corporation determines it is necessary or desirable.

WHEREAS, the Authority and the Corporation will enter into a loan agreement pursuant to which the Corporation will 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, the financing of the Project 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 Urban County Government desires to assist the Corporation 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 the Corporation in an amount not to exceed \$158,195,000, in order to loan the proceeds thereof to the Corporation, 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 Project 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 financing of the project 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.

(Continued on the following page)

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

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 August 15, 2013, 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 15th day of August, 2013.

Meredith Nelson
Clerk of the Urban County Council

CERTIFICATE

I do hereby certify that the title to this enactment contains an accurate synopsis of the contents thereof and may be used to satisfy the reading and publication requirements of law.

STOLL KEENON OGDEN PLLC

By: _____
Mark S. Franklin