

ORDINANCE NO. 081 SERIES 2016

AN ORDINANCE OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, (I) AUTHORIZING THE ISSUANCE OF ITS HEALTH SYSTEM REVENUE BONDS, SERIES 2016 (NORTON HEALTHCARE, INC.) IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$725,000,000, THE PROCEEDS OF WHICH SHALL BE LOANED TO NORTON HEALTHCARE, INC. AND NORTON HOSPITALS, INC. TO (A) PAY OR REIMBURSE NORTON HEALTHCARE, INC. AND NORTON HOSPITALS, INC. FOR THE COSTS OF ACQUIRING, CONSTRUCTING, RENOVATING AND EQUIPPING CERTAIN HEALTH CARE FACILITIES OF NORTON HEALTHCARE, INC. AND CERTAIN AFFILIATES, AND (B) REFUND AND RETIRE CERTAIN OUTSTANDING INDEBTEDNESS, AND (II) TAKING OTHER RELATED ACTION.

SPONSORED BY: Councilwoman Cheri Bryant Hamilton and Councilman Pat Mulvihill

WHEREAS, the Louisville/Jefferson County Metro Government (the "Metro Government") is a consolidated local government organized and validly existing under the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth") and as such is authorized under the Industrial Buildings for Cities and Counties Act, Sections 103.200 to 103.285 of the KRS, as amended (the "Act"), to issue its industrial building revenue bonds and loan the proceeds thereof to any person to defray the costs of acquiring, constructing, and equipping an "industrial building" (as defined in the Act), including specifically any buildings, structures, and facilities, including the site thereof and machinery, equipment, and furnishings suitable for use as health care or related facilities, including without limitation, hospitals, clinics, nursing homes, research facilities, extended or long-term care facilities, including housing for the aged or the infirm and all buildings, structures, and facilities deemed necessary or useful in connection therewith, in order to accomplish thereby the public purposes of promoting the economic development of the Commonwealth and encouraging the increase of industry therein, PROVIDED THAT SUCH BONDS ARE PAYABLE SOLELY FROM THE LOAN REPAYMENTS AND OTHER REVENUES DERIVED IN RESPECT OF THE LOAN AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE METRO GOVERNMENT, THE

COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE COMMONWEALTH.

WHEREAS, the Act further authorizes the Metro Government to issue its industrial building revenue bonds to provide funds for the payment of any outstanding industrial building revenue bonds previously issued under the Act.

WHEREAS, Norton Healthcare, Inc. (the "Corporation"), a Kentucky nonprofit corporation, and/or its affiliated organizations, including Norton Hospitals, Inc. ("Hospitals"), a Kentucky nonprofit corporation, provide medical services and care for the communities in which they operate hospitals and other healthcare facilities.

WHEREAS, the Corporation has approved a plan to (i) pay or reimburse the Corporation and Hospitals, as members of the Obligated Group (the "Obligated Group"), for the costs of acquiring, constructing, renovating and equipping certain health care facilities of the Corporation and certain affiliates, which plan is expected to cost in the aggregate an amount not to exceed \$300,000,000, and (ii) refinance certain outstanding indebtedness, which plan is expected to cost in the aggregate an amount not to exceed \$425,000,000.

WHEREAS, the Corporation has applied to the Metro Government for the issuance pursuant to the Act of its (I) Health System Revenue Bonds, Series 2016A (Norton Healthcare, Inc.), in an aggregate principal amount not to exceed \$625,000,000 (the "Series 2016A Bonds"), and the loan of the proceeds thereof to the Obligated Group in order to: (A) pay or reimburse the Corporation for all or a portion of the costs of construction, planning, renovation, expansion, equipment, and acquiring patient care related projects and/or equipment related to the Corporation (including but not limited to software) and/or affiliates of the Corporation, and acquisition of land, all to be located at the various hospitals, corporate and administrative offices, and the other medical facilities owned and/or operated by the Corporation and/or its affiliates located within Jefferson County, Kentucky (the "Project"); (B) refund all or a portion of the outstanding Louisville/Jefferson County Metro Government Health System Revenue Bonds,

Series 2006 (Norton Healthcare, Inc.) (the "Series 2006 Bonds"); (C) fund a debt service reserve fund, if any; (D) pay capitalized interest, if any; and (E) pay certain costs of issuance of the Series 2016A Bonds; (II) Health System Variable Rate Revenue Refunding Bonds, Series 2016B (Norton Healthcare, Inc.), in an aggregate principal amount not to exceed \$90,000,000 (the "Series 2016B Bonds"), and the loan of the proceeds thereof to the Obligated Group in order to: (A) refund all of the outstanding Louisville/Jefferson County Metro Government Health System Variable Rate Revenue Bonds, Series 2011D (Norton Healthcare, Inc.) (the "Series 2011D Bonds"); (B) pay a portion of the costs of the Project; and (C) pay certain costs of issuance of the Series 2016B Bonds; and (III) Health System Variable Rate Revenue Refunding Bonds, Series 2016C (Norton Healthcare, Inc.), in an aggregate principal amount not to exceed \$90,000,000 (the "Series 2016C Bonds" and, together with the Series 2016A Bonds and the Series 2016B Bonds, the "Series 2016 Bonds"), and the loan of the proceeds thereof to the Obligated Group in order to: (A) refund all of the outstanding Louisville/Jefferson County Metro Government Health System Variable Rate Revenue Bonds, Series 2013B (Norton Healthcare, Inc.) (the "Series 2013B Bonds"); (B) pay a portion of the costs of the Project; and (C) pay certain costs of issuance of the Series 2016C Bonds.

WHEREAS, the Corporation is a party to an Amended and Restated Master Trust Indenture dated as of September 15, 1997, as previously amended and supplemented (as supplemented and amended, the "Master Indenture"), with The Bank of New York Mellon Trust Company, National Association, as successor Master Trustee (the "Master Trustee"), which provides for the issuance by an Obligated Group Member of master obligations thereunder which shall be joint and several obligations of the Obligated Group.

WHEREAS, the Corporation has requested of the Mayor that (I) the sale of the Series 2016A Bonds be made upon a negotiated basis to J.P. Morgan Securities LLC and Citigroup Global Markets Inc. (collectively, the "Underwriters"), in their individual capacities or as leaders of a syndicate of investment banking firms, for underwriting to the public, and (II) the

sale of the Series 2016B Bonds and the Series 2016C Bonds be made upon a negotiated basis by a purchaser to be identified by the Corporation (the "Purchaser"), in an individual capacity or as leader of a syndicate of banks.

WHEREAS, in order to accomplish the public purposes of promoting the economic development of the Commonwealth and encouraging the increase of industry therein, the Metro Government considers it necessary and proper to (I) authorize the issuance of the Series 2016A Bonds and the loan of the proceeds thereof to the Obligated Group to finance all or a portion of the costs of the Project and refinance the Series 2006 Bonds, (II) authorize the issuance of the Series 2016B Bonds and the loan of the proceeds thereof to the Obligated Group to refinance the Series 2011D Bonds and finance a portion of the costs of the Project, (III) authorize the issuance of the Series 2016C Bonds and the loan of the proceeds thereof to the Obligated Group to refinance the Series 2013B Bonds and finance a portion of the costs of the Project, (IV) additionally authorize the loan of the proceeds of the Series 2016 Bonds to pay the costs of issuance thereof, (V) authorize the execution and delivery of the Indentures and the Loan Agreements, hereinafter identified, and the sale of the Series 2016 Bonds as hereinafter provided, and (VI) take other related action.

WHEREAS, the Act authorizes the governing body of an issuer to delegate to an official thereof or to establish by ordinance or resolution the method or methods for determining the initial interest rate or rates, final principal amounts, conversion privileges and actual terms and maturities of any bonds issued pursuant to the Act, subject to certain limitations.

WHEREAS, because of dynamic conditions existing in the market in which the Series 2016 Bonds will be sold, it is not feasible to establish the initial interest rate or rates, final principal amounts, conversion privileges and actual terms and maturities of the Series 2016 Bonds upon passage of this ordinance.

WHEREAS, the Legislative Council of the Louisville/Jefferson County Metro Government (the "Metro Council") deems it advisable to enact this ordinance and to delegate the authority to

an official of the Metro Government to approve the initial interest rate or rates, final principal amounts, conversion privileges and actual terms and maturities of the Series 2016 Bonds in accordance with the methods, procedures and guidelines set forth in this ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, AS FOLLOWS:

1. Public Purposes. The Metro Council hereby finds and declares that the issuance of the Series 2016 Bonds and the loan of the proceeds thereof to the Obligated Group to finance the costs of the Project, to refinance the Series 2006 Bonds, the Series 2011D Bonds and the Series 2013B Bonds and to finance the costs of issuing the Series 2016 Bonds, as herein provided, will further the public purposes of the Act by promoting the economic development of the Commonwealth and encouraging the increase of industry therein.

2. Authorization of the Series 2016 Bonds and the Project. For the purposes set forth in the preamble hereto, there is hereby authorized and directed:

A. the issuance, execution, sale, and delivery of the Series 2016A Bonds, as provided herein and in the applicable Indenture, which Series 2016A Bonds (i) shall be in an aggregate principal amount not to exceed \$625,000,000, (ii) shall bear interest at fixed rates as provided in the applicable Indenture, and (iii) shall mature and be subject to redemption at the times and in the manner set forth in the applicable Indenture and as approved as provided in Section 7 hereof;

B. the loan of the proceeds of the Series 2016A Bonds to the Obligated Group to finance all or a portion of the costs of the Project, to refinance the Series 2006 Bonds and to finance the costs of issuance of the Series 2016A Bonds, as provided in the Loan Agreement for the Series 2016A Bonds hereinafter identified;

C. the issuance, execution, sale, and delivery of the Series 2016B Bonds, as provided herein and in the applicable Indenture, which Series 2016B Bonds (i) shall be in an aggregate principal amount not to exceed \$90,000,000, (ii) shall bear interest at variable rates

as provided in the applicable Indenture, and (iii) shall mature and be subject to redemption at the times and in the manner set forth in the applicable Indenture and as approved as provided in Section 7 hereof;

D. the loan of the proceeds of the Series 2016B Bonds to the Obligated Group to refinance the Series 2011D Bonds, to finance a portion of the costs of the Project and to finance the costs of issuance of the Series 2016B Bonds, as provided in the Loan Agreement for the Series 2016B Bonds hereinafter identified;

E. the issuance, execution, sale, and delivery of the Series 2016C Bonds, as provided herein and in the applicable Indenture, which Series 2016C Bonds (i) shall be in an aggregate principal amount not to exceed \$90,000,000, (ii) shall bear interest at variable rates as provided in the applicable Indenture, and (iii) shall mature and be subject to redemption at the times and in the manner set forth in the applicable Indenture and as approved as provided in Section 7 hereof; and

F. the loan of the proceeds of the Series 2016C Bonds to the Obligated Group to refinance the Series 2013B Bonds, to finance a portion of the costs of the Project and to finance the costs of issuance of the Series 2016C Bonds, as provided in the Loan Agreement for the Series 2016C Bonds hereinafter identified.

3. Series 2016 Bonds are Not a Debt of the Metro Government. It is hereby found, declared, and determined that none of the Series 2016 Bonds will be general obligations of the Metro Government; that none of the Series 2016 Bonds or the interest thereon or premium, if any, shall constitute or give rise to any indebtedness of the Metro Government or any charge against its general credit or taxing power; but that the Series 2016 Bonds and the payment of principal, premium, if any, and interest thereon shall be secured and payable solely and only by a pledge of amounts to be paid by the Obligated Group under the Loan Agreements and Master Obligations issued under the Master Indenture; that no part of said costs will be payable out of any general funds, assets, properties or other contributions of the Metro Government; and that

no Metro Government funds shall be expended on the Project, the refinancing of the Series 2006 Bonds, the Series 2011D Bonds or the Series 2013B Bonds, except as such funds are derived from Series 2016A Bond, Series 2016B Bond or Series 2016C Bond proceeds, respectively.

4. Authorization of Indentures. The Mayor (or the Deputy Mayor) and the Metro Council Clerk are hereby authorized and directed to execute and deliver on behalf of the Metro Government a trust indenture for each of the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds (collectively, the "Indentures") substantially in the forms attached hereto as Exhibit A, with such changes as the Mayor (or the Deputy Mayor) shall approve, the execution thereof to constitute conclusive evidence of such approval.

5. Authorization of Loan Agreements. The Mayor (or the Deputy Mayor) and the Metro Council Clerk are hereby authorized and directed to execute, acknowledge, and deliver on behalf of the Metro Government a loan agreement for each of the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds (collectively, the Loan Agreements") between the Metro Government and the Obligated Group, substantially in the forms attached hereto as Exhibit B, with such changes as the Mayor (or the Deputy Mayor) shall approve, the execution thereof to constitute conclusive evidence of such approval.

6. Authorization of Bond Purchase Agreements.

A. The Mayor (or the Deputy Mayor) is hereby authorized and directed to execute and deliver on behalf of the Metro Government a purchase agreement for the Series 2016A Bonds (the "Series 2016A Bond Purchase Agreement"), including the Letter of Representation attached thereto (the "Series 2016A Letter of Representation"), in substantially the form attached hereto as Exhibit C, with such changes as the Mayor (or the Deputy Mayor) shall approve, the execution thereof to constitute conclusive evidence of such approval, providing for the sale of the Series 2016A Bonds upon a negotiated basis at a price and on other terms approved by the Corporation and the Underwriters, as representative acting for and

on behalf of itself and other underwriters, if any, as may be referred to in the Series 2016A Bond Purchase Agreement.

B. The Mayor (or the Deputy Mayor) is hereby authorized and directed to execute and deliver on behalf of the Metro Government a purchase agreement for the Series 2016B Bonds (the "Series 2016B Bond Purchase Agreement"), including the Letter of Representation attached thereto (the "Series 2016B Letter of Representation"), in substantially the form attached hereto as Exhibit C, with such changes as the Mayor (or the Deputy Mayor) shall approve, the execution thereof to constitute conclusive evidence of such approval, providing for the sale of the Series 2016B Bonds, to Branch Banking and Trust Company, or its designated affiliate, as purchaser of the Series 2016B Bonds (the "Purchaser"), at a price and on other terms approved by the Corporation and the Purchaser.

C. The Mayor (or the Deputy Mayor) is hereby authorized and directed to execute and deliver on behalf of the Metro Government a purchase agreement for the Series 2016C Bonds (the "Series 2016C Bond Purchase Agreement," and collectively with the Series 2016A Bond Purchase Agreement and the Series 2016B Bond Purchase Agreement, the "Bond Purchase Agreements"), including the Letter of Representation attached thereto (the "Series 2016C Letter of Representation"), in substantially the form attached hereto as Exhibit C, with such changes as the Mayor (or the Deputy Mayor) shall approve, the execution thereof to constitute conclusive evidence of such approval, providing for the sale of the Series 2016C Bonds, to the Purchaser, at a price and on other terms approved by the Corporation and the Purchaser.

7. Authorization of Official to Approve Other Terms of the Series 2016 Bonds. The Mayor (or the Deputy Mayor) is hereby authorized to approve on behalf of the Metro Government the final principal amounts and actual terms and maturity schedule for the Series 2016 Bonds, provided that (i) the final aggregate principal amount of the Series 2016A Bonds shall not exceed \$625,000,000, the aggregate principal amount of the Series 2016B Bonds shall

not exceed \$90,000,000 and the aggregate principal amount of the Series 2016C Bonds shall not exceed \$90,000,000, (ii) the final maturity of the Series 2016 Bonds shall not extend beyond the maximum term permitted under the Act or any other law, (iii) the interest rate or rates on each of the Series 2016A Bonds, the Series 2016B Bonds or the Series 2016C Bonds shall not exceed the greater of 12% per annum or the maximum permitted by the laws of the Commonwealth, and (iv) the actual terms and maturity schedule for each of the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds are approved by the Corporation and the Purchaser or the Underwriters (as applicable).

8. Authorization with Respect to Official Statement and Preliminary Official Statement. The preparation, use and distribution of a Preliminary Official Statement, if deemed necessary by the Corporation, relating to the Series 2016A Bonds in substantially the form approved by the Mayor and the Jefferson County Attorney, or an Assistant Jefferson County Attorney, is hereby authorized and approved. The preparation and distribution of an Official Statement relating to the Series 2016A Bonds in substantially the form approved by the Mayor and the Jefferson County Attorney, or an Assistant Jefferson County Attorney, is hereby authorized and approved. The Mayor is hereby authorized and directed to execute such Official Statement on behalf of the Metro Government, the execution thereof to constitute conclusive evidence of approval thereof. The certification by the Mayor on behalf of the Metro Government of the Preliminary Official Statement as the official statement which the issuer deems final for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission is hereby authorized and approved.

9. Further Acts and Deeds. The Mayor (or the Deputy Mayor) and the Metro Council Clerk and other appropriate officers, officials and employees of the Metro Government are hereby authorized and directed to execute, acknowledge, and deliver on behalf of the Metro Government any and all papers, instruments, certificates, affidavits, agreements and other documents and to do and cause to be done any and all acts and things necessary or desirable

for entering into and effecting this Ordinance, the Indentures, the Loan Agreements, the Bond Purchase Agreements, and the Series 2016 Bonds, including approving on behalf of the Metro Government any disclosure documents deemed necessary by Bond Counsel in connection with the sale of the Series 2016A Bonds and the refunding of the Series 2006 Bonds, the Series 2011D Bonds, and the Series 2013B Bonds, provided that neither the Metro Government nor any of its, officers, officials, employees, or agents incur any liability thereby.


10. Severability. The provisions of this ordinance are severable, and if any section, phrase, or provision hereof shall for any reason be declared invalid or unenforceable, such declaration shall not affect the validity of the remainder of this ordinance.

11. Prior Conflicting Actions Superseded. To the extent that any ordinance, resolution, order, or part thereof is in conflict with the provisions of this ordinance, the provisions of this ordinance shall prevail and be given effect.


12. Effective Date. This ordinance shall be in full force and effect from and after its enactment and publication as provided by law.

INTRODUCED AND GIVEN FIRST READING at a duly convened regular meeting of the Legislative Council of Louisville/Jefferson County Metro Government, held on MAY 26, 2016.


GIVEN SECOND READING AND ENACTED at a duly convened regular meeting of said Metro Council held on JUNE 9, 2016, signed by the Mayor as evidence of his approval, attested under seal by the Metro Council Clerk, and ordered to be published in summary form, filed, and indexed as provided by law.



H. Stephen Ott
Metro Council Clerk



David Yates
President of the Council



Greg Fischer
Mayor

6/13/16

Approval Date

APPROVED AS TO FORM AND LEGALITY:
Michael O'Connell
Jefferson County Attorney

BY: 

Assistant Jefferson County Attorney

**LOUISVILLE METRO COUNCIL
READ AND PASSED**
June 9, 2016

Norton Ordinance Approving Health System Revenue Bonds Series 2016 ROC nl,bkn 05202016 O-158-16

CERTIFICATION

The undersigned certifies that he is the duly appointed Metro Council Clerk of the Louisville/Jefferson County Metro Government, Kentucky, that the foregoing ordinance was duly enacted at a regular meeting of the Metro Council held on JUNE 9, 2016, signed by the Mayor, duly filed, recorded, and indexed in my office, and now in full force and effect, and that all action taken in connection with such ordinance were in compliance with the requirements of KRS 61.805 to 61.850, and that said ordinance is now in full force and effect, all as appears from the official records of said Metro Council in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Metro Government as of the 17th day of JUNE, 2016.



H. Stephen Ott
Metro Council Clerk

[SEAL]