

ORDINANCE NO. _____, SERIES 2020

AN ORDINANCE OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, (I) AUTHORIZING THE ISSUANCE OF ITS HEALTH SYSTEM REVENUE BONDS (NORTON HEALTHCARE, INC.), SERIES 2020 IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$600,000,000, 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: COUNCILMEMBER BILL HOLLANDER

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 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 and refinance certain outstanding indebtedness, which plan is expected to cost in the aggregate an amount not to exceed \$600,000,000.

WHEREAS, the Corporation has applied to the Metro Government for the issuance pursuant to the Act of one or more series of its Health System Revenue Bonds (Norton Healthcare, Inc.), Series 2020, in an aggregate principal amount not to exceed \$600,000,000 (the “Series 2020 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) subject to market conditions, refund all or a portion of the outstanding Louisville/Jefferson County Metro Government Health System Revenue Bonds, Series 2013A (Norton Healthcare, Inc.) (the “Series

2013A 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 2020 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 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 the sale of the Series 2020 Bonds be made upon a negotiated basis to Citigroup Global Markets Inc. and J.P. Morgan Securities LLC (collectively, the “Underwriters”), in their individual capacities or as leaders of a syndicate of investment banking firms, for underwriting to the public.

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 2020 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, subject to market conditions, refinance the Series 2013A Bonds, (II) additionally authorize the loan of the proceeds of the Series 2020 Bonds to pay the costs of issuance thereof, (III) authorize the execution and delivery of the Indentures and the Loan Agreements, hereinafter identified, and the sale of the Series 2020 Bonds as hereinafter provided, and (IV) 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 2020 Bonds will be sold, it is not feasible to establish the initial interest rate or rates, final principal amounts, conversion privileges, whether the Series 2020 Bonds shall be issued on a tax-exempt or taxable basis, and actual terms and maturities of the Series 2020 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, whether the Series 2020 Bonds shall be issued on a tax-exempt or taxable basis, and actual terms and maturities of the Series 2020 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 2020 Bonds and the loan of the proceeds thereof to the Obligated Group to finance the costs of the Project, to refinance the Series 2013A Bonds, to finance the costs of issuing the Series 2020 Bonds, to fund a debt service reserve fund, if any and to pay capitalized interest, if any, 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 2020 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 one or more series of the Series 2020 Bonds in an aggregate principal amount not to exceed \$600,000,000 to be issued on a tax-exempt basis (the “Tax-Exempt Bonds”) or a taxable basis (the “Taxable Bonds”), as provided herein and in the applicable Indenture, which shall bear interest at fixed or variable rates as provided in the applicable Indenture, and 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 Tax-Exempt Bonds to the Obligated Group to finance all or a portion of the costs of the Project, to fund a debt service reserve fund, if any and to pay capitalized interest, if any, and to finance the costs of issuance of the Tax-Exempt Bonds, as provided in the applicable Loan Agreement hereinafter identified;

C. the loan of the proceeds of the Taxable Bonds to the Obligated Group to refinance the Series 2013A Bonds, to fund a debt service reserve fund, if any and to pay capitalized interest, if any, and to finance the costs of issuance of the Taxable Bonds, as provided in the applicable Loan Agreement hereinafter identified.

3. Series 2020 Bonds are Not a Debt of the Metro Government. It is hereby found, declared, and determined that none of the Series 2020 Bonds will be general obligations of the Metro Government; that none of the Series 2020 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 2020 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 2013A Bonds, except as such funds are derived from Series 2020 Bond proceeds.

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 series of the Series 2020 Bonds (collectively, the "Indentures") substantially in the form 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 series of the Series 2020 Bonds, (collectively, the “Loan Agreements”) between the Metro Government and the Obligated Group, substantially in the form 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. 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 each series of the Series 2020 Bonds (collectively, the “Bond Purchase Agreements”), including the Letters of Representation attached thereto (collectively, the “Letters 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 2020 Bonds upon a negotiated basis at a price and on other terms approved by the Corporation and Citigroup Global Markets Inc., as representative acting for and on behalf of itself and other underwriters, if any, as may be referred to in each Bond Purchase Agreement.

7. Authorization of Official to Approve Other Terms of the Series 2020 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 each Series of the Series 2020 Bonds, provided that (i) the final aggregate principal amount of the Series 2020 Bonds shall not exceed \$600,000,000 (ii) the final maturity of each Series of the Series 2020 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 2020 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 series of the Series 2020 Bonds are approved by the Corporation and the Underwriters.

8. Authorization with Respect to Official Statement and Preliminary Official Statement. The preparation, use and distribution of one or more Preliminary Official Statements, if deemed necessary by the Corporation, relating to the Series 2020 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, and the preparation, use and distribution of one or more Official Statements relating to the Series 2020 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 Statements 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 Statements as the official statements 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 2020 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 2020 Bonds and the refunding of the Series 2013A 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 _____, 2020.

GIVEN SECOND READING AND ENACTED at a duly convened regular meeting of said Metro Council held on _____, 2020, 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.

Sonya Harward
Metro Council Clerk

David James
President of the Council

Greg Fischer
Mayor

Approval Date

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

BY: _____

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 _____, 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 ____ day of _____, 2020.

Sonya Harward
Metro Council Clerk

[SEAL]