

ORDINANCE NO. 96

**BOARD OF COUNTY COMMISSIONERS
COUNTY OF BUCKS
COMMONWEALTH OF PENNSYLVANIA**

**APPROVING A FINANCING BY THE SAINT MARY HOSPITAL
AUTHORITY FOR CATHOLIC HEALTH INITIATIVES AND
DELEGATING UNDER THE INTERGOVERNMENTAL
COOPERATION ACT THE RESPONSIBILITY TO MAKE CERTAIN
FINDINGS IN CONNECTION THEREWITH.**

WHEREAS, Saint Mary Hospital Authority (the "Authority") was incorporated under the Pennsylvania Municipality Authorities Act of May 2, 1945, P.L. 382, as amended (the "Authorities Act"), pursuant to resolutions of the Board of County Commissioners of Bucks County, Pennsylvania; and

WHEREAS, the Authorities Act vests the Authority with power, among other powers, to acquire, hold, construct, finance, improve, maintain, own, operate and lease, either as lessor or lessee, hospitals and health centers; and

WHEREAS, Catholic Health Initiatives, a Colorado nonprofit corporation serving the public, has requested the Authority to finance, refinance and/or reimburse expenditures made for the acquisition, construction, renovation and installation of certain additions and improvements to and facilities and equipment for the healthcare facilities (the "Healthcare Facilities") located at the following addresses and owned and/or operated by the entity indicated; St. Mary Medical Center, Langhorne-Newtown Road, Langhorne, Bucks County, Pennsylvania, and 2560 Knights Road, Bensalem, Bucks County, Pennsylvania (the "Bucks County Project"); St. Joseph Hospital, Inc. 233 College Avenue, 250 College Avenue, 2301 Columbia Avenue, 676 W. Walnut Street and 55 N. West End Avenue, Lancaster, Lancaster County, Pennsylvania (the "Lancaster County Project"); and St. Joseph Medical Center, 215 N. 12th Street, 145 N. 6th Street and 2900 Lawn Terrace, Reading, Berks County, Pennsylvania (the "Berks County Project"); and

WHEREAS, a portion of the Bucks County Project may consist of the refunding of the Authority's outstanding Hospital Revenue Bonds (Franciscan Health System/Pooled Financing Program). 1985 A, B and C, Hospital Revenue Bonds (Franciscan Health System/Saint Mary Hospital of Langhorne, Inc.), Series of 1992A, and Hospital Revenue Bonds (Franciscan Health System), Series of 1992B; and a portion of the Lancaster County Project may consist of the refunding of the Authority's outstanding Hospital Revenue Bonds, Series of 1991 (Franciscan Health System/St. Joseph Hospital, Inc.); and

WHEREAS, the Authority has indicated its willingness to issue one or more series of revenue bonds (the "Bonds") in a maximum aggregate principal amount not to exceed \$94,070,000 to pay the costs, including financing expenses, of the Bucks County Project, the Lancaster County Project and the Berks County Project (collectively, the "Project"); and

WHEREAS, the Authorities Act states that none of the powers granted by the Authorities Act may be exercised in the financing, improvement, maintenance, extension or operation of any project which in whole or part duplicates or competes with existing enterprises serving substantially the same purposes, but further provides that the above limitation shall not apply to the exercise of the powers granted under the Authorities Act for hospital projects leased to, or financed with loans to, nonprofit hospital corporations serving the public if each municipality organizing an authority for such project shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such facilities to have such facilities provided by, or financed through, an authority; and

WHEREAS, pursuant to the provisions of the "Act Relating to Intergovernmental Cooperation" (Act of July 12, 1972, P.L. 180) as amended (the "Cooperation Act"), this

Board of County Commissioners has the power to delegate its responsibility to make the determination described above required by the Act; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), requires that any project financed with tax exempt bonds be approved by the elected legislative body or chief elected executive officer of the governmental unit on behalf of which such bonds were issued, following a public hearing with respect to the financing of the project through the issuance of the bonds; and

WHEREAS, a public hearing (the "Public Hearing") will be held by the Authority in accordance with the Code on behalf of, among others, Bucks County, a copy of the notice of which is attached hereto as Exhibit A; and

WHEREAS, the Authority desires that the Chairman of this Board of County Commissioners approve the proposed issuance of the Bonds by the Authority following the Public Hearing in accordance with the Code and a proposed form of Certificate of Approval (the "Certificate of Approval") for such purpose has been presented to this Board of County Commissioners, a copy of which is attached hereto as Exhibit B; and

WHEREAS, this Board of County Commissioners has determined that it is desirable that the Project be undertaken by the Authority;

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. The undertaking of the Project and the issuance of the Bonds by the Authority is hereby approved, all on such terms and conditions as the Authority may approve.

Section 2. It is hereby declared that it is desirable for the health, safety and welfare of the people in the area served by St. Mary Medical Center to have the Bucks County Project financed through the Authority.

Section 3. Pursuant to the Cooperation Act, this Board of County Commissioners hereby (a) delegates to the Board of County Commissioners of Lancaster County, Pennsylvania, its power and responsibility to make a finding that it is desirable for the health, safety and welfare of the people in the area served by St. Joseph Hospital to have the Lancaster County Project financed through the Authority, (b) delegates to the Board of County Commissioners of Bucks County, Pennsylvania, its power and responsibility to make a finding that it is desirable for the health, safety and welfare of the people in the area served by St. Joseph Medical Center to have the Berks County Project financed through the Authority and (c) specifies the following; (i) it is appropriate that the governmental units whose residents are directly served by St. Joseph Hospital and St. Joseph Medical Center make the required health, safety and welfare determinations required by the Authorities Act; (ii) the delegation of responsibility made hereby shall remain in effect so long as any of the bonds issued to finance the Project remain outstanding; (iii) the purpose and objective of this delegation is to allow the governmental units where the majority of persons served by St. Joseph Hospital and St. Joseph Medical Center reside make the required health, safety and welfare determination; (iv) no financing will be provided by Bucks County, Lancaster County or Berks County as a result of this delegation; (v) no organizational structure is necessary to implement this delegation; (vi) no real or personal property will be acquired, managed, licensed or disposed of under this delegation; and (vii) no entity is being created through this delegation.

Section 4. The Chairman or Vice Chairman of this Board of County Commissioners is hereby authorized and directed to approve the issuance of the Bonds on behalf of this Board of County Commissioners following the Public Hearing, execute the Certificate of Approval in substantially the form attached hereto and deliver the Certificate of Approval to the Authority, all upon receipt of a transcript of the proceedings of the Public Hearing.

Section 5. The approvals and declarations in this ordinance shall in no way pledge or otherwise obligate the credit or taxing power of Bucks County, nor shall Bucks County be

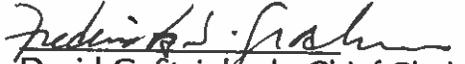
liable for the payment of principal of or interest or premium, if any, on any obligations issued to finance the Project nor shall Bucks County have any obligation or liability with respect to the Project or the Healthcare Facilities.

Section 6. This Ordinance shall take effect on the date of enactment hereof.

ENACTED at a regular meeting of the Board of County Commissioners of Bucks County held October 21, 1997.

COUNTY OF BUCKS

ATTEST:


David G. Steinbach, Chief Clerk


Michael G. Fitzpatrick, Chairman


Charles H. Martin, Commissioner


Sandra A. Miller, Commissioner