

ORDINANCE NO. 78

ENACTED July 26, 1989

An Ordinance Amending Ordinance No. 74  
Enacted August 26, 1987, entitled:

"AUTHORIZING THE SAINT MARY HOSPITAL AUTHORITY TO PARTICIPATE IN A PROGRAM INVOLVING THE ISSUANCE OF NOT EXCEEDING \$71,000,000 AGGREGATE PRINCIPAL AMOUNT OF HOSPITAL REVENUE REFUNDING BONDS (FRANCISCAN HEALTH SYSTEM HOSPITALS ISSUE), SERIES 1987, MAKING THE REQUIRED HEALTH, SAFETY AND WELFARE DETERMINATION FOR PROJECTS OF SAINT MARY HOSPITAL AUTHORITY, MAKING CERTAIN DELEGATIONS PURSUANT TO THE INTERGOVERNMENTAL COOPERATION ACT."

WHEREAS, by Ordinance No. 74, enacted August 26, 1987, (the "Original Ordinance") a copy of which is attached, this Board made certain findings and approvals in connection with the issuance by The Saint Mary Hospital Authority (the "Authority") an authority incorporated under the provisions of the Pennsylvania Municipality Authorities Act of 1945, as amended, and located in Langhorne, Bucks County, Pennsylvania, of its Hospital Revenue Refunding Bonds (Franciscan Health System Hospitals Issue), Series 1987 (the "1987 Bonds"), including among other things: (a) the approval of the issuance of the 1987 Bonds and the approval of the financing the costs of a program (the "Program"), consisting of, among other things, refunding certain revenue bonds and the financing of costs of the Saint Mary Project, as such term is defined in the Original Ordinance; (b) the finding that the issuance of the 1987 Bonds and the undertaking of the Program by the Authority is desirable for the health, safety and welfare of Bucks County, Pa.; (c) the delegation, pursuant to the provisions of the "Act Relating to Intergovernmental Cooperation" (Act of July 12, 1972, P.L. 180) (the "Act") of the power and responsibility to make findings regarding the desirability of certain portions of the Program for the health, safety and welfare of the residents of Berks County and Lancaster County by the Board of County Commissioners for the respective counties and (d) the making of certain findings as required under the Act; and

WHEREAS, St. Mary Hospital of Langhorne (the "Hospital") a general acute care, nonprofit hospital located in Langhorne, Bucks County, Pennsylvania and Franciscan Health System located in Chadds Ford, Pennsylvania have requested this Board to reaffirm its approval of the Program and the issuance of the 1987 Bonds (as defined below); and

WHEREAS the Authority has held a public hearing with respect to the costs of the Program and the issuance of the 1987 Bonds (as defined below), as required by the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, BE IT ORDAINED by the Board of County Commissioners of the County of Bucks, Pennsylvania that the Original Ordinance be amended as follows:

of Section 1 of the Original Ordinance is hereby amended by deleting "July 1, 1995" and

inserting "June 15, 1995" in lieu thereof.

of Section 1 of the Original Indenture is hereby amended to read in full as follows:

"E. The Hospitals and the System have requested the Authority to acquire leasehold interests in certain facilities of each of the Hospitals or to enter into a loan agreement with each of the Hospitals and finance the Program, including the redemption of the Prior Bonds, by the issuance by the Authority of its Hospital Revenue Refunding Bonds (Franciscan Health Systems Hospitals Issue), 1989 Series A, 1989 Series B and 1989 Series C (the "1989 Bonds") currently expected to be issued in the approximate aggregate principal amount of \$85,000,000, exclusive of original issue discount, the net proceeds of which will be applied to pay the costs of the Program. The Program, including the redemption of the Prior Bonds and other costs relating to the financing, will be financed by the issuance and sale of the 1989 Bonds. Except as provided below with respect to loan agreements, as security for the 1989 Bonds, each of the Hospitals will lease certain of its real estate, with all improvements thereon, to the Authority or will enter into a loan agreement with the Authority. If the Hospitals enter into lease agreements with the Authority, the Authority in turn will sublease the Hospitals' facilities back to each of the Hospitals from which it acquired such leasehold interest, giving each of the Hospitals the right to exclusive possession, operation and maintenance of its facilities so long as it is not in default of its obligations to the Authority. Each Hospital will pay to the Authority a rental. Such rentals, in the aggregate, are to be sufficient to pay the debt service on the 1989 Bonds and certain expenses and fees attributable to the issuance of the 1989 Bonds. If the Hospitals enter into loan agreements with the Authority, the Authority will loan the proceeds of the 1989 Bonds to the Hospitals and each Hospital will repay the loan in accordance with the loan agreement. Such loan repayments, in the aggregate, are to be sufficient to pay the debt service on the 1989 Bonds and certain expenses and fees attributable to the issuance of the 1989 Bonds. As additional security for the 1989 Bonds, the System will cause Bond Investors Guaranty Insurance Company to issue its bonds insurance policy insuring timely scheduled payment of the principal of and interest on the 1989 Bonds."

of Section 1 is hereby amended to read in full as follows:

"F. The Act provides that none of the powers granted thereby shall be exercised in the construction, improvement, maintenance, extension or operation of any project or projects which in whole or in part shall duplicate or compete with existing enterprises serving substantially the same purposes, but that such limitation does not apply to hospital projects to be leased to or to be financed with loans with public hospitals or non profit corporations serving the public if the municipality organizing the 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 hospital to have such facilities provided by an authority."

Section 4: All references to 1987 Bonds in the Original Ordinance are hereby amended to refer to 1989 Bonds.


Section 5: In accordance with the provisions of the Internal Revenue Code of 1986, as amended, this Board hereby approves the Program and the issuance of the 1989 Bonds by the Authority.

Ordinance, as modified herein, shall remain in full force and effect.


ENACTED, this 26th day of July, 1989, at the regular meeting of the Board of County Commissioners of the County of Bucks, Pennsylvania.


BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF BUCKS

[SEAL]

  
CHAIRMAN, Andrew L. Warren

Attest:

  
Chief Clerk

  
Mark S. Schweiker, Commissioner

  
Lucille M. Trench, Commissioner