

1 Introduced by the Council President at the request of the Mayor:
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4 **ORDINANCE 2021-21**

5 AN ORDINANCE PROVIDING FOR AND AUTHORIZING THE
6 ISSUANCE BY THE CITY OF JACKSONVILLE, FLORIDA OF
7 ITS HEALTH CARE FACILITIES REVENUE BONDS
8 (BAPTIST HEALTH), SERIES 2021, IN ONE OR MORE
9 TAXABLE OR TAX-EXEMPT SERIES, FROM TIME TO TIME,
10 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
11 \$150,000,000, AND PROVIDING FOR AND AUTHORIZING
12 ONE OR MORE LOANS BY THE CITY TO SOUTHERN BAPTIST
13 HOSPITAL OF FLORIDA, INC. (D/B/A BAPTIST MEDICAL
14 CENTER JACKSONVILLE, BAPTIST MEDICAL CENTER
15 SOUTH AND WOLFSON CHILDREN'S HOSPITAL), A
16 FLORIDA NOT FOR PROFIT CORPORATION (THE
17 "BORROWER"), IN AN AGGREGATE PRINCIPAL AMOUNT
18 EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT OF SAID
19 BONDS, FOR THE PURPOSES OF FINANCING, REFINANCING
20 AND REIMBURSING ALL OR A PORTION OF THE COSTS OF
21 CERTAIN CAPITAL EXPENDITURES AT CERTAIN HEALTH
22 CARE FACILITIES OF THE BORROWER AND ITS
23 AFFILIATES AND RELATED PARTIES, INCLUDING
24 WITHOUT LIMITATION THE ACQUISITION, PLANNING,
25 DEVELOPMENT, CONSTRUCTION, RENOVATION,
26 IMPROVEMENT, EQUIPPING AND INSTALLATION OF
27 CERTAIN CAPITAL PROJECTS DESCRIBED HEREIN IN
28 DUVAL COUNTY, FLORIDA AND CLAY COUNTY, FLORIDA;
29 PROVIDING THAT SAID BONDS SHALL NOT CONSTITUTE
30 A DEBT, LIABILITY OR OBLIGATION OF THE CITY OR

1 OF THE STATE OF FLORIDA OR ANY POLITICAL
2 SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY
3 FROM THE REVENUES HEREIN PROVIDED; APPOINTING A
4 BOND TRUSTEE; AUTHORIZING A DELEGATED NEGOTIATED
5 SALE OF SAID BONDS, APPROVING THE CONDITIONS AND
6 CRITERIA FOR SUCH SALE, AND AUTHORIZING THE
7 ECONOMIC DEVELOPMENT OFFICER OF THE CITY OF
8 JACKSONVILLE, FLORIDA TO AWARD THE NEGOTIATED
9 SALE OF THE BONDS TO THE PURCHASER; APPROVING
10 AND AUTHORIZING THE EXECUTION AND DELIVERY OF
11 CERTAIN DOCUMENTS REQUIRED IN CONNECTION WITH
12 THE FOREGOING; MAKING CERTAIN OTHER
13 APPOINTMENTS; PROVIDING CERTAIN OTHER DETAILS IN
14 CONNECTION THEREWITH, ALL PURSUANT TO CHAPTER
15 159, PART II, FLORIDA STATUTES, AS AMENDED,
16 SECTION 163.01, FLORIDA STATUTES, AS AMENDED,
17 AND OTHER APPLICABLE PROVISIONS OF LAW; AND
18 PROVIDING AN EFFECTIVE DATE.

19
20 **BE IT ORDAINED** by the Council of the City of Jacksonville:

21 **SECTION 1. AUTHORITY:** This Ordinance is enacted pursuant to
22 Chapter 104 of the Ordinance Code of the City of Jacksonville, Florida
23 (referred to herein as the "City" or the "Issuer"), as amended,
24 particularly as amended by Ordinance 2012-681-E enacted by the City
25 Council (the "Council") of the City on February 12, 2013; Chapter
26 159, Part II, Florida Statutes, as amended; Section 163.01, Florida
27 Statutes, as amended (the "Interlocal Act"); and other applicable
28 provisions of law.

29 **SECTION 2. DEFINITIONS.** Unless the context otherwise
30 requires, all terms used herein in capitalized forms shall have the

1 respective meanings specified in this section. Words importing the
2 singular shall include the plural, and words importing the plural
3 shall include the singular.

4 "Act" means, collectively, Chapter 159, Part II, Florida
5 Statutes, as amended, and the Interlocal Act.

6 "Baptist Obligated Group" means collectively, the Borrower,
7 Baptist Health System, Inc., Baptist Medical Center of the Beaches,
8 Inc., Baptist Medical Center of Nassau, Inc., Baptist Health
9 Properties, Inc., Baptist Health Ambulatory Services, Inc., each
10 a Florida not for profit corporation, and Baptist Behavioral
11 Health, LLC, a Florida limited liability company.

12 "Bond Counsel" means the law firm of McGuireWoods LLP,
13 Jacksonville, Florida.

14 "Bond Purchase Agreement" means, individually and collectively,
15 one or more Bond Purchase Agreements to be executed by and among the
16 Issuer and the Purchaser, together with any Letters of Representation
17 from the Borrower to the Issuer and the Purchaser, substantially in
18 the form currently **On File** with the Legislative Services Division and
19 incorporated herein by reference.

20 "Bonds" means the bonds of the Issuer to be designated "City of
21 Jacksonville, Florida Health Care Facilities Revenue Bonds (Baptist
22 Health), Series 2021" (or such other series designation as may be set
23 forth in the Indenture) in an aggregate principal amount not to exceed
24 \$150,000,000, in one or more taxable or tax-exempt series,
25 substantially in the form and with the rates of interest, maturity
26 dates and other details provided for herein, in the Indenture and
27 Bond Purchase Agreement to be authorized and issued by the Issuer,
28 authenticated by the Trustee and delivered under the Indenture.

29 "Borrower" means Southern Baptist Hospital of Florida, Inc.
30 (d/b/a Baptist Medical Center Jacksonville, Baptist Medical Center

1 South and Wolfson Children's Hospital), a Florida not for profit
2 corporation, and any successor, surviving, resulting or transferee
3 Person as provided in the Loan Agreement.

4 "Clay County Project" means the portion of the Project located
5 or to be located in Clay County, Florida.

6 "Code" means the Internal Revenue Code of 1986, as amended from
7 time to time, and the Regulations thereunder, whether proposed,
8 temporary or final, promulgated by the Department of the Treasury,
9 Internal Revenue Service.

10 "Corporation Secretary" as used herein refers to the Corporation
11 Secretary of the Issuer or such other person as may be authorized to
12 act in the place of the Corporation Secretary.

13 "Economic Development Officer" as used herein refers to the
14 Economic Development Officer of the Issuer or such other person as
15 may be authorized to act in the place of the Economic Development
16 Officer.

17 "Indenture" means, individually and collectively, one or more
18 Trust Indentures to be executed by and between the Issuer and the
19 Trustee, substantially in the form currently **On File** with the
20 Legislative Services Division and incorporated herein by reference.

21 "Interlocal Agreement" means the Interlocal Agreement to be
22 executed by and between the Issuer and Clay County, Florida,
23 substantially in the form currently **On File** with the Legislative
24 Services Division and incorporated herein by reference.

25 "Issuer" means the City of Jacksonville, Florida, a consolidated
26 municipal and county political subdivision of the State of Florida.

27 "Jacksonville Project" means the portion of the Project located
28 or to be located in Duval County, Florida.

29 "Loan Agreement" means, individually and collectively, one or
30 more Loan Agreements to be executed by and between the Issuer and the

1 Borrower, substantially in the form currently **On File** with the
2 Legislative Services Division and incorporated herein by reference.

3 "Master Indenture" means the First Amended and Restated Master
4 Trust Indenture dated as of July 15, 2017 (as heretofore and hereafter
5 amended and supplemented from time to time), between the Baptist
6 Obligated Group and The Bank of New York Mellon Trust Company, N.A.,
7 as master trustee.

8 "Master Indenture Obligation" means, individually and
9 collectively, one or more obligations to be issued under the Master
10 Indenture and executed and delivered by or on behalf of the Baptist
11 Obligated Group to the Issuer and assigned to the Trustee,
12 substantially in the form currently **On File** in the Legislative
13 Services Division and incorporated herein by reference.

14 "Official Statement" means, individually and collectively, one
15 or more official statements relating to the offering and sale of the
16 Bonds, if applicable, substantially in the form to be placed **On File**
17 with the Legislative Services Division and incorporated herein by
18 reference.

19 "Person" or words importing persons means firms, associations,
20 partnerships (including, without limitation, general and limited
21 partnerships), joint ventures, limited liability companies,
22 corporations, societies, estates, trusts, public or governmental
23 bodies, other legal entities and natural persons.

24 "Project" means certain capital expenditures at the health care
25 facilities of the Borrower and its affiliates and related parties,
26 as more particularly described on **Exhibit A** hereto, all located or
27 to be located within or outside the geographical limits of the Issuer.

28 "Purchaser" means, individually and collectively, one or more
29 underwriter(s), placement agent(s), financial institution(s),
30 institutional lender(s), any affiliate(s) of any of the foregoing,

1 or any combination of the foregoing, in each case selected by the
2 Borrower, and their respective successors and assigns.

3 "State" means the State of Florida.

4 "Trustee" means The Bank of New York Mellon Trust Company, N.A.,
5 a national banking association, and any successor banking
6 organization, banking association or trust company at the time serving
7 as corporate trustee under the provisions of the Indenture.

8 **SECTION 3. FINDINGS.** The Issuer hereby finds, determines
9 and declares as follows:

10 (A) The Issuer is a consolidated municipal and county political
11 subdivision of the State of Florida, and is a local agency as defined
12 in the Florida Industrial Development Financing Act, Chapter 159,
13 Part II, Florida Statutes, as amended. As such, the Issuer is duly
14 authorized and empowered by the Act to provide for the issuance of
15 and to issue and sell its industrial development revenue bonds, for
16 the purposes of financing, refinancing and reimbursing all or any
17 part of the "cost" of any "project," including any "health care
18 facility" (as such terms are defined or used in the Act), in order
19 to promote and foster the economic growth and development of the
20 Issuer and the State, to improve health care in the Issuer and the
21 State, to enhance and expand industry and other economic activity in
22 the Issuer and the State, and to increase purchasing power and
23 opportunities for gainful employment, to improve living conditions
24 and health care and to advance and improve the prosperity and the
25 welfare of the State and its inhabitants, to foster the industrial
26 and business development of the Issuer and the State, and to otherwise
27 provide for and contribute to the health, safety and welfare of the
28 people of the Issuer and the State.

29 (B) The Borrower has requested that the Council authorize the
30 issuance of the Bonds for the purposes of financing, refinancing and

1 reimbursing all or a portion of the costs of the Project, all in
2 accordance with the provisions of the Act and Chapter 104 of the
3 Ordinance Code of the Issuer, and other applicable provisions of
4 law, as more particularly described in the Report of Hearing Officer
5 hereinafter described.

6 (C) On December 16, 2020, the Industrial Development Revenue
7 Bond Review Committee of the Issuer adopted the Preliminary Resolution
8 expressing the intent of the Issuer to issue the Bonds and authorizing
9 the execution and delivery of a Memorandum of Agreement with the
10 Borrower relating to the proposed issuance of the Bonds. A copy of
11 the Preliminary Resolution is **On File** with the Legislative Services
12 Division and incorporated herein by reference, and a copy of such
13 Memorandum of Agreement is **On File** with the Legislative Services
14 Division and incorporated herein by reference. The Borrower has
15 requested that the Issuer loan the proceeds of the Bonds to the
16 Borrower pursuant to the Loan Agreement for the purposes of financing,
17 refinancing and reimbursing all or a portion of the costs of the
18 Project.

19 (D) A notice of a public hearing to be held by the Economic
20 Development Officer, or his designee, on behalf of the Issuer and the
21 Council of the City, inviting comments and discussion concerning the
22 nature and location of the Project and the issuance of the Bonds, was
23 published in *The Jacksonville Daily Record*, a newspaper of general
24 circulation in Duval County, Florida, not less than seven (7) days
25 prior to the scheduled date of such public hearing. Following such
26 notice, a public hearing was held by the Economic Development Officer,
27 or his designee, on behalf of the Issuer and the Council of the City,
28 at which hearing members of the public were offered reasonable
29 opportunity to be heard on all matters pertaining to the location and
30 nature of the Project and to the issuance of the Bonds. The public

1 hearing provided a reasonable opportunity for interested individuals
2 to express their views, both orally and in writing, on the proposed
3 issuance of the Bonds and the location and nature of the Project, and
4 was held in a location which, under the facts and circumstances, was
5 convenient for residents of Duval County, Florida. The notice was
6 reasonably designed to inform residents of Duval County, Florida of
7 the proposed issue, stated that the Issuer would be the issuer of the
8 Bonds, stated the time and place for the hearing, and contained the
9 information required by the Code. The 7-day period was adequate for
10 notice to be brought to the attention of all interested persons,
11 equals or exceeds the normal periods for notices of public hearings
12 conducted by other affected governmental units, various agencies
13 thereof and the State, and provided sufficient time for interested
14 persons to prepare for and express their views at such hearing. A
15 copy of the proof of publication of Notice of Hearing, the minutes
16 of the public meeting and the written report of hearing officer are
17 to be placed **On File** with the Legislative Services Division at a
18 later date and are incorporated herein by reference.

19 (E) The Borrower has requested that the Issuer enter into the
20 Interlocal Agreement, which is incorporated herein by reference, to
21 provide for the issuance by the Issuer of the Bonds to finance,
22 refinance or reimburse all or a portion of the costs of the Clay
23 County Project through a single financing plan which will result in
24 substantial cost savings for the Borrower in connection with the
25 Project. The Bonds will not be issued to finance, refinance or
26 reimburse any portion of the Clay County Project unless the City
27 shall have entered into the Interlocal Agreement with Clay County,
28 Florida.

29 (F) Pursuant to the Loan Agreement, the Borrower will be
30 obligated to operate, repair and maintain the Project at no expense

1 to the Issuer, to make payments sufficient to pay the principal and
2 purchase price of, premium, if any, and interest on the Bonds when
3 and as the same become due, and for the payment of all other costs
4 incurred by the Issuer in connection with the issuance of the Bonds
5 and financing, refinancing and reimbursing costs of the Project which
6 are not paid out of Bond proceeds or otherwise.

7 (G) The Issuer has initially determined that the interest on
8 all or a portion of the Bonds will be excludable from gross income
9 for federal income tax purposes under Section 103(a) of the Code,
10 based in part on a certificate to be obtained from the Borrower; and
11 to the extent interest on all or a portion of the Bonds is to be
12 excluded from federal income taxation, such Bonds (or portion thereof)
13 will not be issued unless the Issuer has received a satisfactory
14 opinion of Bond Counsel to the effect (among other things) that the
15 interest on such Bonds (or portion thereof) will be excluded from
16 gross income for federal income tax purposes at the time of delivery
17 of such Bonds (or portion thereof).

18 (H) Pursuant to the Master Indenture, the Baptist Obligated
19 Group will issue the Master Indenture Obligation in order to secure
20 the obligations of the Borrower under the Loan Agreement to make
21 payments sufficient to pay the principal and purchase price of,
22 premium, if any, and interest on the Bonds when and as the same shall
23 become due, as provided in the Master Indenture Obligation.

24 (I) Based in part and in reliance upon the determinations and
25 representations to be received from Clay County, Florida in the
26 Interlocal Agreement, the Project and the financing, refinancing and
27 reimbursing of all or a portion of the costs of the Project by the
28 Issuer will be in furtherance of the purposes of the Act.

29 (J) The Jacksonville Project is appropriate to the needs and
30 circumstances of, and will make a significant contribution to, the

1 economic growth of the Issuer and each other political subdivision
2 or local agency in which all or any portion of the Project is located
3 or is to be located; will provide or preserve gainful employment;
4 will protect the environment; or will serve a public purpose by
5 advancing the economic prosperity, public health and general welfare
6 of the Issuer, the State and its people, as stated in Section 159.26,
7 Florida Statutes, as amended. Based in part on the determinations and
8 representations to be received from Clay County, Florida in the
9 Interlocal Agreement, the Clay County Project is appropriate to the
10 needs and circumstances of and shall make a significant contribution
11 to the economic growth of Clay County, Florida and shall preserve and
12 provide gainful employment and shall serve a public purpose by
13 advancing the economic prosperity, the public health and the general
14 welfare of Clay County, Florida, the State and its people as stated
15 in Section 159.26, Florida Statutes, as amended

16 (K) The Borrower has shown that the Project will provide or
17 preserve employment within the jurisdiction of the Issuer and Clay
18 County, Florida; that it will improve health care within the
19 jurisdiction of the Issuer and Clay County, Florida; that it will
20 foster the economic growth and development and the industrial and
21 business development of the Issuer, Clay County, Florida and the
22 State; and that it will serve other predominately public purposes as
23 set forth in the Act. It is desirable and will further the public
24 purposes of the Act, and it will most effectively serve the purposes
25 of the Act, for the Issuer to issue and sell the Bonds under the
26 Indenture for the purpose of providing funds to finance, refinance
27 and reimburse all or a portion of the costs of the Project, all as
28 provided in the documents referred to herein, which contain such
29 provisions as are necessary or convenient to effectuate the purposes
30 of the Act.

1 (L) The Issuer and other political subdivisions and local
2 agencies in which all or any portion of the Jacksonville Project is
3 located or is to be located have been and will continue to be able
4 to cope satisfactorily with the impact of the Jacksonville Project
5 and will be able to provide, or cause to be provided when needed, the
6 public facilities, including utilities and public services, that are
7 necessary for the operation, repair and maintenance of the
8 Jacksonville Project and on account of any increases in population
9 or other circumstances resulting therefrom. Based in part on the
10 determinations and representations to be received from Clay County,
11 Florida in the Interlocal Agreement, Clay County, Florida and other
12 local agencies will be able to cope satisfactorily with the impact
13 of the Clay County Project and will be able to provide, or cause to
14 be provided when needed, the public facilities, including utilities
15 and public services, that will be necessary for the operation, repair
16 and maintenance of the Clay County Project and on account of any
17 increase in population or other circumstances resulting therefrom.

18 (M) Taking into account the Master Indenture Obligation to be
19 executed and delivered by or on behalf of the Baptist Obligated Group,
20 the Borrower is financially responsible based on the criteria
21 established by the Act and is fully capable and willing to fulfill
22 its obligations under the Loan Agreement, including the obligation
23 to pay loan payments or other payments in an amount sufficient in the
24 aggregate to pay all of the principal of, premium, if any, and
25 interest on the Bonds, in the amounts and at the times required, the
26 obligation to operate, repair and maintain the Project at the
27 Borrower's own expense, and to serve the purposes of the Act and such
28 other responsibilities as may be imposed under such agreements.

29 (N) Pursuant to the Interlocal Act, in order to make efficient
30 use of shared powers, the Issuer and Clay County, Florida will enter

1 into the Interlocal Agreement, pursuant to which Clay County, Florida
2 will approve the issuance of the Bonds by the Issuer with respect to
3 the Clay County Project.

4 (O) Adequate provision has been made in the documents
5 referenced herein for the operation, repair and maintenance of the
6 Project at the expense of the Borrower and for the payment of the
7 principal and purchase price of, and premium, if any, and interest
8 on the Bonds when and as the same become due and payable.

9 (P) The costs to be paid or reimbursed with the proceeds of
10 the Bonds are or will be "costs" of a "project" within the meaning
11 of the Act.

12 (Q) The Issuer is not obligated to pay the Bonds except from
13 the proceeds derived from the repayment of the loan(s) to the
14 Borrower, or from the other security pledged therefor, and neither
15 the faith, credit nor the taxing power of the Issuer, or of the State
16 or any political subdivision thereof, is pledged to the payment of
17 the principal of, or premium, if any, or interest on the Bonds. No
18 owner or holder of any of the Bonds shall ever have the power,
19 directly or indirectly, to compel the exercise of the ad valorem
20 taxing power for the payment of the principal or purchase price of,
21 or premium, if any, or interest on any of the Bonds.

22 (R) The payments required to be made by the Borrower under the
23 Loan Agreement will be sufficient to pay the principal of, and
24 premium, if any, and interest on the Bonds, when and as the same
25 shall become due, and all other costs incurred in connection with
26 financing, refinancing and reimbursing of costs of the Project, except
27 as may be paid out of the proceeds of sale of the Bonds or otherwise,
28 and to make all other payments required by the Indenture.

29 (S) The Issuer is advised that due to the present volatility
30 of the market for public obligations such as the Bonds, it is in the

1 best interest of the Issuer to sell the Bonds by a delegated
2 negotiated sale, allowing the Issuer to enter such market at the most
3 advantageous time, rather than at a specified advertised future date,
4 thereby permitting the Issuer to obtain the best possible price,
5 interest rate and other terms for the Bonds and, accordingly, the
6 Issuer does hereby find and determine that it is in the best financial
7 interest of the Issuer that a delegated negotiated sale of the Bonds
8 to the Purchaser be authorized.

9 (T) The Purchaser will use reasonable efforts to submit to the
10 Issuer an offer to purchase the Bonds in the form of the Bond Purchase
11 Agreement upon terms acceptable to the Issuer as hereinafter
12 authorized, and the Issuer does hereby find and determine that it is
13 in the best financial interest of the Issuer to accept the offer of
14 the Purchaser to purchase the Bonds at a negotiated sale and to
15 authorize the execution and delivery of the Bond Purchase Agreement
16 in the manner and upon the terms hereinafter provided. Upon the
17 execution of the Bond Purchase Agreement by the Issuer, the Borrower
18 and the Purchaser, the Bonds shall be sold to the Purchaser pursuant
19 to the terms and provisions of the Bond Purchase Agreement.

20 (U) Prior to the execution of a Bond Purchase Agreement, the
21 Purchaser shall provide the Issuer with a disclosure statement,
22 satisfactory to the Issuer, containing the information required by
23 Section 218.385, Florida Statutes, as amended. The Issuer shall not
24 require any further disclosure pursuant to Section 218.385, Florida
25 Statutes, as amended.

26 (V) All requirements precedent to the enactment of this
27 Ordinance, of the Constitution and other laws of the State, including
28 the Act, have been complied with.

29 **SECTION 4. FINANCING, REFINANCING AND REIMBURSING OF COSTS**
30 **OF THE PROJECT AUTHORIZED.** The financing, refinancing and reimbursing

1 of costs of the Project in the manner provided herein is hereby
2 authorized.

3 **SECTION 5. AUTHORIZATION OF BONDS.** The issuance of the
4 Bonds in an aggregate principal amount of not to exceed \$150,000,000
5 is hereby authorized; provided, however, that in order to finance,
6 refinance and reimburse all or any portion of the costs of the Clay
7 County, Project, the Issuer shall have entered into the Interlocal
8 Agreement with Clay County, Florida. The Bonds shall be designated
9 as provided in Section 2 hereof, shall be issued and shall be subject
10 to payment as provided in the Indenture and shall be issued in the
11 name of and delivered to the Purchaser, or as directed by the
12 Purchaser, as provided in the Bond Purchase Agreement.

13 The Bonds shall be in the aggregate principal amounts, shall be
14 dated such dates, shall bear interest at such rates, shall be payable
15 or shall mature on such dates and in such amounts, shall be issued
16 in such denominations, shall be subject to optional and mandatory
17 redemption and tender at such time or times, and upon such terms and
18 conditions, shall be payable at the place or places and in the manner,
19 shall be executed, authenticated and delivered, shall otherwise be
20 in such forms, and subject to such terms and conditions, all as
21 provided in the Indenture and the Bond Purchase Agreement. Authority
22 for the issuance of such aggregate principal amount of the Bonds
23 herein authorized which shall not be hereafter delivered to the
24 Purchaser pursuant to the provisions of the Bond Purchase Agreement
25 is hereby cancelled and rescinded.

26 The Bonds, the principal and purchase price thereof, and the
27 premium, if any, and the interest thereon shall not be deemed to
28 constitute a general debt, liability or obligation of the Issuer, the
29 State, or of any political subdivision thereof, but shall be payable
30 solely from the revenues and proceeds pledged therefor and neither

1 the faith and credit nor the taxing power of the Issuer, the State
2 or any political subdivision thereof is pledged to the payment of the
3 principal of, or premium, if any, or interest on the Bonds.

4 **SECTION 6. AUTHORIZATION OF EXECUTION AND DELIVERY OF LOAN**
5 **AGREEMENT.** As authorized by and in conformity with the Act, it is
6 desirable and in the public interest that the Issuer loan funds to
7 the Borrower to finance, refinance and reimburse costs of the Project
8 in the manner provided herein and in the Loan Agreement, such loan(s)
9 to be evidenced by and to be made pursuant to the Loan Agreement. The
10 Loan Agreement, with such changes, corrections, insertions and
11 deletions as may be approved by the Economic Development Officer,
12 such approval to be evidenced conclusively by execution thereof, is
13 hereby approved and authorized; the Issuer hereby authorizes and
14 directs the Economic Development Officer to date and execute the Loan
15 Agreement, and to deliver the Loan Agreement to the Borrower; and all
16 of the provisions of each Loan Agreement, when executed and delivered
17 by the Issuer as authorized herein and by the Borrower, shall be
18 deemed to be a part of this Ordinance as fully and to the same extent
19 as if incorporated verbatim herein.

20 **SECTION 7. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE**
21 **INDENTURE.** In order to secure the payment of the principal of and
22 premium, if any, and interest on the Bonds herein authorized,
23 according to their tenor, purport and effect, and in order to secure
24 the performance and observance of all the covenants, agreements and
25 conditions in the Bonds, the Issuer has agreed to enter into the
26 Indenture with the Trustee. The Indenture, with such changes,
27 corrections, insertions and deletions as may be approved by the
28 Economic Development Officer, such approval to be evidenced
29 conclusively by execution thereof, is hereby approved and authorized;
30 the Issuer hereby authorizes and directs the Economic Development

1 Officer, to date and execute the Indenture, and deliver the Indenture
2 to the Trustee; and all of the provisions of the Indenture, when
3 executed and delivered by the Issuer as authorized herein and by the
4 Trustee, shall be deemed to be a part of this Ordinance as fully and
5 to the same extent as if incorporated verbatim herein.

6 **SECTION 8. DELEGATED SALE OF BONDS; AUTHORIZATION OF**
7 **EXECUTION AND DELIVERY OF THE BOND PURCHASE AGREEMENT.** Subject to the
8 satisfaction of the conditions set forth in this Section, a delegated
9 negotiated sale of the Bonds is hereby authorized. The Economic
10 Development Officer is hereby authorized and directed to award the
11 sale of the Bonds to the Purchaser pursuant to the provisions of the
12 Bond Purchase Agreement, subject to all the following conditions:

13 (A) Receipt by the Economic Development Officer of a written
14 offer to purchase the Bonds by the Purchaser, substantially in the
15 form of the Bond Purchase Agreement, said offer to provide for, among
16 other things, (i) the issuance of the Bonds in an aggregate principal
17 amount of not to exceed \$150,000,000, (ii) an underwriting discount
18 (including management fee and all expenses) not in excess of 1.00%
19 of the par amount of the Bonds, (iii) an initial interest rate or an
20 average initial interest rate on the date of issuance of not more
21 than 8.00% per annum, and (iv) the final maturity date of the Bonds
22 to be no later than forty (40) years from the dated date of the Bonds.

23 (B) The Bonds will be subject to optional or mandatory
24 redemption prior to maturity and optional or mandatory tender for
25 purchase pursuant to the provisions of the Indenture authorized
26 hereunder.

27 (C) Receipt by the Economic Development Officer from the
28 Purchaser of a disclosure statement and truth-in-bonding information
29 complying with Section 218.385, Florida Statutes, as amended.

1 (D) Prior to the issuance of the Bonds, the Bonds shall be
2 rated by at least one of the three major bond rating agencies, in a
3 rating category of at least "A" or its equivalent (without regard to
4 gradations or modifiers) or shall otherwise meet the requirements of
5 Section 104.306(b)(3) of the Ordinance Code of the City of
6 Jacksonville.

7 Upon satisfaction of the foregoing conditions, the Bond Purchase
8 Agreement, with such other changes, corrections, insertions and
9 deletions as may be approved by the Economic Development Officer,
10 such approval to be evidenced conclusively by the Economic Development
11 Officer's execution thereof, is approved and authorized; the Issuer
12 hereby authorizes and directs the Economic Development Officer to
13 date and execute the Bond Purchase Agreement and to deliver the Bond
14 Purchase Agreement to the Purchaser; and all of the provisions of the
15 Bond Purchase Agreement, when executed and delivered by the Issuer
16 as authorized herein and by the Borrower and the Purchaser, shall be
17 deemed to be a part of this Ordinance as fully and to the same extent
18 as if incorporated verbatim herein.

19 **SECTION 9. APPROVAL OF MASTER INDENTURE OBLIGATION SECURING**
20 **BONDS.** To provide additional security for the payment of the Bonds,
21 Baptist Health System, Inc. ("BHS") has agreed to issue a Master
22 Indenture Obligation on behalf of the Baptist Obligated Group. The
23 Master Indenture Obligation is hereby approved, subject to such
24 changes, insertions and omissions as may be approved in such form by
25 the Baptist Obligated Group and by the Economic Development Officer,
26 such approval by the Economic Development Officer to be evidenced
27 conclusively by the Economic Development Officer's execution of the
28 Indenture; and all of the provisions of the Master Indenture
29 Obligation, when executed by BHS, as agent of the Baptist Obligated
30 Group, and delivered to the Trustee as authorized herein, shall be

1 deemed to be a part of this Ordinance as fully and to the same extent
2 as if incorporated verbatim herein.

3 **SECTION 10. APPROVAL AND AUTHORIZATION OF OFFICIAL**
4 **STATEMENT.** The form of the Official Statement, with such omissions,
5 insertions and variations as may be necessary and/or desirable and
6 approved by the Economic Development Officer to allow the Economic
7 Development Officer to deem the Official Statement final as
8 hereinafter described, is authorized to be delivered by the Issuer
9 to the Purchaser, used by the Purchaser in connection with the sale
10 of the Bonds, and distributed by the Purchaser prior to the issuance
11 and delivery of the Bonds. The Economic Development Officer is hereby
12 authorized to deem the Official Statement final as of its date on
13 behalf of the Issuer for purposes of Rule 15c2-12 of the Securities
14 and Exchange Commission, as amended (except for such omissions
15 permitted by such Rule), and to execute a certificate to that effect
16 to be delivered to the Purchaser. The Economic Development Officer
17 is hereby authorized to evidence the Issuer's approval of the Official
18 Statement by the Economic Development Officer's endorsement thereof
19 upon one or more copies, and approval of all such omissions,
20 insertions and variations may be presumed from such endorsement upon
21 any copy of such Official Statement.

22 **SECTION 11. AUTHORIZATION TO EXECUTE IDENTIFICATION OF**
23 **ANTICIPATORY HEDGE.** In connection with the issuance of the Bonds, the
24 Borrower may enter into one or more "qualified hedges" as defined by
25 Section 1.148-4(h)(2) of the Treasury Regulations (each a "Hedge
26 Contract"). The Economic Development Officer is authorized to execute
27 an identification of one or more of any such Hedge Contracts.

28 **SECTION 12. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE**
29 **INTERLOCAL AGREEMENT.** In order to provide for the issuance of the
30 portion of the Bonds, the proceeds of which are to be used to finance,

1 refinance or reimburse costs of the Clay County Project, the Issuer
2 has agreed to enter into the Interlocal Agreement with Clay County,
3 Florida. The Interlocal Agreement, with such changes, corrections,
4 insertions and deletions as may be approved by the Economic
5 Development Officer, such approval to be evidenced conclusively by
6 execution thereof, is hereby approved and authorized; the Issuer
7 hereby authorizes and directs the Economic Development Officer to
8 date and execute the Interlocal Agreement, and deliver the Interlocal
9 Agreement to Clay County, Florida; and all of the provisions of the
10 Interlocal Agreement, when executed and delivered by the Issuer as
11 authorized herein and by Clay County, Florida, shall be deemed to be
12 a part of this Ordinance as fully and to the same extent as if
13 incorporated verbatim herein. The Economic Development Officer is
14 hereby further authorized to do all things which may be required or
15 advisable with respect or in any way related thereto, including, but
16 not limited to, recording the Interlocal Agreement with the Clerk of
17 the Circuit Court in and for Duval County, Florida. The Economic
18 Development Officer is hereby further authorized to take such further
19 action and execute such further instruments as may be necessary or
20 appropriate to fully effectuate the purpose and intention of the
21 Interlocal Agreement. The officer executing the Interlocal Agreement
22 is hereby further authorized to do all acts which may be required or
23 advisable with respect or in any way relating thereto, including, but
24 not limited to, filing such Interlocal Agreement with the Clerks of
25 the Circuit Court in and for Duval County, Florida and in and for the
26 jurisdiction of the applicable Public Agency in accordance with
27 Section 163.01(11), Florida Statutes, as amended.

28 **SECTION 13. ASSIGNMENT OF LOAN AGREEMENT.** All rights of the
29 Issuer under the Loan Agreement (other than certain rights of the
30 Issuer reserved therein) and the Master Indenture Obligation will be

1 assigned by the Issuer to the Trustee under the terms of the
2 Indenture.

3 **SECTION 14. APPOINTMENT OF TRUSTEE.** The Bank of New York
4 Mellon Trust Company, N.A., with its designated corporate trust office
5 presently located in the City of Jacksonville, Florida, is hereby
6 appointed as the Trustee under the Indenture and as registrar and
7 paying agent with respect to the Bonds.

8 **SECTION 15. VALIDATION.** The Bonds shall not be required to
9 be validated pursuant to Chapter 75, Florida Statutes, as amended;
10 provided, however, that if required by counsel to the Issuer, counsel
11 to the Borrower or Bond Counsel, the Bonds may be validated and in
12 such event Issuer's counsel is hereby authorized, at the expense of
13 the Borrower, to prepare validation pleadings on behalf of the Issuer
14 and to take any and all action as Issuer's counsel may deem necessary
15 or desirable for the validation of the Bonds.

16 **SECTION 16. DESIGNATIONS OF SIGNATORIES.** The Economic
17 Development Officer is hereby authorized to designate by written
18 certificate one or more authorized signatories to execute any and all
19 instruments, documents and certificates in his place. Such signature
20 shall have the effect of the Economic Development Officer's signature
21 as authorized in this Ordinance. The Economic Development Officer is
22 hereby authorized to designate by written certificate one or more
23 authorized signatories to execute any and all instruments, documents
24 and certificates in his place. Such signature shall have the effect
25 of the Economic Development Officer's signature as authorized in this
26 Ordinance.

27 **SECTION 17. AUTHORIZATION OF EXECUTION OF OTHER CERTIFICATES**
28 **AND INSTRUMENTS.** The Economic Development Officer, the Corporation
29 Secretary and the members of Council are hereby authorized and
30 directed, either alone or jointly, to execute and deliver:

1 (i) certificates of the Issuer certifying such facts as the Issuer's
2 counsel or Bond Counsel shall require in connection with the issuance,
3 sale and delivery of the Bonds, (ii) such certificates as may be
4 required under Section 103 of the Code or under the provisions of
5 Florida law, (iii) such agreements and instruments as shall be
6 necessary or desirable in connection with the delivery of any credit
7 enhancement or liquidity facilities relating to the Bonds, and
8 (iv) such other agreements and instruments, including but not limited
9 to, tax compliance agreements, deeds, assignments, bills of sale and
10 financing statements, as shall be necessary or desirable to perform
11 the Issuer's obligations under the Loan Agreement, the Indenture, the
12 Bond Purchase Agreement and the Interlocal Agreement and to consummate
13 the transactions hereby authorized.

14 **SECTION 18. NO PERSONAL LIABILITY.** No representation,
15 statement, covenant, warranty, stipulation, obligation or agreement
16 herein contained, or contained in the Bonds or the documents referred
17 to herein or any certificate or other instrument to be executed on
18 behalf of the Issuer in connection with the issuance of the Bonds,
19 shall be deemed to be a representation, statement, covenant, warranty,
20 stipulation, obligation or agreement of any member, officer, employee
21 or agent of the Issuer in his or her individual capacity, and none
22 of the foregoing persons nor any officer of the Issuer executing the
23 Bonds or any document referred to herein or any certificate or other
24 instrument to be executed in connection with the issuance of the
25 Bonds shall be liable personally thereon or be subject, to any
26 personal liability or accountability by reason of the execution or
27 delivery thereof.

28 **SECTION 19. NO THIRD PARTY BENEFICIARIES.** Except as
29 otherwise expressly provided herein, in the Bonds or in the documents
30 referred to herein, nothing in this Ordinance, the Bonds or the

1 documents, express or implied, is intended or shall be construed to
2 confer upon any person, firm, corporation or other organization,
3 other than the Issuer, the Borrower, the Baptist Obligated Group, the
4 Trustee and the Purchaser (and subsequent holders from time to time)
5 of the Bonds any right, remedy or claim, legal or equitable, under
6 and by reason of this Ordinance or any provision hereof, or of the
7 Bonds or the documents, all provisions hereof and thereof being
8 intended to be and being for the sole and exclusive benefit of the
9 Issuer, the Borrower, the Baptist Obligated Group, the Trustee and
10 the Purchaser (and subsequent holders from time to time) of the Bonds.

11 **SECTION 20. PREREQUISITES PERFORMED.** All acts, conditions
12 and things relating to the passage of this Ordinance, to the issuance,
13 sale and delivery of the Bonds, and to the execution and delivery of
14 the Loan Agreement, Indenture, Bond Purchase Agreement and Interlocal
15 Agreement, required by the Constitution or other laws of the State,
16 to happen, exist and be performed precedent to the passage hereof,
17 and precedent to the issuance, sale and delivery of the Bonds, to the
18 execution and delivery of the Loan Agreement, Indenture, Bond Purchase
19 Agreement and Interlocal Agreement, have either happened, exist and
20 have been performed as so required or will have happened, will exist
21 and will have been performed prior to such execution and delivery.

22 **SECTION 21. COMPLIANCE WITH CHAPTER 218, PART III, FLA.**
23 **STATS.** The Issuer hereby approves and authorizes the completion,
24 execution and filing with the Division of Bond Finance of the State
25 Board of Administration of the State of Florida, at the expense of
26 the Borrower, of advance notice of the impending sale of the Bonds,
27 of Bond Information Form BF 2003/2004, and of a copy of Internal
28 Revenue Service Form 8038 for the Bonds (or any portion thereof), and
29 any other acts as may be necessary to comply with Chapter 218, Part
30 III, Florida Statutes, as amended.

1 **SECTION 22. GENERAL AUTHORITY.** The members of the Council
2 and its officers, attorneys, agents and employees are hereby
3 authorized to do all acts and things required of them by this
4 Ordinance, the Bonds, the Loan Agreement, the Indenture, the Bond
5 Purchase Agreement and the Interlocal Agreement, and to do all acts
6 and things which are desirable and consistent with the requirements
7 hereof or of the Bonds, the Loan Agreement, Indenture, the Bond
8 Purchase Agreement and the Interlocal Agreement, for the full,
9 punctual and complete performance of all the terms, covenants and
10 agreements contained herein or in the Bonds, the Loan Agreement, the
11 Indenture, the Bond Purchase Agreement and the Interlocal Agreement.

12 **SECTION 23. SEVERABILITY OF INVALID PROVISIONS.** If any one
13 or more of the covenants, agreements or provisions herein contained
14 shall be held contrary to any express provisions of law or contrary
15 to the policy of express law, though not expressly prohibited, or
16 against public policy, or shall for any reason whatsoever be held
17 invalid, then such covenants, agreements or provisions shall be null
18 and void and shall be deemed separable from the remaining covenants,
19 agreements or provisions, and shall in no way affect the validity of
20 any of the other provisions hereof or of the Bonds.

21 **SECTION 24. REPEALING CLAUSE.** All ordinances or parts
22 thereof in conflict with the provisions herein contained are, to the
23 extent of such conflict, hereby superseded and repealed.

24 **SECTION 25. EFFECTIVE DATE.** This Ordinance shall become
25 effective immediately upon signature by the Mayor or upon becoming
26 effective without the Mayor's signature

1 Form Approved:

2

3 /s/ Joelle J. Dillard

4 Office of General Counsel

5 Legislation prepared by: McGuireWoods LLP and Assistant General
6 Counsel

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