

MEMORANDUM

Agenda Item No. 11(A)(33)

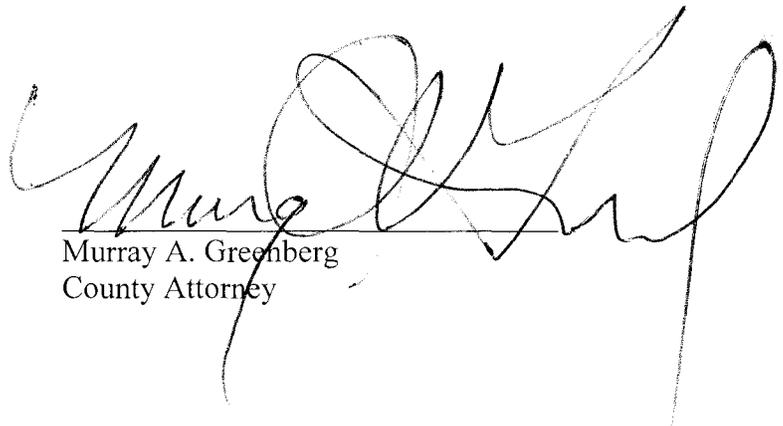
TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: April 24, 2007

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Resolution approving
interlocal agreement with
City of South Miami Health
Facilities Authority;
approving issuance and sale
of its revenue bonds in an
amount not to exceed
\$800,000,000

The accompanying resolution was prepared and placed on the agenda at the request of
Commissioner Joe A. Martinez.



Murray A. Greenberg
County Attorney

MAG/bw



MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: April 24, 2007

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No. 11(A)(33)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor

Agenda Item No. 11(A)(33)

Veto _____

4-24-07

Override _____

RESOLUTION NO. _____

RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF SOUTH MIAMI HEALTH FACILITIES AUTHORITY AND AUTHORIZING ITS EXECUTION AND DELIVERY BY THE MAYOR OR HIS DESIGNEE; APPROVING THE ISSUANCE AND SALE BY SUCH AUTHORITY OF ITS REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$800,000,000 FOR THE BENEFIT OF BAPTIST HEALTH SOUTH FLORIDA, INC., BAPTIST HOSPITAL OF MIAMI, INC., BAPTIST OUTPATIENT SERVICES, INC., DOCTORS HOSPITAL, INC., HOMESTEAD HOSPITAL, INC., MARINERS HOSPITAL, INC., SOUTH MIAMI HOSPITAL, INC., AND WEST KENDALL BAPTIST HOSPITAL, INC., IN PART PURSUANT TO SUCH INTERLOCAL AGREEMENT AND IN PART PURSUANT TO AN INTERLOCAL AGREEMENT BETWEEN THE MIAMI-DADE COUNTY HEALTH FACILITIES AUTHORITY AND THE CITY OF SOUTH MIAMI HEALTH FACILITIES AUTHORITY, AS REQUIRED BY SECTION 147(F) OF THE INTERNAL REVENUE CODE, AS AMENDED; AND PROVIDING FOR OTHER RELATED MATTERS

WHEREAS, Miami-Dade County, Florida (the “County”) is a political subdivision existing under the laws of Florida and a “local agency” with the power to issue revenue bonds for the purpose of providing funds to pay all or any part of the “cost” of a “project” constituting a “health care facility,” as defined in Sections 159.27(2), (5) and (16), respectively, of the Florida Industrial Development Financing Act (Part II of Chapter 159, Florida Statutes), as amended (the “Industrial Act”) and to issue revenue refunding bonds for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of Part II of the Industrial Act; and

WHEREAS, the Miami-Dade County Health Facilities Authority (the “Miami-Dade Authority”) and the City of South Miami Health Facilities Authority (the

“South Miami Authority”) are each a “health facilities authority” as defined in Section 154.205(2) of the Florida Health Facilities Authorities Law (Part III of Chapter 154, Florida Statutes), as amended (the “Authority Act”), with power to, among other things, issue revenue bonds for the purpose of assisting “health facilities” (as defined in Section 154.205(8) of the Authority Act) in the acquisition, construction, renovation, rehabilitation, furnishing and equipping of “projects” (as defined in Section 154.205(10) of the Authority Act), refunding outstanding obligations issued, made or given by a health facility for the cost of a project and to issue refunding bonds to refund any of its revenue bonds then outstanding; and the Miami-Dade Authority and the South Miami Authority are each also a “local agency” under Section 159.27(4) of the Industrial Act, with the power to issue revenue bonds for the purpose of providing funds to pay all or any part of the “cost” of a “project” constituting a “health care facility” (as defined, respectively, in Sections 159.27 (2), (5) and (16) of the Industrial Act) and to issue revenue refunding bonds for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of Part II of the Industrial Act; and

WHEREAS, the County, the South Miami Authority and the Miami-Dade Authority are each a “public agency” as defined in Section 163.01(3)(b) of the Florida Interlocal Cooperation Act of 1969 (Section 163.01, Florida Statutes) (the “Interlocal Cooperation Act”) and as such “public agencies” are authorized to enter into interlocal agreements pursuant to Section 163.01(5) of the Interlocal Cooperation Act for the joint exercise of powers which they share in common and which each might exercise separately; and

WHEREAS, in order to accomplish economies of scale and other cost savings, and to reduce the costs of providing health care services, Baptist Health South Florida, Inc., Baptist Hospital of Miami, Inc., Baptist Outpatient Services, Inc., Doctors Hospital, Inc., Homestead Hospital, Inc., South Miami Hospital, Inc. and West Kendall Baptist Hospital, Inc., each a Florida not for profit corporation (the “Interlocal Borrowers” and, together with Mariners Hospital Inc., also a Florida not for profit corporation, the “Borrowers”) with facilities located or to be located within the boundaries of the County but outside the boundaries of the City of South Miami, have requested that the Miami-Dade Authority enter into an interlocal agreement with the South Miami Authority (the “Authority Interlocal Agreement”) and that the County enter into an interlocal agreement (the “County Interlocal Agreement” and, together with the Authority Interlocal Agreement, the “Interlocal Agreements”) with the South Miami Authority, both pursuant to the Interlocal Cooperation Act, to authorize the South Miami Authority to issue one or more series of revenue bonds (the “Bonds”) to finance or refinance such facilities, which Bonds shall be in an aggregate principal amount not exceeding \$800,000,000, and to loan a portion of the proceeds thereof, to the Interlocal Borrowers to, among other things, (i) pay or reimburse the Interlocal Borrowers for the payment of, or refund certain prior debt obligations the proceeds of which were used to pay, or refund other prior debt obligations the proceeds of which were used to pay, the costs of acquiring, constructing, renovating, rehabilitating, furnishing and equipping certain healthcare facilities (the “Project”); (ii) refund all or a portion of the outstanding principal amount of or refund obligations of some or all of the Interlocal Borrowers incurred in connection with (A) the County’s \$116,400,000 Dade County Health Facilities Authority Hospital Revenue Refunding

Bonds, Series 1993A (Baptist Hospital of Miami Project), (B) the \$69,985,000 City of South Miami Health Facilities Authority Hospital Revenue Refunding Bonds, Series 1995 (Baptist Health Systems Obligated Group), (C) the \$104,205,000 City of South Miami Health Facilities Authority Hospital Revenue Bonds, Series 1998 (Baptist Health Systems Obligated Group), (D) the \$150,000,000 City of South Miami Health Facilities Authority Hospital Revenue Bonds, Series 2003 (Baptist Health South Florida Obligated Group), and (E) the \$149,920,000 City of Coral Gables Health Facilities Authority Hospital Revenue Bonds, Series 2004 (Baptist Health South Florida Obligated Group); (iv) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Borrowers; (v) fund interest accruing on a portion of the Bonds and (vi) pay certain expenses incurred in connection with the issuance of the Bonds and such refundings, including, without limitation, the cost of any credit enhancement or liquidity enhancement if deemed necessary or desirable by the Borrowers, all as permitted by the Authority Act, the Industrial Act and the Interlocal Cooperation Act and all as more fully described in the respective Interlocal Agreement; and

WHEREAS, the Board wishes to approve the County Interlocal Agreement and to authorize its execution and delivery by the Mayor or his designee for the reasons set forth above; and

WHEREAS, the Ordinance, as amended and supplemented, pursuant to which the Miami-Dade Authority was created provides for the final approval by the Board of all bond issues of the Miami-Dade Authority; and

WHEREAS, the South Miami Authority, the Miami-Dade Authority and the County held a public hearing, notice of which was published at least 14 days prior to the

hearing in the *Miami Herald* (a copy of which notice is attached as Exhibit A), for the purpose of giving all interested parties an opportunity to express their views in connection with the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, as a result of that publication and public hearing and a finding that the Project and such refundings will inure to the benefit of the citizens of the County, the Board wishes to approve the issuance of the Bonds for the purpose of complying with Section 147 of the Code,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The County authorizes the execution and delivery of the County Interlocal Agreement between the County and the South Miami Authority by the Mayor or his designee in substantially the form attached to this resolution as Exhibit B, with such changes as shall be approved by the Mayor or his designee, after consultation with the Office of the Miami-Dade County Attorney, with such execution and delivery to constitute conclusive evidence of the County’s approval of any changes or revisions to the County Interlocal Agreement.

Section 2. The County approves the issuance by the South Miami Authority of the Bonds pursuant to the Interlocal Agreements for the purposes described above and in the Interlocal Agreements.

Section 3. The issuance of the Bonds by the South Miami Authority in an aggregate principal amount not to exceed \$800,000,000 for the purposes described above is approved for purposes of Section 147(f) of the Code.

Section 4. The Bonds shall not constitute a debt, liability or obligation of the County or the State of Florida or any political subdivision thereof, but shall be payable solely from the revenues provided therefore, and neither the faith and credit nor any taxing power of the County or the State of Florida or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, and interest on the Bonds. The County shall have no obligation with respect to the Bonds other than its obligations under the County Interlocal Agreement.

Section 5. The Mayor and other officials of the County are authorized to take any action necessary including the delivery of certificates or documents as may be required to complete the issuance and sale of the Bonds pursuant to the County Interlocal Agreement and the applicable bond documents. All other acts and doings of the officials, officers, agents and employees of the County which are in conformity with the intent and purposes of this Resolution, whether taken already or to be taken, shall be and are ratified, confirmed and approved.

Section 6. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly found and declared that the remainder of this Resolution would have been adopted despite the validity or ineffectiveness of such section, paragraph, clause or provision.

The foregoing resolution was sponsored by Commissioner Joe A. Martinez and offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 24th day of April, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Gerald T. Heffernan

EXHIBIT A
TEFRA NOTICE
NOTICE OF PUBLIC HEARING AND MEETING

PUBLIC NOTICE IS HEREBY GIVEN that a public hearing will be held on April ___, 2007, [at 4:30 p.m., at City Hall, 6130 Sunset Drive, South Miami, Florida,] by the City of South Miami Health Facilities Authority (the "Issuer"), the Board of County Commissioners of Miami-Dade County, Florida (the "Board") and the Miami-Dade County Health Facilities Authority (the "Miami-Dade Authority"), regarding a plan of the Issuer to issue one or more series of its revenue bonds (the "Bonds") in an aggregate principal amount not to exceed \$800,000,000. The proceeds of the Bonds will be loaned to one or more of Baptist Health South Florida, Inc. ("BHSF"), Baptist Hospital of Miami, Inc. ("Baptist Hospital"), Baptist Outpatient Services, Inc. ("BOS"), Doctors Hospital, Inc. ("Doctors Hospital"), Homestead Hospital, Inc. ("Homestead Hospital"), Mariners Hospital, Inc. ("Mariners Hospital"), South Miami Hospital, Inc. ("South Miami Hospital") and West Kendall Baptist Hospital, Inc. ("West Kendall Hospital" and, together with BHSF, Baptist Hospital, BOS, Doctors Hospital, Homestead Hospital, Mariners Hospital and South Miami Hospital, the "Borrowers"). The proceeds of the Bonds will be used, together with certain other moneys, to (i) refund all or a portion of the outstanding portion of (a) the Dade County Health Facilities Authority's \$116,400,000 Hospital Revenue Refunding Bonds, Series 1993A (Baptist Hospital of Miami Project) (the "Series 1993A Bonds"); (b) the Issuer's \$69,985,000 Hospital Revenue Refunding Bonds, Series 1995 (Baptist Health Systems Obligated Group) (the "Series 1995 Bonds"); (c) the Issuer's \$104,205,000 Hospital Revenue Bonds, Series 1998 (Baptist Health Systems Obligated Group) (the "Series 1998 Bonds"); (d) the Issuer's \$150,000,000 Hospital Revenue Bonds, Series 2003 (Baptist Health South Florida Obligated Group) (the "Series 2003 Bonds"); (e) the City of Coral Gables Health Facilities Authority's \$149,920,000 Hospital Revenue Bonds, Series 2004 (Baptist Health South Florida Obligated Group) (the "Series 2004 Bonds," and together with the Series 1993A Bonds, the Series 1995 Bonds, the Series 1998 Bonds and the Series 2003 Bonds, the "Prior Bonds"); and (f) the Borrowers' outstanding obligations incurred in connection with some or all of the Prior Bonds; (ii) pay or reimburse the Borrowers for the payment of, or refund certain prior debt obligations the proceeds of which were used to pay, or refund other prior debt obligations the proceeds of which were used to pay, costs of acquiring, constructing, renovating, rehabilitating and equipping certain healthcare facilities of the Borrowers, including, without limitation, (a) the acquisition of approximately ___ acres of real property located in the West Kendall area of Miami-Dade County, Florida; (b) the construction and equipping of an approximately four-story, approximately 282,000 square feet acute care hospital facility with 80 licensed beds to be located on the real property in West Kendall, Florida described in clause (a) above; (c) the construction, renovation, rehabilitation and equipping of approximately 94,000 square feet of space in South Miami Hospital's existing East Tower, including the replacement of the mechanical, electrical and plumbing infrastructure systems and renovations to existing patient rooms; (d) the construction, renovation, rehabilitation and equipping of approximately 18,000 square feet of space at Homestead Hospital, including the addition of inpatient and outpatient space; (e) the construction and equipping of an approximately three-story, approximately 128,000 square feet bed tower at Baptist Hospital; (f) the construction and equipping of an approximately three-story, approximately 37,500 square feet expansion for clinical space at Baptist Hospital; (g) the construction, renovation, rehabilitation and equipping of approximately 12,500 square feet of

space at Baptist Hospital, including four new operating suites; (h) the construction and equipping of an approximately one-story, approximately 15,200 square feet outpatient services building to be located at ____; (i) the construction and equipping of an approximately ____-story, approximately ____ square feet outpatient services building to be located at ____; (j) the construction and equipping of an approximately two-story, approximately 47,000 square feet Center for Healthy Living/Learning Center adjacent to the existing Baptist Hospital campus; (k) the construction and equipping of a multi-story, approximately 200,000 square feet office building that will house administrative support functions, an approximately 40,000 square feet warehouse and an approximately 1,000 space parking garage, all of which will be located at ____; and (l) routine capital expenditures at the Borrowers' healthcare facilities (including, in all cases, all necessary and attendant facilities, equipment, land acquisition, site work and utilities appurtenant thereto and other capital expenditures); (iii) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or advisable by the Issuer and BHSF; (iv) provide for the payment of interest on a portion of the Bonds, if deemed necessary or advisable by the Issuer and BHSF; and (v) pay certain expenses incurred in connection with the issuance of the Bonds and such refundings, including the cost of any credit enhancement or liquidity enhancement, all as permitted by the Health Facilities Authorities Law, Part III, Chapter 154, Florida Statutes and the Florida Industrial Development Financing Act, Part II, Chapter 159 (the "Acts").

The proceeds of the Prior Bonds were loaned to one or more of the Borrowers and were used to finance or refinance (i) the acquisition and renovation of approximately 3.1 acres of land and an existing 45,000 square foot building adjacent to Baptist Hospital's campus, the construction of the second and third floors of Baptist Hospital's South Building, the 13,194 square foot emergency center, the 115,214 square foot Lake Pavilion building (including the obstetrical facility and rehabilitation center), an energy plant, three parking garages (including an emergency department parking garage and an employee parking garage,) the renovation and expansion of the clinical facilities and the emergency department, the renovation of the second through fifth floors of Baptist Hospital's main building, the expansion of the Lake Pavilion building and the emergency room department and the consolidation and expansion of the cardiology, vascular and endoscopy services (including the 77,500 square foot addition of two floors to the surgery center), all at the facilities of Baptist Hospital; (ii) the acquisition of the East Building, the relocation and expansion of the surgery and recovery area, endoscopy department, dialysis department and the pharmacy, the renovation of an existing patient tower, the expansion of the emergency department, cardiac and vascular services, clinical space and the energy center, the renovation and expansion of the clinical imaging and radiation oncology departments and the construction of entry malls, parking garages, surface parking, an ATP/childcare/education center, an emergency outpatient unit and a 10 bed critical care/progressive care unit, all at the facilities of South Miami; (iii) the construction and equipping of a new Mariners Hospital facility; (iv) the construction of a 308,000 square foot replacement hospital for Homestead; and (v) the acquisition of Doctors Hospital, including the land, main building, equipment, fixtures and inventory and the purchase of an MRI.

Each of the facilities financed or refinanced with proceeds of the Bonds and the Prior Bonds are or will be initially owned, operated or managed by one or more of the Borrowers at the following locations: 6855 Red Road, 320 Giralda Street, 5000 University Drive, 1150 Campo Sano Avenue, 1171 Campo Sano Avenue, 1500 Monza Avenue and Gables Grand Plaza in Coral Gables, Florida; at 7535 N. Kendall Drive, 8900 N. Kendall Drive, 8940 N. Kendall Drive, 8950

N. Kendall Drive, 9035 Sunset Drive, 8780 S.W. 92nd Street, 9045 S.W. 87th Court, 9049 S.W. 87th Court, 8740 S.W. 94th Street, 8755-8785 S.W. 92nd Street, 9200 S.W. 87th Avenue, 8755 S.W. 94th Avenue, 8750 S.W. 144th Street, 13001 N. Kendall Drive, 9915 N.W. 41st Street, 8820 S.W. 40th Street, 8840 S.W. 40th Street, 8301 N.W. 12th Street, 2100 N.W. 84th Avenue, 13500 S.W. 152nd Street, 14100 S.W. 136th Street, 9000 S.W. 137th Avenue, 6140 S.W. 70th Avenue and 9350 Sunset Drive in Miami, Florida; at 160 N.W. 13th Street, 151 N.W. 11th Street, 135 N.W. 13th Street, 144 N.W. 11th Street, 3377 N.E. 8th Street, 136 N.W. 12th Street and the 60 acres located on the north side of S.W. 312th Street approximately 0.4 miles west of S.W. 142nd Avenue and approximately 0.25 miles east of S.W. 152nd Avenue in Homestead, Florida; at 7400 S.W. 62nd Avenue, 6200 S.W. 73rd Street, 6200 S.W. 72nd Street, 6842 S.W. 80th Street, 5875 Sunset Drive, 7330 S.W. 62nd Place, 6250 Sunset Drive and 8250 Sunset Drive in South Miami, Florida; **[West Kendall property]; or [outpatient services addresses]. [Any additional addresses?]**

The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. Written comments may be submitted to the Issuer, the Board or the Miami-Dade Authority in care of the Issuer's counsel, LUIS FIGUEREDO, City Attorney, **[City Hall, 6130 Sunset Drive, South Miami, Florida 33143]** until **[4:30 p.m.]** on April ____, 2007. Copies of the documents pursuant to which the Bonds will be issued will be available for inspection in the office of the City Clerk prior to the hearing and meeting.

NOTICE IS HEREBY ALSO GIVEN that the Issuer will meet in public session immediately following the public hearing at the same location to consider such business as may properly come before the Issuer at said meeting and to consider approval of the issuance of the Bonds. Pursuant to Section 286.0105 of the Florida Statutes, as amended, the Issuer and the Board hereby advise that if a person decides to appeal any decision made by the Issuer and the Board with respect to any matter considered at such hearing and meeting, such person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

NOTICE DATE: March ____, 2007

City of South Miami
Health Facilities Authority
by and through its attorney,
LUIS FIGUEREDO

Miami-Dade County, Florida
By its Clerk of the Board of
County Commissioners

Miami-Dade County
Health Facilities Authority
[By its Chairman]

EXHIBIT B
INTERLOCAL AGREEMENT
INTERLOCAL AGREEMENT

THIS IS AN INTERLOCAL AGREEMENT, dated as of ____, 2007 (the "Agreement"), by and between the CITY OF SOUTH MIAMI HEALTH FACILITIES AUTHORITY (the "Issuer"), a public body corporate and politic duly created and existing under the laws and Constitution of the State of Florida, and MIAMI-DADE COUNTY, FLORIDA, (the "Interlocal Participant"), a political subdivision of the State of Florida.

RECITALS

Pursuant to the Florida Interlocal Cooperation Act of 1969, Section 163.01, Part I, Chapter 163, Florida Statutes, as amended (the "Interlocal Cooperation Act"), "public agencies," as defined in the Interlocal Cooperation Act, are authorized to enter into agreements with one another in order to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.

The Interlocal Cooperation Act provides that a public agency may, pursuant to contract, exercise jointly with any other public agency any power, privilege or authority which such public agencies share in common which each might exercise separately.

Pursuant to the Florida Industrial Development Financing Act, Part II, Chapter 159, Florida Statutes, as amended (the "Financing Act"), the Issuer and the Interlocal Participant are authorized to issue revenue bonds and loan the proceeds thereof to qualified borrowers to, among other things, pay all or any part of the "costs of any project" (as defined in the Financing Act) and to issue revenue refunding bonds for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of Part II of the Financing Act.

The Issuer and the Interlocal Participant are public agencies and desire and are permitted to enter into this Agreement to authorize the Issuer to issue one or more series of revenue bonds (the "Bonds") on behalf of the Interlocal Participant and loan a portion of the proceeds thereof to, among others, Baptist Health South Florida, Inc. (the "Parent"), Baptist Hospital of Miami, Inc., Baptist Outpatient Services, Inc., Doctors Hospital, Inc., Homestead Hospital, Inc., South Miami Hospital, Inc. and West Kendall Baptist Hospital, Inc., each of which is a Florida not for profit corporation with facilities located or to be located outside the geographical boundaries of the Issuer but within the geographical boundaries of the Interlocal Participant (the "Interlocal Borrowers"), for the purposes of providing funds to, among other things, (i) pay or reimburse the Interlocal Borrowers for the payment of, or refund certain prior debt obligations the proceeds of which were used to pay, or refund other prior debt obligations the proceeds of which were used to pay, the costs of acquiring, constructing, renovating, rehabilitating, furnishing and equipping certain healthcare facilities, all as described more fully on Exhibit A attached hereto; (ii) refund all or a portion of the outstanding principal amount of or refund obligations of some or all of the Interlocal Borrowers incurred in connection with (A) the \$69,985,000 City of South Miami Health Facilities Authority Hospital Revenue Refunding Bonds, Series 1995 (Baptist Health Systems Obligated Group) (the "Series 1995 Bonds"), (B) the \$104,205,000 City of South Miami Health Facilities Authority Hospital Revenue Bonds, Series 1998 (Baptist Health Systems Obligated Group) (the "Series 1998 Bonds"), (C) the \$150,000,000 City of South Miami Health

Facilities Authority Hospital Revenue Bonds, Series 2003 (Baptist Health South Florida Obligated Group) (the "Series 2003 Bonds"), and (D) the \$149,920,000 City of Coral Gables Health Facilities Authority Hospital Revenue Bonds, Series 2004 (Baptist Health South Florida Obligated Group) (the "Series 2004 Bonds," and, together with the Series 1995 Bonds, the Series 1998 Bonds and the Series 2003 Bonds, the "Prior Bonds"); (iv) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Parent; (v) fund interest accruing on a portion of the Bonds and (vi) pay certain expenses incurred in connection with the issuance of the Bonds and such refundings, including, without limitation, the cost of any credit enhancement or liquidity enhancement if deemed necessary or desirable by the Parent. The proceeds of the Prior Bonds were used to finance or refinance the costs of acquiring, constructing, renovating, rehabilitating, furnishing and equipping certain healthcare facilities operated by the Interlocal Borrowers which are generally described more fully on Exhibit B attached hereto. None of the foregoing actions is prohibited by or conflicts with any agreement, ordinance or resolution of the Issuer or Interlocal Participant or any judgment, order or decree affecting the Issuer or the Interlocal Participant.

In consideration of the mutual agreements contained herein and upon the further consideration of the recitals hereinabove set forth, it is hereby agreed by and between the parties hereto as follows:

Section 1. Definitions. Unless the context otherwise requires, the following terms for all purposes of this Agreement shall have the following meanings:

"*Acts*" means the Financing Act and the Interlocal Cooperation Act.

"*Administrator*" means the administrator appointed pursuant to Section 4(c) hereof.

"*Agreement*" means this Interlocal Agreement and all amendments and supplements thereto.

"*Bond Indenture*" means the Bond Trust Indenture dated as of ____, 2007 between the Issuer and the Bond Trustee pursuant to which the Bonds are to be issued, and all amendments and supplements thereto.

"*Bonds*" means the revenue bonds issued in one or more series by the Issuer, in part, on behalf of the Interlocal Participant for the benefit of the Interlocal Borrowers under the Bond Indenture.

"*Bond Trustee*" means the bond trustee selected by the Interlocal Borrowers and approved by the Issuer, or any successor trustee under the Bond Indenture.

"*Financing Act*" means the Florida Industrial Development Financing Act, Part II, Chapter 159, Florida Statutes, as amended.

"*Interlocal Borrowers*" means Baptist Health South Florida, Inc., Baptist Hospital of Miami, Inc., Baptist Outpatient Services, Inc., Doctors Hospital, Inc., Homestead Hospital, Inc., South Miami Hospital, Inc. and West Kendall Baptist Hospital, Inc., each a Florida not for profit corporation, and its successors and assigns.

"*Interlocal Cooperation Act*" means the Florida Interlocal Cooperation Act of 1969, Section 163.01, Part I, Chapter 163, Florida Statutes, as amended.

"*Interlocal Participant*" means Miami-Dade County, Florida and its successors and assigns.

"*Issuer*" means the City of South Miami Health Facilities Authority, and its successors and assigns, as issuer of the Bonds.

"*Loan*" means the loan to be made by the Issuer to the Interlocal Borrowers to, among other things, (i) pay or reimburse the Interlocal Borrowers for the payment of, or refund certain prior debt obligations the proceeds of which were used to pay, or refund other prior debt obligations the proceeds of which were used to pay, the costs of acquiring, constructing, renovating, rehabilitating, furnishing and equipping certain healthcare facilities, all as described more fully

on Exhibit A attached hereto; (ii) refund all or a portion of the outstanding portions of the Prior Bonds or refund obligations of some or all of the Interlocal Borrowers incurred in connection therewith; (iii) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Parent; (iv) fund interest accruing on a portion of the Bonds and (v) pay certain expenses incurred in connection with the issuance of the Bonds and such refundings, including, without limitation, the cost of any credit enhancement or liquidity enhancement if deemed necessary or desirable by the Parent.

“*Loan Agreement*” means the Loan Agreement between the Issuer and, among others, the Interlocal Borrowers, setting forth the terms of the Loan.

“*Master Note*” means the Master Note of the Parent delivered to the Bond Trustee, in part, in order to evidence the obligation of the Interlocal Borrowers to pay a collective amount sufficient to amortize the Loan.

“*Prior Bonds*” means the Series 1995 Bonds, the Series 1998 Bonds, the Series 2003 Bonds and the Series 2004 Bonds.

“*Resolution*” means a resolution of the governing body of a party hereto adopted for the purpose of approving and authorizing the execution of this Agreement or any amendment hereto, or approving any action taken pursuant to this Agreement when such approval is required hereby.

“*Series 1995 Bonds*” means the \$69,985,000 City of South Miami Health Facilities Authority Hospital Revenue Refunding Bonds, Series 1995 (Baptist Health Systems Obligated Group).

“*Series 1998 Bonds*” means the \$104,205,000 City of South Miami Health Facilities Authority Hospital Revenue Bonds, Series 1998 (Baptist Health Systems Obligated Group).

“*Series 2003 Bonds*” means the \$150,000,000 City of South Miami Health Facilities Authority Hospital Revenue Bonds, Series 2003 (Baptist Health South Florida Obligated Group).

“*Series 2004 Bonds*” means the \$149,920,000 City of Coral Gables Health Facilities Authority Hospital Revenue Bonds, Series 2004 (Baptist Health South Florida Obligated Group).

Terms defined in this Section in the singular shall include the plural and vice versa.

Section 2. Purposes. In order to assist in the development and maintenance of the public health, to accomplish economies of scale and other cost savings, and to reduce the cost of providing health care services, this Agreement is entered into pursuant to the authority granted in the Acts for the purposes of providing for the issuance of the Bonds by the Issuer on behalf of, among others, the Interlocal Participant for the benefit of the Interlocal Borrowers in order, among other things, to make the Loan to the Interlocal Borrowers to, among other things, (i) pay or reimburse the Interlocal Borrowers for the payment of, or refund certain prior debt obligations the proceeds of which were used to pay, or refund other prior debt obligations the proceeds of which were used to pay, the costs of acquiring, constructing, renovating, rehabilitating, furnishing and equipping certain healthcare facilities, all as described more fully on Exhibit A attached hereto; (ii) refund all or a portion of the outstanding portions of the Prior Bonds or refund obligations of some or all of the Interlocal Borrowers incurred in connection therewith; (iii) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Parent; (iv) fund interest accruing on the Bonds and (v) pay certain expenses incurred in connection with the issuance of the Bonds and such refundings, including, without limitation, the cost of any credit enhancement or liquidity enhancement if deemed necessary or desirable by the Parent. This Agreement shall be interpreted so as to permit the realization of such purposes to the full extent authorized by the Acts.

Section 3. Effective Date; Closing Conditions; Duration. This Agreement shall become effective and shall enter into force, within the meaning of the Interlocal Cooperation

Act, upon receipt by the Administrator of (i) the Resolutions duly adopted by the governing body of the Issuer and of the Interlocal Participant, respectively, approving and authorizing the execution and delivery of this Agreement, (ii) a counterpart of this Agreement, duly executed by authorized officers of the Issuer and the Interlocal Participant; and (iii) evidence satisfactory to the Administrator of the filing of a duly executed counterpart of this Agreement with the Clerk of the Circuit Court of Miami-Dade County, Florida. The issuance of the Bonds shall be subject to the receipt by the Administrator of (i) the documents and showings listed in clauses (i) through (iii) above and (ii) such other documents, opinions and showings as may be necessary to effectuate the issuance of the Bonds and the making of the Loan. The term of this Agreement shall end upon the discharge of the Bond Indenture in accordance with the provisions thereof. Upon the expiration of this Agreement, any property or moneys not required to be used to pay principal, premium, if any, or interest on the Bonds and not otherwise required to be applied as required by the Bond Indenture shall, to the extent permitted by law, be distributed pro rata between the Interlocal Borrowers and the other parties to whom loans were made from proceeds of the Bonds.

Section 4. The Interlocal Financing. The Issuer shall use its best efforts to issue the Bonds subject to the following conditions:

(a) The Bonds.

(i) The Issuer shall authorize the issuance and delivery of the Bonds pursuant to and subject to the terms and conditions of the Bond Indenture, the portion of which that shall be attributable to the Loan being in an aggregate principal amount not to exceed \$ _____. The Bonds shall be dated and shall bear interest, be subject to repurchase and redemption, be designated and be in the form, and have such other terms as are provided in the Bond Indenture, as finally executed and delivered by the Issuer without further approval of the Interlocal Participant, but subject in all respects to the provisions set forth in the resolution of the Issuer approving the Bonds.

(ii) The Bonds, together with interest thereon, shall not constitute a debt, liability or obligation of Miami-Dade County, Florida, the State of Florida or any political subdivision or agency thereof, but shall be special and limited obligations of the Issuer payable solely from, and shall be secured by, to the extent and in the manner provided in the Bond Indenture, a pledge to the Bond Trustee of the rights of the Issuer under the Master Note and the Loan Agreement and the amounts in the funds and accounts created by the Bond Indenture. The Interlocal Participant and its members, officers, agents and employees shall not be liable for the payment of the principal of, premium, if any, or interest on the Bonds, nor shall the Interlocal Participant or its members, officers, agents and employees, be liable for any other indebtedness or liability which may arise in connection with the issuance of the Bonds or the making of the Loan.

(iii) The proceeds of the sale of the Bonds shall be applied in accordance with the provisions of the Bond Indenture for the purposes specified in the Bond Indenture and in Section 2 hereof.

(iv) The Bonds may be issued in one or more series and, if issued in more than one series, references herein to the Bond Indenture, the Loan Agreement and the Master Note shall be deemed to include, if necessary, any supplemental or additional Bond Indentures or Loan Agreements and any additional Master Notes executed and delivered in connection with the issuance of the Bonds.

(v) The Interlocal Borrowers shall agree to pay any amounts owing on the Bonds pursuant to the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended.

(vi) The Interlocal Borrowers shall agree in the Loan Agreement to protect, indemnify and save the Issuer and the Interlocal Participant, their members, officers, agents and employees against and from any and all liabilities, suits, actions, claims, demands, damages, losses, expenses and costs of every kind and nature incurred by or asserted or imposed against the Issuer or the Interlocal Participant, their members, officers, agents and employees which may arise in connection with the issuance of the Bonds or the making of the Loan or this Agreement.

(b) The Loan.

(i) Pursuant to and subject to the terms and conditions of the Bond Indenture, the Issuer is hereby authorized to make available to the Interlocal Borrowers proceeds of the Bonds to be used by the Interlocal Borrowers for the purposes set forth in Section 2 without further approval of the Interlocal Participant.

(ii) The Loan Agreement shall provide for payments sufficient to pay expenses incident to the issuance of the Bonds and any fees, costs and expenses of the Interlocal Participant and its counsel.

(c) Administrator.

Pursuant to Section 163.01(6) of the Interlocal Cooperation Act, the Issuer is hereby designated the Administrator. The Administrator shall have and is hereby delegated full power and authority to do all things necessary or convenient to carry out the purposes of this Agreement, including, without limitation, the appointment of such agents or entities as are necessary or desirable to effectuate the issuance of the Bonds and the making of the Loan.

Section 5. No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be a covenant or agreement of any member, officer, agent or employee of the Issuer or the Interlocal Participant in his or her individual capacity, and no member, officer, agent or employee of the Issuer or the Interlocal Participant shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the execution of this Agreement.

Section 6. Fees and Expenses. The Interlocal Borrowers have agreed to pay: (i) to the Issuer, an administrative fee relating to the issuance and administration of the Bonds, and (ii) to the Interlocal Participant, an administrative fee relating to the execution, delivery and administration of this Agreement, including, without limitation, the reasonable legal fees and

costs incurred by the Interlocal Participant as a result of the review of this Agreement by the Miami-Dade County Attorney's Office.

Section 7. Indemnity. The Interlocal Borrowers, to the fullest extent permitted by law, agree to indemnify and hold harmless the Issuer and the Interlocal Participant, their respective officers, employees and agents, from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever, including, but not limited to, losses, claims, damages, liabilities or expenses (including reasonable fees of attorneys, accountants, consultants and other experts) arising out of, resulting from or in any way connected with this Agreement or the issuance of the Bonds other than losses, claims, damages, liabilities or expenses that are caused by any untrue or misleading statement or omission or alleged untrue or misleading statement or omission in the information contained in any official statement relating to the Bonds under the headings ["THE AUTHORITY" and "ABSENCE OF MATERIAL LITIGATION - Authority."]

Section 8. Amendments. This Agreement may not be amended, changed, modified or altered except by an instrument in writing which shall be (i) approved by a Resolution of the governing body of the Issuer and of the Interlocal Participant, (ii) executed by duly authorized officers of the Issuer and the Interlocal Participant, and (iii) filed with the Clerk of the Circuit Court of Miami-Dade County, Florida.

Section 9. Severability. If any term or provision of this Agreement or the application thereof shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and shall be enforced to the extent permitted by law. To the extent permitted by applicable law, the parties hereby waive any provision of law which would render any of the terms of this Agreement unenforceable.

Section 10. Governing Law. All questions with respect to the construction of this Agreement, and the rights and liabilities of the parties hereto, shall be governed by the laws of the State of Florida.

Section 11. Notices. Any notice or other communication shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Issuer:

City of South Miami Health Facilities Authority
c/o Office of City Manager

South Miami, Florida _____
Attention: City Manager
Telephone: _____
Telecopy: _____

If to the Interlocal Participant:

Board of County Commissioners
of Miami-Dade County, Florida
111 N.W. First Street
Miami, Florida 33128

The Issuer and the Interlocal Participant may, by notice given hereunder, designate any further or different addresses to which subsequent notices or communications shall be sent.

Section 12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 13. No Delegation of Authority. This Interlocal Agreement shall in no way be interpreted to authorize the unlawful delegation of the constitutional or statutory duties of the Issuer, the Interlocal Participant or any of their officers, members, representatives or employees.

Section 14. Limited Approval. The approval given herein shall not be construed as an approval of any necessary zoning or rezoning applications nor for any planning or regulatory permits and the approval of this Interlocal Agreement shall not be construed to be a waiver by either the Issuer or the Interlocal Participant of, and neither the Issuer nor the Interlocal Participant shall be estopped from asserting, any regulatory rights or responsibilities it may have with respect thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested in their respective corporate names by their duly authorized officers all as of the date first above written.

CITY OF SOUTH MIAMI HEALTH
FACILITIES AUTHORITY

By _____
Title: Chair

Printed Name: _____

[SEAL]

Attest:

Title: Member

Printed Name: _____

MIAMI-DADE COUNTY, FLORIDA

By _____
Title:

Printed Name: _____

[SEAL]

Attest:

Title:

Printed Name: _____

Approved by County Attorney as to form and
legal sufficiency

APPROVAL AND ACKNOWLEDGEMENT

Baptist Health South Florida, Inc., as Obligated Group Agent on behalf of itself, Baptist Hospital of Miami, Inc., Baptist Outpatient Services, Inc., Doctors Hospital, Inc., Homestead Hospital, Inc., South Miami Hospital, Inc. and West Kendall Baptist Hospital, Inc., hereby approves the Interlocal Agreement and acknowledges acceptance of its obligations arising under Sections 6 and 7 of the Interlocal Agreement by causing this Approval and Acknowledgement to be executed by its authorized officer or agent and its seal to be affixed hereto and attested by its authorized officer or agent, all as of the date of the Interlocal Agreement.

Approved and Acknowledged:

BAPTIST HEALTH SOUTH FLORIDA, INC.

By _____
Title:

Printed Name: _____

[SEAL]

Attest:

Title:

Printed Name: _____

Exhibit A

Description of the Project

Approximately \$200,000,000 of the proceeds from the Bonds, together with other available funds of BHSF, will be used to finance new construction, renovation and improvements to, and the acquisition of equipment for, the health care facilities of the Borrowers, including: a new West Kendall Baptist Hospital; Homestead Hospital Bed Expansion; Baptist Hospital Bed Tower; Baptist Hospital Surgery/BCVI Expansion; Baptist Medical Plaza at Country Walk; Baptist Medical Plaza at Brickell; Baptist Health's Center for Healthy Living/Learning Center; and a new Tamiami Corporate Administrative Support Building and Garage.

The new West Kendall Baptist Hospital will be a four-story structure of approximately 282,000 square feet that will include 80 licensed beds, all in private configuration, with additional shelled bed capacity that will allow the facility to expand to a total of 134 private beds. The new facility will have four operating rooms with an additional two shelled for future use; a labor and delivery unit; an intensive care unit; an emergency department sized to handle over 40,000 annual visits including separate treatment areas for adults and children; and diagnostic and imaging services. Construction is expected to commence in late summer 2007, and the new hospital is expected to open in December 2009.

The Homestead Hospital Bed expansion encompasses approximately 18,000 square feet of shelled space on the third floor of its attached medical office building. A total of 27 beds in private configuration will be added to the hospital's operational complement: 18 licensed inpatient and 9 outpatient beds. Build out of the shelled space is expected to begin in fall 2007, and the new beds are expected to be operational in spring 2008.

The Baptist Hospital Bed Tower involves the construction of a three-story, 128,000 square feet building—two floors to accommodate 96 patient beds and a third floor shelled for future use—with bridge connections from the East Campus parking garage and to BCVI. Construction is expected to start in spring 2007 and be completed during the fall of 2008.

The Baptist Hospital Surgery/BCVI Expansion involves construction of 37,500 square feet (three stories) of new clinical space and renovation of 12,500 square feet of existing space, and includes the addition of four new operating room suites. Construction is expected to commence in January 2009 and be completed in January 2011.

The Baptist Medical Plaza at Country Walk will be Baptist Outpatient Services' tenth site, and will offer urgent care and pediatric diagnostic services. The project involves construction of a one-story, 15,200 square feet building on existing BHSF land and acquisition of high-end imaging equipment. Construction is expected to take approximately 12 months, and the plaza is expected to open in spring 2008.

In the spring of 2009, Baptist Outpatient Services expects to open the Baptist Medical Plaza at Brickell, which will provide urgent care and outpatient diagnostic services. A portion of the proceeds of the Bonds will be used to reimburse Baptist Outpatient Services for acquisition of

the property and to fund the construction of the build out of the interior space and purchase of high-end diagnostic imaging equipment.

The Center for Healthy Living/Learning Center is planned as a two-story, 47,000 square feet conference center building on existing BHSF land adjacent to the Baptist Hospital campus. Construction is expected to commence in October 2009, and opening of the facility is planned in March 2011.

A new corporate office campus, involving construction of a multi-story 200,000 square feet office building housing administrative support functions, a 40,000 square feet warehouse and a 1,000 space parking garage on existing BHSF land is expected to be ready for occupancy in November 2009.

Exhibit B
Prior Bonds

SERIES 1995 BONDS

The proceeds of the Series 1995 Bonds were used to finance the (i) advance refunding of the outstanding portion of the Dade County Health Facilities Authority's \$29,740,000 Hospital Revenue Refunding Bonds, Series 1989 (South Miami Hospital Project) (the "Series 1989 Bonds"), (ii) advance refunding of the outstanding portion of the Dade County Health Facilities Authority's \$42,000,000 Hospital Revenue Bonds, Series 1991A (South Miami Hospital Project) (the "Series 1991 Bonds"), (iii) payment of, or reimbursement to South Miami Hospital, Inc. ("South Miami Hospital") for, the costs of acquiring, constructing and equipping certain of its health facilities located at 7400 South West 62nd Avenue, South Miami, Florida and 6200 Southwest 73rd Street, South Miami, Florida, and (iv) payment of certain related costs.

The proceeds of the Series 1991 Bonds were used to finance the (i) renovation, new construction, and improvements to, and the acquisition of equipment for, the health care facilities of South Miami Hospital located at 7400 South West 62nd Avenue, South Miami, Florida and 6200 Southwest 73rd Street, South Miami, Florida, (ii) fund capitalized interest on the Series 1991 Bonds, (iii) fund a debt service reserve fund and (iv) pay certain expenses incurred in connection with the issuance of the Series 1991 Bonds.

The proceeds of the Series 1989 Bonds were used to (i) advance refund the Dade County Health Facilities Authority's \$26,605,000 Revenue Bonds, Series 1985 (South Miami Hospital Project) (the "Series 1985 Bonds"), and (ii) pay certain expenses incurred in connection with the issuance of the Series 1989 Bonds. The proceeds of the 1985 Bonds were used to (i) repay a taxable mortgage obligation the proceeds of which were used to pay the cost of acquiring, constructing and equipping certain health facilities and pay the cost of acquiring, constructing and equipping a parking garage of South Miami Hospital located at 7400 South West 62nd Avenue, South Miami, Florida and 6200 Southwest 73rd Street, South Miami, Florida, (ii) fund a debt service reserve fund and (iii) pay certain expenses incurred in connection with the issuance of the Series 1985 Bonds.

SERIES 1998 BONDS

The proceeds of the Series 1998 Bonds were used to finance the (1) renovation, new construction and improvements to and the acquisition of equipment for, the health care facilities of Baptist Health South Florida, Inc. ("BHS"), Baptist Hospital, South Miami Hospital, and Keys Hospital Foundation, Inc. doing business as Mariners Hospital ("Mariners Hospital") and (2) pay certain expenses incurred in connection with the issuance of the Series 1998 Bonds.

Approximately \$14,808,000 of the Series 1998 Bond proceeds was used to finance the construction and equipping of the new Mariners Hospital facility. The project also included approximately \$29,625,000 for South Miami Hospital to finance the relocation and expansion of South Miami Hospital's surgery and recovery area, the relocation of its endoscopy and dialysis departments and its pharmacy, construction of a parking garage on the South Miami Hospital campus, the renovation of its existing patient tower and the expansion of the fourth floor clinical space and other routine capital projects. BHS financed the purchase of and renovation of a parcel of land adjacent to the Baptist Hospital campus consisting of approximately 3.1 acres and an existing building of approximately 45,000 square feet with approximately \$7,780,000, and the construction of a new day hospital on a 15 acre parcel of land located west of Baptist Hospital

with approximately \$14,700,000. The remainder of the Project (approximately \$33,095,000) consisted of renovations and expansion of existing clinical facilities at Baptist Hospital and the construction of a new parking garage on the campus of Baptist Hospital.

SERIES 2003 BONDS

The proceeds of the Series 2003 Bonds were used to (i) pay or reimburse Baptist Hospital, South Miami Hospital and Homestead Hospital, Inc. ("Homestead Hospital") for the payment of the costs of acquiring, constructing, renovating, rehabilitating and equipping certain of their healthcare facilities; (ii) fund interest accruing on the Series 2003 Bonds and (iii) pay certain expenses incurred in connection with issuance of the Series 2003 Bonds.

Approximately \$115,100,000 of the Series 2003 Bond proceeds was used to finance the construction and equipping of the replacement Homestead Hospital facility, located at _____, Homestead, Florida. Approximately \$18,100,000 of the Series 2003 Bond proceeds was used to finance the expansion of the emergency department, renovation, expansion and modernization of clinical imaging services, expansion of radiation oncology services and expansion of cardiac and vascular services for South Miami Hospital, located at 7400 Southwest 62nd Avenue, 6200 Southwest 73rd Street and 6250 Sunset Drive in South Miami, Florida. The remainder of the project financed with proceeds of the Series 2003 Bonds consisted of routine capital expenditures at South Miami Hospital.

SERIES 2004 BONDS

The proceeds of the Series 2004 Bonds were used to (i) pay or reimburse BHS, Baptist Hospital, South Miami Hospital and Homestead Hospital for the payment of the costs of acquiring, constructing, renovating, rehabilitating and equipping certain of their healthcare facilities and (ii) pay certain expenses incurred in connection with issuance of the Series 2004 Bonds. Approximately \$96,600,000 of the Series 2004 proceeds were used by [BHS] for the financing or refinancing of the acquisition, expansion, renovation and equipping of a 281 licensed bed hospital facility located at 320 Giralda Street, 5000 University Drive, 1150 Campo Sano Avenue, 1171 Campo Sano Avenue and 1500 Monza Avenue in Coral Gables, Florida which has since been transferred to Doctors Hospital Inc. Approximately \$86,400,000 of the Series 2004 proceeds were used by Baptist Hospital to finance the construction or renovation of an energy plant, a cardiac catheterization lab and radiology room, a neuro interventional procedures room, an emergency department replacement/expansion and an emergency department parking garage and other routine capital projects. The remainder of the project financed with proceeds of the Series 2004 Bonds consisted of routine capital expenditures at South Miami Hospital.