

Summary - a resolution making certain findings and determinations relating to, approving the final terms of, and authorizing the issuance and delivery of, hospital revenue and refunding bonds for the benefit of Carson Tahoe Regional Healthcare, and authorizing the execution and delivery of various agreements in connection therewith

RESOLUTION NO. 2017-R-39

A RESOLUTION AUTHORIZING THE ISSUANCE OF CARSON CITY, NEVADA, HOSPITAL REVENUE AND REFUNDING BONDS (CARSON TAHOE REGIONAL HEALTHCARE PROJECT), SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$111,073,000, TO FINANCE COSTS OF ACQUIRING, CONSTRUCTING, AND EQUIPPING ADDITIONAL HEALTH AND CARE FACILITIES AND SUPPLEMENTAL FACILITIES FOR A HEALTH AND CARE FACILITY FOR THE BENEFIT OF CARSON TAHOE REGIONAL HEALTHCARE, A NEVADA NONPROFIT CORPORATION, AND TO REFINANCE CERTAIN OBLIGATIONS PREVIOUSLY ISSUED BY THE CITY FOR THE BENEFIT OF CARSON TAHOE REGIONAL HEALTHCARE; MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF REVENUES AND AS TO OTHER MATTERS RELATED TO SUCH PROJECT AND SUCH BONDS; DELEGATING TO CITY OFFICIALS THE AUTHORITY TO DETERMINE CERTAIN FINAL TERMS OF THE BONDS; AUTHORIZING THE EXECUTION BY THE CITY OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, ONE OR MORE ESCROW AGREEMENTS, IF NECESSARY, AND CERTAIN CLOSING DOCUMENTS IN CONNECTION THEREWITH; REPEALING RESOLUTION NO. 2017-R-37 AND RESOLUTION NO. 2017-R-38 IN THEIR ENTIRETY; AND RATIFYING ALL CONSISTENT ACTIONS HERETOFORE TAKEN TOWARD THE ISSUANCE AND SALE OF THE BONDS.

WHEREAS, Carson City, in the State of Nevada (the "City" and "State," respectively), is organized and operating pursuant to the provisions of Chapter 276, Statutes of Nevada 1971 (the "Charter"), and the general laws of the State; and

WHEREAS, the City is authorized by the County Economic Development Revenue Bond Law now constituting NRS 244A.669 to 244A.763, inclusive (the "Act"), to finance or acquire, whether by construction, purchase, gift, devise, lease or sublease, to improve and equip, and to sell or otherwise dispose of one or more projects or parts thereof located within the State, and which may be located within the City, so that health and care facilities and supplemental facilities for health and care facilities may be acquired, developed, expanded and maintained by enterprises who will provide health care of high quality at reasonable rates for the benefit of the residents of the City and of the State; and

WHEREAS, the City is further authorized by the Act to issue its revenue bonds for the purpose of financing or defraying all or any portion of the cost of acquiring, improving, and equipping any land, building or other improvement and all real and personal properties necessary in connection therewith, whether or not in existence, suitable for a health and care facility and a supplemental facility for a health and care facility; and

WHEREAS, the Act provides that any bonds issued under the Act may be refunded by the City by the issuance of its refunding bonds in such amount as the Board of Supervisors of the City (the "Board") may deem necessary to refund the principal of the bonds to be so refunded, any unpaid interest thereon (including interest to be paid on refunded bonds from amounts on deposit in an escrow account, to the extent deemed necessary or desirable, as permitted by the Local Government Securities Law (as defined below)), and any premiums and incidental expenses necessary to be paid in connection therewith (including in such necessary expenses related swap termination payments on refunded bonds, if deemed necessary or desirable); and

WHEREAS, the City is further authorized under the Act to take such actions as are necessary or useful in order to accomplish and otherwise carry out the provisions of the Act; and

WHEREAS, Carson Tahoe Regional Healthcare, a nonprofit corporation organized and existing under the laws of the State of Nevada and formerly known as Carson-Tahoe Hospital (the "Corporation"), is a corporation that is recognized as exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, on October 19, 2017, the Board adopted: (i) Resolution No. 2017-R-37 authorizing the issuance of the "Carson City, Nevada Hospital Revenue Bonds (Carson Tahoe Regional Healthcare Project), Series 2017A," under the Act in an aggregate principal amount not to exceed \$61,695,000; and (ii) Resolution No. 2017-R-38 authorizing the issuance of the "Carson City, Nevada Variable Rate Hospital Revenue Refunding Bonds (Carson Tahoe Regional Healthcare Project), Series 2017B," under the Act in an aggregate principal amount not to exceed \$36,870,000, and the "Carson City, Nevada Variable Rate Hospital Revenue Refunding Bonds (Carson Tahoe Regional Healthcare Project), Series 2017C," under the Act in an aggregate principal amount not to exceed \$12,508,000; and

WHEREAS, at the request of the Corporation, the Board hereby determines to repeal Resolution No. 2017-R-37 and Resolution No. 2017-R-38 in their entirety, and replace such resolutions with this resolution; and

WHEREAS, the Corporation has proposed that the City issue its "Carson City, Nevada Hospital Revenue and Refunding Bonds (Carson Tahoe Regional Healthcare Project), Series 2017," under the Act in an aggregate principal amount not to exceed \$111,073,000 (the "Bonds"), for the purpose of: (i) financing the construction, acquisition, and equipping of certain additional health and care facilities and supplemental facilities for a health and care facility for the benefit of the Corporation located or to be located at 1600 Medical Parkway, 1400 Medical Parkway, and 1535 Medical Parkway in the City (collectively, the "Financed Facilities"); (ii) financing the cost (including interest paid from any escrow account on the Refunded Bonds

defined below) of refunding its “Carson City, Nevada Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2003B,” originally issued in the aggregate principal amount of \$50,000,000 and currently outstanding in the aggregate principal amount of \$36,870,000 (the “2003B Bonds”); (iii) financing the cost (including interest paid from any escrow account on the Refunded Bonds defined below) of refunding its “Carson City, Nevada Hospital Revenue Bonds (Carson Tahoe Regional Medical Center Project), Series 2005,” originally issued in the aggregate principal amount of \$15,000,000 and currently outstanding in the aggregate principal amount of \$11,540,000 (the “2005 Bonds,” and together with the 2003B Bonds, the “Refunded Bonds”); (iv) financing capitalized interest on the Bonds, if any; (v) financing a swap termination payment with respect to the 2003B Bonds, if deemed necessary and advisable; and (vi) paying the costs of issuing the Bonds and the costs of refunding the Refunded Bonds (collectively, the “Project”); and

WHEREAS, the Refunded Bonds were issued to finance a portion of the cost of the Financed Facilities; and

WHEREAS, on October 19, 2017, after notice published 15 days prior thereto, the Board met in regular session and conducted a public hearing pursuant to NRS 244A.707 and Section 147(f) of the Code; and

WHEREAS, the Board has, on or before the date hereof, received the following items of evidence required to be received by it pursuant to NRS 244A.711 consisting of:

(i) Evidence that the total amount of money necessary to be provided by the City for the costs of the Project does not exceed \$111,073,000;

(ii) Audited financial statements for the most recently completed five fiscal years of the Corporation;

(iii) Evidence that the Corporation has sufficient financial resources to place the Financed Facilities in operation and to continue the operation of the Financed Facilities, and to meet the obligations of the Corporation under the financing agreements to fully repay when due the principal of, premium, if any, and interest on the Bonds being issued for the Project; and

(iv) Evidence that sufficient safeguards exist to ensure that all money provided by the City will be expended solely for the purposes of the Project.

WHEREAS, the provisions of Chapter 350 of NRS apply to bonds issued pursuant to the Act (the “Local Government Securities Law”), including the Bonds; and

WHEREAS, the City will issue the Bonds in order to provide funds to finance the Project; and

WHEREAS, the following documents (collectively, the “Financing Documents”) have been placed on file with the Clerk-Recorder prior to this meeting: (1) the proposed form of a Loan Agreement relating to the Bonds (the “Agreement”) between the City and the Corporation; (2) the proposed form of an Indenture of Trust relating to the Bonds (the

“Indenture”) between the City and U.S. Bank National Association, as bond trustee (the “Bond Trustee”); (3) the proposed form of an Amended and Restated Master Trust Indenture (the “Master Indenture”) between the Corporation and U.S. Bank National Association, as master trustee; (4) the proposed form of a Supplemental Master Trust Indenture authorizing the Corporation’s Note (as defined in the Master Indenture) to the City related to the Bonds, which shall be endorsed over to the Bond Trustee in connection with the issuance of the Bonds; (5) the proposed form of a Bond Purchase Agreement between the City, the Corporation, and B.C. Ziegler & Company for itself and as representative of U.S. Bancorp Investments, Inc. (the “Underwriter”); (6) the proposed form of one or more Escrow Agreements, if necessary, between the City and U.S. Bank National Association, as escrow bank (the “Escrow Agreement”); and (7) the proposed form of the Preliminary Official Statement to be used by the Underwriter in connection with its offering of the Bonds to the public (the “Preliminary Official Statement”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA:

Section 1. All action (not inconsistent with the provisions of this resolution) heretofore taken by the Board and the officers of the City directed toward the Project and the issuance and sale of the Bonds therefor be, and the same is hereby, ratified, approved and confirmed.

Section 2. The Board held a public hearing on October 19, 2017 pursuant to NRS 244A.707 and Section 147(f) of the Code at the Carson City Community Center, Sierra Room, 851 E. William Street, Carson City, Nevada. An affidavit of publication of notice of the hearing and minutes of the hearing are attached to the Clerk’s certificate of this resolution as Exhibit B. The following determinations and findings are hereby made in accordance with NRS 244A.711:

(a) Based on the information provided to the Board by the Corporation, the total amount of money necessary to be provided for the financing of the Project by the issuance of tax-exempt indebtedness by the City in the form of the Bonds shall not exceed \$111,073,000. A schedule of the estimated costs of the Project has been provided by the Corporation to the City.

(b) A five year operating history has been submitted by the Corporation.

(c) The Corporation will have sufficient financial resources to place the Financed Facilities in operation and to continue the operation of the Financed Facilities, and to meet the obligations of the Corporation under the financing agreement to fully repay when due the principal of, premium, if any, and interest on the Bonds.

(d) The Indenture provides sufficient safeguards to ensure that all money provided by the City (i.e., the proceeds of the Bonds) will be expended solely for the purposes of the Project.

The Board hereby approves the Bonds and the Project. The Board hereby determines that it desires the City to proceed with the issuance of the Bonds and the financing of the Project.

Section 3. The City shall finance the Project by making available to the Corporation the proceeds of the Bonds in an aggregate principal amount not to exceed \$111,073,000, in accordance with the provisions of the Agreement and the Indenture.

Section 4. To defray the cost of financing the Project, the Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$111,073,000, subject to the limitations of Section 3 hereof, and shall be dated as of the date of initial delivery thereof. The Board hereby delegates, pursuant to NRS 350.165, to each of the Mayor, the City Manager and the Finance Director of the City the authority to sign the Bond Purchase Agreement. The Bonds shall mature on September 1 of each year, bear interest from their dated date to maturity, and be sold, as fixed and determined pursuant to the Bond Purchase Agreement, subject to the following requirements: (i) the aggregate principal amount of the Bonds shall not exceed \$111,073,000; (ii) the net interest cost of the Bonds shall not exceed 6.00%; (iii) the purchase price of the Bonds shall not be less than 98.00%, inclusive of both Underwriter's discount and any original issue discount; (iv) the first date on which the Bonds may be called for optional redemption prior to their maturity date shall not be later than September 1, 2028; (v) the price at which any Bonds may be called for optional redemption prior to maturity shall not exceed 101%; (vi) the final maturity of the Bonds shall not be later than September 1, 2048; and (vii) the Bonds shall mature serially (or in the case of term bonds be subject to sinking fund redemption) commencing no later than September 1, 2020 and shall mature in principal amounts (and/or be subject to such mandatory redemption in principal amounts) not exceeding \$9,000,000 in any one year. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on each September 1 and March 1, commencing on March 1, 2018.

Section 5. The Bonds shall be payable, shall be subject to redemption prior to maturity, and shall be in substantially the form and carry such other terms as are provided in the Indenture. The Bonds shall be initially issued subject to a book entry system of ownership and transfer, as provided in the Indenture.

Section 6. The following determinations and findings are hereby made in accordance with the Act:

(a) The reasonably anticipated range of amounts necessary in each year to pay the principal of and the interest on the Bonds is between \$6,000,000 and \$10,000,000 per year.

(b) No reserve fund has been established nor is proposed to be established for the retirement of the Bonds or the maintenance of the Financed Facilities, and accordingly it shall not be necessary to pay amounts into any such reserve fund.

(c) Under the terms of the Agreement and the Master Indenture, the Corporation shall maintain the Financed Facilities and carry all proper insurance with respect thereto.

(d) The amounts payable under the Agreement are sufficient to pay, in addition to all other requirements of the Agreement and this resolution, the principal of and interest due on the Bonds.

Section 7. The forms, terms and provisions of the Financing Documents be, and they hereby are, approved and the City shall enter into the Agreement, the Bond Purchase Agreement, the Indenture, and the Escrow Agreement, in substantially the forms of such documents on file with the Clerk-Recorder, with such changes therein as are consistent with the facts and are not inconsistent herewith, such approval to be evidenced by the execution of the same by the City's duly authorized officers; and the City Manager or the Finance Director of the City are each hereby authorized to execute and deliver the Bond Purchase Agreement and the Escrow Agreement, if necessary, and the Mayor or the City Manager is each hereby authorized to execute and deliver the Agreement and the Indenture, and the City Clerk is hereby authorized to affix the City seal to and to attest and deliver the Agreement, the Bond Purchase Agreement, the Escrow Agreement, and the Indenture, if required.

Section 8. The form, terms and provisions of the Bonds, in substantially the form contained in the Indenture, be, and the same hereby are, approved, with such changes therein as are consistent with the facts and are not inconsistent herewith. The Bonds shall be executed in the name of the City, and the Mayor and the City Treasurer are hereby authorized to execute the Bonds with their manual or facsimile signatures, the City Clerk is hereby authorized to attest the Bonds with her manual or facsimile signature, and a manual impression or a facsimile of an impression of the seal of the City is hereby authorized to be affixed to the Bonds.

Section 9. The use of the Preliminary Official Statement by the Underwriter in connection with the offering of the Bonds to the public is hereby approved.

Section 10. U.S. Bank National Association is appointed as trustee under the Indenture, thereby also serving as registrar and paying agent for the Bonds under the terms of the Indenture.

Section 11. The officers of the City shall take all action necessary or reasonably required to effectuate the delivery of the Bonds and shall take all action necessary or desirable in conformity with the Act to effect the Project and for carrying out the transactions contemplated by this resolution, the Agreement, the Bond Purchase Agreement, the Indenture, and the Escrow Agreement. The officers of the City are authorized to execute and deliver all certificates and additional agreements on behalf of the City necessary to effectuate the issuance of the Bonds and the refunding of the Refunded Bonds upon the terms set forth in this resolution and to evidence the expectations as to the tax-exempt status of the Bonds.

Section 12. The Bonds will not be general obligations of the City nor shall the Bonds, including interest thereon, ever constitute the debt or indebtedness of the City within the meaning of any provision or limitation of the Constitution or statutes of the State of Nevada, nor shall anything contained in this resolution or in the Bonds, the Agreement, the Indenture, the Escrow Agreement or any other instrument executed or delivered in connection with the Bonds impose any pecuniary liability upon the City or any charge upon its general credit or against its taxing powers.

Section 13. After the Bonds are issued, this resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 14. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 15. All bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency; provided, however, Resolution No. 2017-R-37 and Resolution No. 2017-R-38 are repealed in their entirety. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

Section 16. This resolution shall be in full force and effect forthwith after its adoption.

Upon motion by Supervisor Karen Abowd, seconded by Supervisor Lori Bagwell, the foregoing Resolution was passed and adopted this 16th day of November, 2017, by the following vote:

- AYES: Supervisor Karen Abowd
Supervisor Lori Bagwell
Supervisor John Barrette
Mayor Robert Crowell
- NAYS: None.
- ABSENT: None.
- ABSTAIN: Supervisor Brad Bonkowski



ROBERT L. CROWELL, Mayor
Carson City, Nevada

(SEAL)

ATTEST:



SUSAN MERRIWETHER, Clerk - Recorder

STATE OF NEVADA)
) SS.
CARSON CITY)

I, SUSAN MERRIWETHER, am the duly chosen, qualified and acting Clerk - Recorder of Carson City (the "City"), in the State of Nevada, and do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution of the Board of Supervisors (the "Board") adopted at a meeting of the Board held on November 16, 2017.

2. The members of the Board voted on the resolution as follows:

Those Voting Aye: Supervisor Karen Abowd
 Supervisor Lori Bagwell
 Supervisor John Barrette
 Mayor Robert Crowell

Those Voting Nay: None.

Those Abstaining: Supervisor Brad Bonkowski

3. The original of the resolution has been approved and authenticated by the signatures of the Mayor of the City and myself as Clerk - Recorder and has been recorded in the minute book of the Board kept for that purpose in my office, which record has been duly signed by the officers and properly sealed.

4. All members of the Board were given due and proper notice of such meeting. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and excerpts from the agenda for the meeting relating to the resolution, as posted no later than 9:00 a.m. on the third working day prior to the meeting on the City's website, the State of Nevada's official website, and at:

- (i) Community Center
851 East William Street
Carson City, Nevada
- (ii) Public Safety Complex
885 East Musser Street
Carson City, Nevada
- (iii) City Hall
201 North Carson Street
Carson City, Nevada

- (iv) Carson City Library
900 North Roop Street
Carson City, Nevada

- (v) Permit Center
108 East Proctor Street
Carson City, Nevada

is attached as Exhibit "A."

5. At least 3 working days before such meeting, such notice was delivered to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

6. An affidavit of publication of notice of the public hearing required by NRS 244A.707 and Section 147(f) of the Internal Revenue Code of 1986, as amended, together with the related minutes from such public hearing, are attached as Exhibit "B."

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November, 2017.



SUSAN MERRIWETHER, Clerk - Recorder