

Summary - a resolution making certain findings and determinations relating to, approving the final terms of, and authorizing the issuance and delivery of, two series of hospital revenue 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-38**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF (A) THE CARSON CITY, NEVADA, VARIABLE RATE HOSPITAL REVENUE REFUNDING BONDS (CARSON TAHOE REGIONAL HEALTHCARE PROJECT), SERIES 2017B, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$36,870,000, AND (B) THE CARSON CITY, NEVADA, VARIABLE RATE HOSPITAL REVENUE REFUNDING BONDS (CARSON TAHOE REGIONAL HEALTHCARE PROJECT), SERIES 2017C, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,508,000, TO REFINANCE CERTAIN OBLIGATIONS PREVIOUSLY ISSUED BY THE CITY FOR THE BENEFIT OF CARSON TAHOE REGIONAL HEALTHCARE, A NEVADA NONPROFIT CORPORATION; MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF REVENUES AND AS TO OTHER MATTERS RELATED TO SUCH REFUNDING PROJECTS AND SUCH BONDS; DELEGATING TO CITY OFFICIALS THE AUTHORITY TO DETERMINE CERTAIN FINAL TERMS OF THE BONDS; AUTHORIZING THE EXECUTION BY THE CITY OF CERTAIN LOAN AGREEMENTS, INDENTURES OF TRUST, AND CLOSING DOCUMENTS IN CONNECTION THEREWITH; 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, and any premiums and incidental expenses necessary to be paid in connection therewith; 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**, the Corporation has proposed that the City issue its "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 (the "2017B Bonds"), to finance the cost 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") (the "2017B Project"); and

**WHEREAS**, the Corporation has further proposed that the City issue its "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 (the "2017C Bonds," and together with the 2017B Bonds, the "Bonds"), to finance: (i) the cost 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"); and (ii) the costs of issuing the Refunded Bonds (the "2017C Project," and collectively with the 2017B Project, the "Project"); and

**WHEREAS**, the Refunded Bonds were issued to finance a portion of the cost of constructing, acquiring, improving and equipping health and care facilities and supplemental facilities for a health and care facility for the benefit of the Corporation located at 1600 Medical Parkway in the City (the "Financed Facilities"); and

**WHEREAS**, on the date hereof, 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 2017B Project does not exceed \$36,870,000;

(ii) Evidence that the total amount of money necessary to be provided by the City for the costs of the 2017C Project does not exceed \$12,508,000;

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

(iv) 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

(v) 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, 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 2017B Bonds (the "2017B Agreement") between the City and the Corporation; (2) the proposed form of a Loan Agreement relating to the 2017C Bonds (the "2017C Agreement," and together with the 2017B Agreement, the "Agreements") between the City and the Corporation; (3) the proposed form of an Indenture of Trust relating to the 2017B Bonds (the "2017B Indenture") between the City and U.S. Bank National Association, as bond trustee (the "Bond Trustee"); (4) the proposed form of an Indenture of Trust relating to the 2017C Bonds (the "2017C Indenture," and together with 2017B Indenture, the "Indentures") between the City and the Bond Trustee; (5) 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; (6) the proposed form of a Supplemental Indenture authorizing (i) the Corporation's Note (as defined in the Master Indenture) to the City relating to the 2017B Bonds, which shall be endorsed over to U.S. Bank National Association ("U.S. Bank") as the initial purchaser of the 2017B Bonds, and (ii) the Corporation's Note (as defined in the Master Indenture) to U.S. Bank relating to additional amounts payable under the 2017B Continuing Covenant Agreement (defined below); (7) the proposed form of a Supplemental Indenture authorizing (i) the Corporation's Note (as defined in the Master Indenture) to the City relating to the 2017C Bonds, which shall be endorsed over to U.S. Bank as the initial purchaser of the 2017C Bonds, and (ii) the Corporation's Note (as defined in the Master Indenture) to U.S. Bank relating to additional amounts payable under the 2017C Continuing Covenant Agreement (defined below); (8) the proposed form of a Continuing Covenant Agreement between the Corporation and U.S. Bank relating to the 2017B Bonds (the "2017B Continuing Covenant

Agreement”); and (9) the proposed form of a Continuing Covenant Agreement between the Corporation and U.S. Bank relating to the 2017C Bonds (the “2017C Continuing Covenant Agreement”).

**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 has held a public hearing on the date hereof 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 2017B Project by the issuance of tax-exempt indebtedness by the City in the form of the 2017B Bonds shall not exceed \$36,870,000. A schedule of the estimated costs of the 2017B Project has been provided by the Corporation to the City.

(b) 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 2017C Project by the issuance of tax-exempt indebtedness by the City in the form of the 2017C Bonds shall not exceed \$12,508,000. A schedule of the estimated costs of the 2017C Project has been provided by the Corporation to the City.

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

(d) 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 agreements to fully repay when due the principal of, premium, if any, and interest on the Bonds.

(e) The Indentures 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 2017B Project by making available to the Corporation the proceeds of the 2017B Bonds in an aggregate principal amount not to exceed

\$36,870,000, in accordance with the provisions of the 2017B Agreement and the 2017B Indenture. The City shall finance the 2017C Project by making available to the Corporation the proceeds of the 2017C Bonds in an aggregate principal amount not to exceed \$12,508,000, in accordance with the provisions of the 2017C Agreement and the 2017C Indenture.

Section 4. To defray the cost of financing the 2017B Project, the 2017B Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$36,870,000, and shall be sold to U.S. Bank as the initial purchaser thereof. The 2017B Bonds shall be issuable as fully registered bonds and dated as of the date of their issuance in the denominations of (i) \$100,000 or any integral multiple of \$5,000 in excess thereof with respect to particular 2017B Bonds bearing interest at a Daily Rate, Weekly Rate, Commercial Paper Rate or Adjustable Long Rate (as each is defined in the 2017B Bond Indenture), (ii) \$5,000 or any integral multiple thereof with respect to particular 2017B Bonds bearing interest at the Fixed Rate (as defined in the 2017B Bond Indentures) and (iii) \$100,000 or any integral multiple of \$5,000 in excess thereof with respect to 2017B Bonds bearing interest at an Index Rate, the Taxable Rate or the Default Rate (as each is defined in the 2017B Bond Indenture) or with respect to Unremarketed Bonds (as defined in the 2017B Bond Indenture). A 2017B Bond shall bear interest at the Index Rate, Daily Rate, Weekly Rate, Commercial Paper Rate, Adjustable Long Rate or Fixed Rate as determined in accordance with the 2017B Bond Indenture, payable on each Interest Payment Date (as defined in the 2017B Bond Indenture); provided that at no time shall any 2017B Bond bear interest at a rate higher than the Maximum Lawful Rate (as defined in the 2017B Bond Indenture). The 2017B Bonds shall be issued initially in the Index Rate Mode (as defined in the 2017B Bond Indenture) and bear interest at the Index Rate. The 2017B Bonds shall mature, subject to prior redemption as provided in the 2017B Bond Indenture and further subject to the designation of additional maturity dates in connection with a Conversion Date, on September 1, 2023. Pursuant to NRS 350.5835, the City hereby determines that the procedure specified in the 2017B Indenture for determining the interest rates on the 2017B Bonds is reasonable under existing or anticipated conditions in the market and advisable for marketing the 2017B Bonds.

The 2017B Bonds shall be payable, shall be subject to redemption prior to maturity and optional and mandatory tender for purchase and shall be in substantially the form provided in the 2017B Bond Indenture on file with the Clerk-Recorder. The 2017B Bonds shall be sold to U.S. Bank at a private sale at a purchase price equal to 100% of the principal amount thereof.

Section 5. To defray the cost of financing the 2017C Project, the 2017C Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$12,508,000, and shall be sold to U.S. Bank as the initial purchaser thereof. The 2017C Bonds shall be issuable as fully registered bonds and dated as of the date of their issuance in the denominations of (i) \$100,000 or any integral multiple of \$5,000 in excess thereof with respect to particular 2017C Bonds bearing interest at a Daily Rate, Weekly Rate, Commercial Paper Rate or Adjustable Long Rate (as each is defined in the 2017C Bond Indenture), (ii) \$5,000 or any integral multiple thereof with respect to particular 2017C Bonds bearing interest at the Fixed Rate (as defined in the 2017C Bond Indentures) and (iii) \$100,000 or any integral multiple of \$5,000 in excess thereof with respect to 2017C Bonds bearing interest at an Index Rate, the Taxable Rate or the Default Rate (as each is defined in the 2017C Bond Indenture) or with

respect to Unremarketed Bonds (as defined in the 2017C Bond Indenture). A 2017C Bond shall bear interest at the Index Rate, Daily Rate, Weekly Rate, Commercial Paper Rate, Adjustable Long Rate or Fixed Rate as determined in accordance with the 2017C Bond Indenture, payable on each Interest Payment Date (as defined in the 2017C Bond Indenture); provided that at no time shall any 2017C Bond bear interest at a rate higher than the Maximum Lawful Rate (as defined in the 2017C Bond Indenture). The 2017C Bonds shall be issued initially in the Index Rate Mode (as defined in the 2017C Bond Indenture) and bear interest at the Index Rate. The 2017C Bonds shall mature, subject to prior redemption as provided in the 2017C Bond Indenture and further subject to the designation of additional maturity dates in connection with a Conversion Date, on September 1, 2035. Pursuant to NRS 350.5835, the City hereby determines that the procedure specified in the 2017C Indenture for determining the interest rates on the 2017C Bonds is reasonable under existing or anticipated conditions in the market and advisable for marketing the 2017C Bonds.

The 2017C Bonds shall be payable, shall be subject to redemption prior to maturity and optional and mandatory tender for purchase and shall be in substantially the form provided in the 2017C Bond Indenture on file with the Clerk-Recorder. The 2017C Bonds shall be sold to U.S. Bank at a private sale at a purchase price equal to 100% of the principal amount thereof.

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 2017B Bonds is between \$1,500,000 and \$5,000,000 per year. The reasonably anticipated range of amounts necessary in each year to pay the principal of and the interest on the 2017C Bonds is between \$500,000 and \$2,500,000 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 Agreements 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 Agreements are sufficient to pay, in addition to all other requirements of the Agreements 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 Agreements and the Indentures 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 Mayor or the City Manager is hereby authorized to execute and deliver the Agreements and the Indentures,

and the City Clerk is hereby authorized to affix the City seal to and to attest and deliver the Agreements and the Indentures.

Section 8. The form, terms and provisions of the 2017B Bonds, in substantially the form contained in the 2017B Indenture on file with the Clerk-Recorder, be, and the same hereby are, approved, with such changes therein as are consistent with the facts and are not inconsistent herewith. The 2017B Bonds shall be executed in the name of the City, and the Mayor and the City Treasurer are hereby authorized to execute the 2017B Bonds with their manual or facsimile signatures, the City Clerk is hereby authorized to attest the 2017B 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 2017B Bonds.

Section 9. The form, terms and provisions of the 2017C Bonds, in substantially the form contained in the 2017C Indenture on file with the Clerk-Recorder, be, and the same hereby are, approved, with such changes therein as are consistent with the facts and are not inconsistent herewith. The 2017C Bonds shall be executed in the name of the City, and the Mayor and the City Treasurer are hereby authorized to execute the 2017C Bonds with their manual or facsimile signatures, the City Clerk is hereby authorized to attest the 2017C 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 2017C Bonds.

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

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 Agreements and the Indentures. 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 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 Agreements, or the Indentures 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. 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 Lori Bagwell, seconded by Supervisor John Barrette, the foregoing Resolution was passed and adopted this 19<sup>th</sup> day of October, 2017, by the following vote:

AYES: Supervisor Lori Bagwell  
Supervisor John Barrette  
Mayor Robert Crowell

NAYS: None.

ABSENT: None.

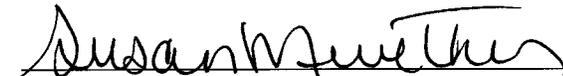
ABSTAIN: Supervisor Karen Abowd  
Supervisor Brad Bonkowski



ROBERT L. CROWELL, Mayor  
Carson City, Nevada

(SEAL)

ATTEST:



SUSAN MERRIWETHER, Clerk – Recorder  
Carson City, Nevada

STATE OF NEVADA     )  
  ) SS.  
CARSON CITY            )

I, SUSAN MERRIWETHER, the duly chosen, qualified and acting Clerk - Recorder of Carson City (the "City"), in the State of Nevada, 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 October 19, 2017.

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

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

Those Voting Nay: None

Those Absent: None

Those Abstaining: Supervisor Karen Abowd  
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 19<sup>th</sup> day of October, 2017.

  
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SUSAN MERRIWETHER, Clerk - Recorder