

CITY OF OROVILLE

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OROVILLE
AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$_____ TO FINANCE AND
REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT,
RENOVATION AND/OR EQUIPPING OF HEALTH CARE FACILITIES
OWNED AND/OR OPERATED BY OROVILLE HOSPITAL AND
DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the City Council (the "Council") of the City of Oroville, California (the "City"), as follows:

WHEREAS, the City is a municipal corporation and charter city duly organized and existing under a freeholders' charter pursuant to which the City has the right and power to make and enforce all laws and regulations in respect to municipal affairs and certain other matters in accordance with and as more particularly provided in sections 3, 5 and 7 of article XI of the Constitution of the State of California and the charter of the City (the "Charter");

WHEREAS, the City Council of the City, acting under and pursuant to the powers reserved to the City under sections 3, 5 and 7 of article XI of the Constitution of the State of California and section 2 of article XXX of the Charter, has adopted the City of Oroville Health Facilities Financing Law (the "Law"), establishing a program and procedure for the authorization, sale and issuance of revenue bonds by the City for the purpose, *inter alia*, of providing financing or refinancing for health facilities;

WHEREAS, Oroville Hospital (the "Corporation") is a California nonprofit public benefit corporation and a member of an obligated group;

WHEREAS, the Corporation wishes to:

(a) refund and restructure the outstanding City of Oroville Hospital Revenue Bonds (Oroville Hospital), Series 2018, issued to (i) (A) refund certain bonds issued in 1997 to finance the acquisition and construction of certain improvements to the Corporation's hospital facilities located at 2767 Olive Highway, Oroville, California (the "Hospital"), and (B) finance the acquisition and construction of improvements to the Hospital, and (ii) finance the expansion of the Hospital's dietary, pharmacy and surgical departments (the "2018 Bonds"),

(b) repay a draw on the line of credit with Mechanics Bank used to pay the debt service on the 2018 Bonds paid on April 1, 2023 (the "Line of Credit Draw"), and

(c) finance the acquisition and installation of diagnostic medical equipment and related software for the Hospital expansion project (the "2023 Project");

WHEREAS, the Corporation is requesting the assistance of the City in refunding the 2018 Bonds, repaying the Line of Credit Draw and financing the 2023 Project;

WHEREAS, pursuant to a bond indenture (the "Bond Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Bond Trustee"), the City will issue its City of Oroville Revenue Bonds (Oroville Hospital), Series 2023 (the "Bonds"), for the purpose, among others, of refunding the 2018 Bonds, repaying the Line of Credit Draw and financing the 2023 Project;

WHEREAS, pursuant a loan agreement (the "Loan Agreement"), by between the City and the Corporation, the City will loan the proceeds of the Bonds to the Corporation for the purpose, among others, of refunding the 2018 Bonds, repaying the Line of Credit Draw and financing the 2023 Project;

WHEREAS, the Corporation is the sole member of an obligated group and has entered into a Master Indenture of Trust, dated as of February 1, 2019 (the "Master Indenture"), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as master trustee (the "Master Trustee");

WHEREAS, as security for the obligation of the Corporation to make the payments under the Loan Agreement (the "Loan Payments"), the Corporation, will issue an obligation ("Obligation No. 4") pursuant to the Master Indenture, as supplemented by a related supplement for Obligation No. 4 ("Related Supplement No. 4"), between the Corporation and the Master Trustee;

WHEREAS, pursuant to the Master Indenture and Related Supplement No. 4, the Corporation agrees to make payments on Obligation No. 4 in an amount sufficient to pay, when due, the Loan Payments required to be paid by the Corporation and, thus, the principal of and interest on the Bonds;

WHEREAS, to secure the Corporation's obligation to make payments with respect to obligations issued under the Master Indenture, including Obligation No. 4 and its other obligations, agreements and covenants to be performed and observed under the Master Indenture, the Corporation will grant to the Master Trustee for the benefit of the holders of all obligations issued under the Master Indenture, a security interest in its Gross Revenues and the Gross Revenue Fund (each as described in the Master Indenture);

WHEREAS, as further security for the Corporation's obligation to make payments with respect to obligations issued under the Master Indenture, including Obligation No. 4, the Corporation has executed and delivered a Deed of Trust with Fixture Filing and Security Agreement, dated as of February 1, 2019;

WHEREAS, pursuant to a bond purchase agreement, to be dated the date of sale of the Bonds (the "Bond Purchase Agreement"), executed by _____, as purchaser of the Bonds (the "Purchaser"), accepted and agreed to by the City and approved and accepted by the Corporation, the Bonds will be sold to the Purchaser, and the proceeds of such sale will be used as set forth in the Bond Indenture to refund the 2018 Bonds, repay the Line of Credit Draw and finance the 2023 Project, to finance capitalized interest on the Bonds and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, there have been made available to the Council the following documents and agreements:

- (1) A proposed form of the Bond Indenture,
- (2) A proposed form of the Loan Agreement, and

(3) A proposed form of the Bond Purchase Agreement;

WHEREAS, pursuant to section 5852.1 of the California Government Code, the City, as a conduit financing provider, has received certain representations and good faith estimates and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. Pursuant to the Law and the Bond Indenture, the City is hereby authorized to issue its revenue bonds, designated as the "City of Oroville Revenue Bonds (Oroville Hospital), Series 2023" in an aggregate principal amount not to exceed _____ dollars (\$_____), with such other name or series designation thereof as set forth in the Bond Indenture. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form set forth in, the Bond Indenture. The Corporation's obligations with respect to the Bonds or any portion of them may, at the sole option of the Corporation, be secured by one or more deeds of trust, or other security arrangements. The Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor, the City Administrator or the Finance Director or their designees (each, an "Authorized Signatory"), and attested by the manual or facsimile signature of the City Clerk or any Deputy or Assistant City Clerk.

Section 2. The proposed form of Bond Indenture, as made available to the Council, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Bond Indenture in said form, with such changes and insertions therein, including changes to the form of Bond Indenture made available to the Council to provide for the issuance of the Bonds, as any Authorized Signatory, with the advice of counsel to the City, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The series designation, dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, and other terms of the Bonds shall be as provided in the Bond Indenture, as finally executed.

Section 3. The proposed form of Loan Agreement, as made available to the Council, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Loan Agreement in said form, with such changes and insertions therein, including changes to the form of Loan Agreement made available to the Council related to the loan of proceeds of Bonds, as any Authorized Signatory, with the advice of counsel to the City, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of the Bond Purchase Agreement, as made available to the Council, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Bond Purchase Agreement, in said form, with such changes and insertions therein, including changes to the form of Bond Purchase Agreement made available to the Council related to the purchase of Bonds, as any Authorized Signatory, with the advice of counsel to the City, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Bonds, when executed as provided in Section 1, shall be delivered to the Bond Trustee for authentication by the Bond Trustee. The Bond Trustee is hereby requested and directed to authenticate the Bonds by executing the Bond Trustee's Certificate of Authentication and Registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of

the City by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the City, to execute and deliver to the Bond Trustee. Such instructions shall provide for the delivery of the Bonds to the Purchaser, upon payment of the purchase price thereof.

Section 6. The Mayor, the City Administrator, the Finance Director and other appropriate officers of the City are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the City, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the City has approved in this Resolution and to consummate by the City the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 7. All actions heretofore taken by the Mayor, the City Administrator, the Finance Director and other appropriate officers of the City with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 8. All prior resolutions of the Council or any part thereof in conflict with any or all of this Resolution are hereby repealed to the extent of such conflict.

Section 9. This Resolution shall become effective upon its passage and approval.

PASSED AND ADOPTED by the City Council of the City of Oroville this 18th day of April, 2023, by the following vote:

AYES:

NOES:

ABSENT:

By _____
City Clerk

EXHIBIT A

INFORMATION REQUIRED BY
SECTION 5852.1 OF THE CALIFORNIA GOVERNMENT CODE

(A) Bond proceeds expected: \$_____

(B) The true interest cost of the Bonds: _____%

(C) The sum of all fees and charges paid to third parties: \$_____

(D) Amount required to redeem or defease the 2018 Bonds: \$_____

(E) Amount required to prepay the Line of Credit Draw: \$_____

(F) Capitalized interest: \$_____

(G) The amount of proceeds to be received less the sum of all fees and charges paid to third parties, any reserves or capitalized interest and any refunding: \$_____

(H) The sum total of all payments the Corporation will make to pay debt service on the Bonds, calculated to the final maturity of the Bonds: \$_____

The foregoing constitute good faith estimates only.

The principal amount of the Bonds, the true interest cost of the Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Corporation's financing plan. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates with respect to the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City and the Corporation.