

OROVILLE HOSPITAL

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF OROVILLE HOSPITAL
APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CITY OF
OROVILLE 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 THE HOSPITAL AND
DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the Board of Directors (the "Board") of Oroville Hospital (the "Corporation"), as follows:

WHEREAS, Oroville Hospital (the "Corporation") is a California nonprofit public benefit corporation;

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 to refund the 2018 Bonds, repay the Line of Credit Draw and finance 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, as a condition to the purchase of the Bonds, the Purchaser may require that the Corporation enter into a continuing covenant agreement which will provide for certain covenants of the Obligated Group so long as the Purchaser is the sole owner of the Bonds;

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

- (1) The Master Indenture,
- (2) The Bond Indenture,
- (3) A proposed form of the Loan Agreement,
- (4) A proposed form of Obligation No. 4,
- (5) A proposed form of Related Supplement No. 4,

(6) A proposed form of escrow agreement, by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Agreement"), relating to the refunding of the 2018 Bonds, and

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

WHEREAS, in the judgment of the Board it is advisable that the Authorized Officers (hereinafter defined) are authorized to do all things necessary to complete the issuance and sale of the Bonds, including the approval of the documents described above and other ancillary documents as may be necessary in connection with the issuance of the Bonds; and

WHEREAS, pursuant to section 5852.1 of the California Government Code, the Corporation 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. The Corporation hereby confirms the authorization and approval of the Master Indenture and its provisions and hereby authorizes and approves the financing and the structure of the financing through the issuance by the City of the Bonds for the benefit of the Corporation, substantially in accordance with the terms and conditions provided herein. The issuance of the Bonds by the City in a principal amount not to exceed _____ dollars (\$_____). The Bond Indenture, by and between the City and the Bond Trustee, in the form on file with the Secretary, be and is hereby approved.

Section 2. The proposed form of Loan Agreement, as made available to the Board, is hereby approved. The President and Chief Executive Officer of the Corporation and the Vice President and Chief Financial Officer of the Corporation or their designees (each, an "Authorized Officer"), is hereby authorized and directed, for and on behalf of the Corporation, 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 Board related to the loan of proceeds of Bonds, as any Authorized Officer, with the advice of counsel to the Corporation, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The proposed forms of Related Supplement No. 4 and Obligation No. 4 to be issued thereunder, as made available to the Board, are hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver Related Supplement No. 4 and to issue Obligation No. 4 in said forms, with such changes and insertions therein, including changes to the forms of Related Supplement No. 4 and Obligation No. 4 made available to the Board, as any Authorized Officer, with the advice of counsel to the Corporation, 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 Board, is hereby approved.

Section 5. The proposed form of the Escrow Agreement, to provide for the defeasance and redemption of the 2018 Bonds, as made available to the Board, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the City, to execute and deliver the Escrow Agreement, in said form, with such changes and insertions therein, including changes to the form of Escrow Agreement made available to the Board, as any Authorized Officer, with the advice of counsel to the Corporation, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The President and Chief Executive Officer of the Corporation, the Vice President and Chief Financial Officer of the Corporation or the Secretary, acting alone or in conjunction with any other officer, are hereby authorized and directed, for and on behalf of the Corporation to negotiate, execute and deliver all other agreements, documents, certificates and instruments, and to take any other actions as he or she deems necessary or advisable in his or her discretion in connection with the consummation of the issuance of the Bonds or the management of the debt incurred through the issuance of the Bonds and any of the transactions contemplated thereby, including without limitation (i) all of the terms and conditions of the Bonds (which terms and conditions include the number of series, principal amount of each series, interest rate(s), maturity date(s), redemption features and credit enhancement features), and (ii) making the obligations under the Bonds an obligation under the Master Indenture, which approval shall be conclusively presumed by the execution thereof or the taking of such actions.

Section 7. In the event any provision, section, sentence, clause or part of this Resolution shall be held invalid, such invalidity shall not affect or impair any remaining provisions, section, sentence, clause or part of this Resolution, it being the intent of the Corporation that such remainder shall be and shall remain in full force and effect.

Section 8. All prior resolutions of the Board 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 Board of Directors of Oroville Hospital this 4th day of April, 2023, by the following vote:

AYES:

NOES:

ABSENT:

By _____
Secretary

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.