

COUNCIL RESOLUTION 2020 - 7

**RESOLUTION OF THE COUNTY COUNCIL APPROVING THE ISSUANCE OF 2020
REFUNDING BONDS OF THE DAVIESS COUNTY HOSPITAL ASSOCIATION**

WHEREAS, Daviess County, Indiana (the "County") has entered into a Lease, dated March 15, 2011 (the "Original Lease") by and among the County, The Board of Trustees of Daviess County Hospital (the "Board" or the "Hospital") and the Daviess County Hospital Association (the "Association"); and

WHEREAS, pursuant to a Trust Indenture dated as of May 1, 2011 (the "2011 Indenture") between the Association and U.S. Bank National Association, as trustee (the "Trustee"), the Association issued its Lease Rental Revenue Bonds, Series 2011, in an aggregate principal amount equal to \$20,135,000 (the "2011 Bonds"), the proceeds of which were used to provide funds for all or a portion of: (i) the acquisition, construction, renovation, and/or equipping of certain improvements owned or to be acquired by the Hospital, (ii) funding a debt service reserve fund for the Bonds, and (iii) paying all or a portion of the costs of issuance and incidental expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, the Association is expected to adopt a resolution approving the issuance of its Lease Rental Revenue Refunding Bonds, Series 2020, in an aggregate principal amount not to exceed \$12,500,000 (the "2020 Bonds"), pursuant to the terms and conditions established in the 2011 Indenture as supplemented and amended by a First Supplemental Trust Indenture to be dated the first day of the month in which the 2020 Bonds are issued (the "2020 Supplemental Indenture") (the 2011 Indenture as supplemented by the 2020 Supplemental Indenture, the "Indenture"), by and between the Association and the Trustee, the proceeds of which will be used to provide, together with other funds available under the 2011 Indenture, for: (i) the current refunding of the 2011 Bonds now outstanding in an aggregate principal amount equal to \$12,610,000 (the "Refunding"), (ii) the payment all or a portion of the costs of issuance and incidental expenses incurred in connection with the issuance of the 2020 Bonds and (iii) the funding of a debt service reserve fund; and

WHEREAS, the Refunding will result in a material savings to the Association, the Hospital and the County by reason of a corresponding reduction in the lease rental payments to be made under the Lease; and

WHEREAS, the County and the Board fully expect that the lease rentals under the Lease will be paid by the Hospital from the net revenues of the Hospital (the "Net Revenues"); and

WHEREAS, the Daviess County Council desires to review the information for the transaction regarding such Bonds and the Refunding.

NOW THEREFORE, BE IT RESOLVED by the Daviess County Council as follows:

Section 1. The County Council hereby approves the issuance of the 2020 Bonds for the purpose set forth in this Resolution, and specifically, to materially reduce said payments by the Hospital and the Association and thereby reduce the corresponding risk to the County. The 2020 Bonds shall be issued in an amount not to exceed \$12,500,000, shall bear interest at a rate

or rates not exceeding 4.00% per annum and shall mature on a date not later than January 15, 2029 (which is the final maturity date of the 2011 Bonds).

Section 2. Within these parameters, the President of the Council (or its designee) is hereby authorized and directed to take any action and execute any documents, agreements and certificates as such member or officer of the County deems necessary and desirable to effectuate the foregoing resolutions, and any such actions, documents, agreements and certificates heretofore taken or executed be, and hereby are, ratified and approved.

Section 3. This Resolution shall be in full force and effect immediately upon adoption.

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The foregoing is a true copy of a Resolution adopted by the County Council of Daviess County on October 14, 2020.

Kent J. Nois

Mike Smith

Dave Hunt

Mark P. Smith

Jean McCracken

Tony Decker

Mike Mize

Attest:

Misty B. Goble
Daviess County Auditor