

CITY OF MURRAY, KENTUCKY

ORDINANCE NUMBER 2016-1711

AN ORDINANCE AUTHORIZING THE ISSUANCE OF HOSPITAL FACILITIES REVENUE REFUNDING BONDS (MURRAY-CALLOWAY COUNTY PUBLIC HOSPITAL CORPORATION), SERIES 2016 OF THE CITY OF MURRAY, KENTUCKY IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$25,000,000, THE PROCEEDS OF WHICH SHALL BE LOANED TO MURRAY-CALLOWAY COUNTY PUBLIC HOSPITAL CORPORATION, A KENTUCKY NONPROFIT CORPORATION, TO REFINANCE THE OUTSTANDING HOSPITAL FACILITIES REVENUE BONDS (MURRAY-CALLOWAY COUNTY PUBLIC HOSPITAL CORPORATION PROJECT), SERIES 2007 THAT WERE ORIGINALLY ISSUED TO PAY FOR OF THE ACQUISITION, CONSTRUCTION, INSTALLATION AND EQUIPPING OF CERTAIN HOSPITAL FACILITIES LOCATED WITHIN THE CITY OF MURRAY, KENTUCKY WHICH ARE SUITABLE FOR USE IN THE FURTHERANCE OF THE HEALTH CARE AND HEALTH RELATED PURPOSES OF MURRAY-CALLOWAY COUNTY PUBLIC HOSPITAL CORPORATION; AUTHORIZING THE ISSUANCE OF ADDITIONAL BONDS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH BONDS; AUTHORIZING A SUPPLEMENTAL LOAN AGREEMENT AND SUPPLEMENTAL INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND TO FURTHER SECURE SUCH BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT, A TAX REGULATORY AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT; AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

WHEREAS, the City of Murray, Kentucky (the "Issuer"), by virtue of the laws of the Commonwealth of Kentucky, including Chapter 103 of the Kentucky Revised Statutes, is authorized and empowered among other things (a) to make a loan to assist in defraying the cost of the acquisition, construction, installation and equipping of an "industrial building", as defined in Section 103.200 of the Kentucky Revised Statutes, within the boundaries of the Issuer, (b) to issue and sell its revenue bonds to provide moneys for such loan and (c) to enact this Bond Legislation and execute and deliver the agreements and instruments hereinafter identified; and

WHEREAS, the Issuer previously issued its Hospital Facilities Revenue Bonds (Murray-Calloway County Public Hospital Corporation Project), Series 2007 (the "Prior Bonds") which financed the acquisition, construction, installation and equipping of health care and health related facilities (the "Project") that are owned and operated by the Murray-Calloway County Public Hospital Corporation (the "Borrower");

WHEREAS, the Borrower, in order to achieve debt service savings with respect to the Prior Bonds, has requested that the Issuer issue refunding revenue bonds under the provisions of

the laws of the Commonwealth of Kentucky, particularly Chapter 103 of the Kentucky Revised Statutes (the "Act") to refund the Prior Bonds; and

WHEREAS, this City Council (the "Issuing Authority"), at the time of issuance of the Prior Bonds, determined and does hereby confirm that the acquisition, construction, installation and equipping of the Project, is a Project designed for use in furtherance of the health care and health related purposes of the Borrower which will promote the welfare of the people of the Commonwealth of Kentucky, promote reconversion to a peacetime economy, relieve conditions of unemployment, aid in the rehabilitation of returning veterans, encourage the increase of industry in the Commonwealth of Kentucky, promote the economic welfare of the people of the Issuer, create or preserve jobs and employment opportunities and assist in the development of industrial activities to the benefit of the people of the Issuer, and that the Issuer, by assisting with the financing of the Project through the issuance of revenue bonds in a principal amount of approximately \$25,000,000 (the "Series 2016 Bonds") will be acting in the manner consistent with and in furtherance of the provisions of the laws of the Commonwealth of Kentucky, particularly Chapter 103 of the Kentucky Revised Statutes (the "Act");

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF MURRAY, KENTUCKY, AS FOLLOWS:

Section 1. Definitions. All defined terms used herein and those not otherwise defined herein shall have the respective meanings given to them in the Supplemental Trust Indenture with respect to the Series 2016 Bonds (the "Supplemental Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

Any reference herein to the Issuer or the Issuing Authority, or to any officers or members thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof," "hereby," "hereto," "hereunder," and similar terms, mean this Bond Legislation.

Section 2. Determinations of Issuer. Pursuant to the Act, this Issuing Authority hereby affirms that the Project is an "industrial building" as defined in the Act and is consistent with the provisions of Sections 103.200 to 103.285 of the Act; that such industrial building consists of an industrial building suitable for use as facilities related to or in furtherance of the healthcare and health related purposes of the Borrower, as set forth in Section 103.200(1)(c) of the Act; and that the refinancing of such industrial building is to be financed with the proceeds of the Series 2016 Bonds pursuant to the provisions of Sections 103.200 to 103.285 of the Kentucky Revised Statutes.

Section 3. Authorization of Bonds. It is hereby determined to be necessary to, and the Issuer shall issue, sell and deliver, as provided herein and pursuant to the authority of the Act, the Series 2016 Bonds for the purposes of refunding all or a portion of the outstanding Hospital Facilities Revenue Bonds (Murray-Calloway County Public Hospital Corporation Project), Series 2007 (the "Prior Bonds"), including costs incidental thereto, all in accordance with the

provisions of the Supplemental Loan Agreement dated as of November 1, 2016 (the "Supplemental Agreement") between the Issuer and the Borrower. The Series 2016 Bonds shall be designated "Hospital Facilities Revenue Refunding Bonds (Murray-Calloway County Public Hospital Corporation), Series 2016." The maximum amount of Series 2016 Bonds to be issued is the amount required to refund the Prior Bonds and to pay related costs, such amount being approximately \$25,000,000. The Issuer may also issue, sell and deliver Additional Bonds on a parity with the Series 2016 Bonds for the purposes and in the manner provided in the Supplemental Indenture.

Section 4. Terms and Execution of the Bonds. The Series 2016 Bonds shall be issued in the forms and denominations, shall be numbered, dated and payable as provided in the Supplemental Indenture. The Series 2016 Bonds shall mature as provided in the Supplemental Indenture, and have such terms, bear such interest, and be subject to mandatory and optional redemption as provided in the Supplemental Indenture. This Issuing Authority hereby fixes and establishes the interest rate in effect from time to time on the Series 2016 Bonds in the manner and pursuant to the provisions of the Supplemental Indenture. The Series 2016 Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor and City Clerk. In case any officer whose signature or a facsimile thereof shall appear on the Series 2016 Bonds shall cease to be such officer before the issuance or delivery of the Series 2016 Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until after that time.

The form of the Series 2016 Bonds shall comply with the provisions of the Supplemental Indenture, and is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate officers thereof in the manner contemplated hereby and by the Supplemental Indenture, in an aggregate principal amount of approximately \$25,000,000, shall represent the approved form of Series 2016 Bonds of the Issuer.

Section 5. Sale of the Bonds. In accordance with a written request, addressed to the Mayor from the Borrower, that the sale of the Series 2016 Bonds be made privately upon a negotiated basis, the Series 2016 Bonds are hereby awarded to Ross, Sinclaire & Associates, LLC (the "Underwriter") for reoffering to the public, at the purchase price set forth, and on the terms and conditions described, in the Bond Purchase Agreement with respect to the Series 2016 Bonds (the "Bond Purchase Agreement") among the Issuer, the Borrower and the Underwriter. The Mayor and City Clerk are authorized and directed to make, on behalf of the Issuer, the necessary arrangements to establish the date, location, procedure and conditions for the delivery of the Series 2016 Bonds to the Underwriter, and to take all steps necessary to effect due execution and delivery to the Underwriter of the Series 2016 Bonds (or temporary bonds delivered in lieu of definitive Series 2016 Bonds until their preparation and delivery can be effectuated) under the terms of this Bond Legislation, the Bond Purchase Agreement, the Supplemental Agreement and the Supplemental Indenture. It is hereby determined that the price for and the terms of the Series 2016 Bonds, and the sale thereof, all as provided in the aforesaid documents, are in the best interests of the Issuer and consistent with all legal requirements.

Section 6. Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Series 2016 Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Series 2016 Bonds are delivered to the

Underwriter, so that they will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Mayor or any other officer having responsibility with respect to the issuance of the Series 2016 Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer, to deliver a certificate for inclusion in the transcript of proceedings for the Series 2016 Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 148 and regulations thereunder.

Section 7. Authorization of Supplemental Agreement, Supplemental Indenture, Bond Purchase Agreement, Tax Regulatory Agreement, Continuing Disclosure Agreement and All Other Documents to be Executed by the Issuer. In order to better secure the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds as the same shall become due and payable, the Mayor and City Clerk are authorized and directed to execute, acknowledge and deliver in the name and on behalf of the Issuer, the Supplemental Indenture, Supplemental Agreement, Tax Regulatory Agreement, Continuing Disclosure Agreement, Preliminary Official Statement and Official Statement and Bond Purchase Agreement in substantially the usual and customary forms, which are hereby approved, with such changes therein not inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officers executing the same on behalf of the Issuer. The approval of such changes by said officers, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of such Supplemental Indenture, Tax Regulatory Agreement, Continuing Disclosure Agreement, Supplemental Agreement and Bond Purchase Agreement by such officers.

The Mayor and City Clerk are each hereby separately authorized to take any and all actions and to execute such financing statements, assignments, certificates and other instruments that may be necessary or appropriate in the opinion of Dinsmore & Shohl, LLP, as Bond Counsel, in order to effect the issuance of the Series 2016 Bonds and the intent of this Bond Legislation. The City Clerk, or other appropriate officer of the Issuer, shall certify a true transcript of all proceedings had with respect to the issuance of the Series 2016 Bonds, along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Series 2016 Bonds.

Section 8. Covenants of Issuer. In addition to other covenants of the Issuer in this Bond Legislation, the Issuer further covenants and agrees as follows:

(a) **Payment of Principal, Premium and Interest.** The Issuer will, solely from the sources herein or in the Supplemental Indenture provided, pay or cause to be paid the principal of, premium, if any, and interest on each and all Series 2016 Bonds on the dates, at the places and in the manner provided herein, in the Supplemental Indenture and in the Series 2016 Bonds.

(b) **Performance of Covenants, Authority and Actions.** The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Series 2016 Bonds, Supplemental Agreement, Tax Regulatory Agreement, Continuing Disclosure Agreement, Bond Purchase Agreement and Supplemental Indenture, and in all proceedings of the Issuer pertaining to the Series 2016 Bonds. The Issuer warrants and covenants that it is, and upon delivery of the Series 2016 Bonds will be, duly

authorized by the laws of the Commonwealth of Kentucky, including particularly and without limitation the Act, to issue the Series 2016 Bonds and to execute the Supplemental Agreement, the Tax Regulatory Agreement, the Continuing Disclosure Agreement, the Supplemental Indenture and the Bond Purchase Agreement, and all other documents to be executed by it, to provide for the security for payment of the principal of, premium, if any, and interest on the Series 2016 Bonds in the manner and to the extent herein and in the Supplemental Indenture set forth; that all actions on its part for the issuance of the Series 2016 Bonds and execution and delivery of the Supplemental Agreement, the Tax Regulatory Agreement, the Continuing Disclosure Agreement, the Supplemental Indenture, the Bond Purchase Agreement and all other documents to be executed by it in connection with the issuance of the Series 2016 Bonds, have been or will be duly and effectively taken; and that the Series 2016 Bonds will be valid and enforceable special obligations of the Issuer according to the terms thereof. Each provision of the Bond Legislation, the Supplemental Indenture, the Supplemental Agreement, the Tax Regulatory Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and each Series 2016 Bond, and all other documents to be executed by the Issuer in connection with the issuance of the Series 2016 Bonds, is binding upon each officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision; and each duty of the Issuer and of its officers and employees undertaken pursuant to such proceedings for the Series 2016 Bonds is established as a duty of the Issuer and of each such officer and employee having authority to perform such duty.

Section 9. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Ordinance, or in any Series 2016 Bond, or in the Supplemental Agreement, the Supplemental Indenture, the Tax Regulatory Agreement, the Continuing Disclosure Agreement or the Bond Purchase Agreement, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any holder of any Series 2016 Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Series 2016 Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the owner or any holder of any Series 2016 Bond, or otherwise, of any sum that may remain due and unpaid upon any Series 2016 Bond, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Supplemental Agreement, Supplemental Indenture, Bond Purchase Agreement, Tax Regulatory Agreement, Continuing Disclosure Agreement and the issuance of the Series 2016 Bonds.

Section 10. Official Statement. The Issuer deems the preliminary Official Statement referred to herein to be final for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1) except for certain information which has been omitted in accordance with such Rule and will be supplied in the Final Official Statement. A Final Official Statement will be provided to the purchasers as required by applicable law.

Section 11. No Debt or Tax Pledge. The Series 2016 Bonds do not constitute an indebtedness of the Issuer within the meaning of the Constitution of the Commonwealth of Kentucky. The Series 2016 Bonds shall be payable solely from the revenues and security interests pledged for their payment as provided in the Supplemental Indenture, and neither moneys raised by taxation nor any other general or special revenues of the Issuer shall be obligated or pledged for the payment of principal of, premium (if any) or interest on the Series 2016 Bonds.

Section 12. Severability. If any section, paragraph or provision of this Bond Legislation shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Bond Legislation.

Section 13. Open Meetings Law. This Issuing Authority hereby finds and determines that all formal actions relative to the adoption of this Bond Legislation were taken in an open meeting of this Issuing Authority, and that all deliberations of this Issuing Authority and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 14. Effective Date. This Bond Legislation shall be in full force and effect from and after its passage and publication of a summary hereof, as provided by law.

Introduced and read on the 25th day of August, 2016 followed by a second reading on the 8th day of September, 2016 and upon motion duly made and seconded, this ordinance was adopted.

Approved:

Jack Rose, Mayor, City of Murray, Kentucky

Attest:

June, Batts, Clerk,
City of Murray, Kentucky

CERTIFICATE

I, City Clerk of the City of Murray, Calloway County, Kentucky, do hereby certify that the above is a true copy of Ordinance No. _____, as adopted by the City Council at a meeting held on September 8, 2016, whereat a quorum was present and voting, all as shown by the records of said City in my office.

SIGNED:

City Clerk

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