

RESOLUTION NO. 22-081

CITY OF MAPLE GROVE

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAPLE GROVE, MINNESOTA (THE "CITY"), AUTHORIZING (1) THE CONSENT TO AN AMENDED AND RESTATED 2017A NOTE (THE "NOTE") ISSUED BY NORTH MEMORIAL HEALTH CARE ("NMH") TO THE CITY EVIDENCING ITS INCREASED OBLIGATIONS UNDER THAT CERTAIN GUARANTY DATED EFFECTIVE MAY 1, 2017, DELIVERED BY NMH IN FAVOR OF THE CITY PURSUANT TO WHICH NMH AGREED TO GUARANTY THE CERTAIN OBLIGATIONS OF MAPLE GROVE HOSPITAL CORPORATION UNDER THE CITY'S \$119,300,000 HEALTH CARE FACILITIES REVENUE REFUNDING BONDS (MAPLE GROVE HOSPITAL CORPORATION) SERIES 2017, AND (2) THE ASSIGNMENT OF THE NOTE TO U.S. BANK NATIONAL ASSOCIATION.**

BE IT RESOLVED, by the City Council of the City of Maple Grove, Minnesota, as follows:

WHEREAS, the City of Maple Grove, Minnesota (the "City"), is a political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, pursuant to a Bond Trust Indenture, dated as of May 1, 2017 (the "Bond Indenture"), between the City and U.S. Bank National Association, in St. Paul, Minnesota, as Trustee (the "Bond Trustee"), the City issued its Health Care Facilities Revenue Bonds (Maple Grove Hospital Corporation), Series 2017, in the aggregate principal amount of \$119,390,000 (the "Series 2017 Bonds"), under the provisions of Minnesota Statutes, Sections 469.152 to 469.1655, as amended; and

WHEREAS, pursuant to a Loan Agreement (the "Agreement"), dated as of May 1, 2017, between the City and Maple Grove Hospital Corporation (the "Borrower"), the City made a loan of the proceeds of the Bonds to the Borrower and to secure such loan and the obligation of the Borrower to repay the same, together with interest and premium, if any, thereon, the Borrower issued its Series 2017A Note to the City, which the City assigned to the Bond Trustee pursuant to the Bond Indenture; and

WHEREAS, the City required, as a condition to the making of the loan to the Borrower, the execution and delivery by North Memorial Health Care ("NMH") of its Guaranty dated as of May 1, 2017 (the "Guaranty"), pursuant to which NMH agreed to guarantee the payment of seventy-five percent (75%) of all amounts owed by Borrower pursuant to the Agreement and the Borrower's Series 2017A Note issued to the City, together with accrued interest, costs and expenses; provided that if Fairview Health Service's ("Fairview") and NMH's ownership of the Borrower was modified or adjusted, NMH's guarantee of the amounts owed by Borrower pursuant to the Agreement and Borrower's Series 2017A Note would be adjusted proportionately, but only if such modification did not result in a reduction in the credit rating assigned to the Series 2017 Bonds by any Rating Agency (as defined in the Bond Indenture) then maintaining a rating on the Series 2017 Bonds; and

WHEREAS, in connection with its obligations pursuant to the Guaranty, NMH issued its Series 2017A Note (the "Series 2017A Note") pursuant to the terms of a Supplemental Indenture No. 16 dated as of May 1, 2017 ("Supplemental Indenture No. 16"), under that certain Master Trust Indenture, dated as of June 15, 1993 (the "Master Trust Indenture"), between NMH and U.S. Bank National Association (the "Master Trustee"), for the purpose of providing for the issuance from time to time of Notes (as defined in the Master Trust Indenture) of one or more series, not limited as to number, which Notes will be obligations of the Members of the Obligated Group (as defined in the Master Trust Indenture); and

WHEREAS, Section 10 of Supplemental Indenture No. 16 required NMH to amend Supplemental Indenture No. 16 and restate the Series 2017A Note (such restated Note, the "Amended and Restated Series 2017A Note") in the event of any change to NMH's Applicable Percentage (as defined and used in the Guaranty), whether such Applicable Percentage was increased or decreased; and

WHEREAS, on March 18, 2022, NMH and Fairview entered into that certain Settlement Agreement and Release (the "Settlement Agreement") pursuant to which NMH agreed to acquire Fairview's twenty-five percent (25%) ownership interest in the Borrower, the consummation of which would result in NMH owning one hundred percent (100%) of the ownership interest in the Borrower; and

WHEREAS, on March 24, 2022, Moody's affirmed the Borrower's rating as Baa1; and

WHEREAS, accordingly, upon the closing of the transactions contemplated by the Settlement Agreement and pursuant to the terms of the Guaranty, NMH's guaranteed obligation shall be increased to one hundred percent (100%) of all amounts owed by Borrower pursuant to the Agreement and the Borrower's Series 2017A Note, together with accrued interest, costs and expenses; and

WHEREAS, NMH intends to amend Supplemental Indenture No. 16 and restate the Series 2017A Note to reflect the change in the amount guaranteed under the Guaranty; and

WHEREAS, in connection with the amendment to Supplemental Indenture No. 16 and the issuance of the Amended and Restated Series 2017A Note, the City is required to (a) consent to the Amended and Restated Series 2017A Note, and (b) assign such Amended and Restated Series 2017A Note pursuant to the terms of the Master Trust Indenture and Supplemental Indenture No. 16 (as amended).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MAPLE GROVE, MINNESOTA, AS FOLLOWS:

1. The City Council of the City hereby consents to the execution and delivery of the Amended and Restated Series 2017A Note in the form provide to the City Council.
2. The City Council of the City hereby consents to the assignment of the Amended and Restated Series 2017A Note by the City to the Master Trustee as described in the recitals set forth above.

3. The City Council of the City hereby authorizes and directs the Mayor and the City Administrator to execute and deliver the consent to and the assignment of the Amended and Restated Series 2017A Note.

4. Except as otherwise provided in this resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the City or the City Council by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the City or by such members of the City Council, or such officers, board, body or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the City Council of the City, or any officer, agent or employee of the City in that person's individual capacity, and neither the City Council of the City nor any officer or employee executing the Series 2017 Bonds shall be liable personally on the Series 2017 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant or agreement contained in the aforementioned documents, the Series 2017 Bonds or in any other document relating to the Series 2017 Bonds, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to any pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement and the Series 2017A Note which are to be applied to the payment of the Series 2017 Bonds, as provided therein and in the Indenture.

5. Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the City or any holder of the Series 2017 Bonds issued under the provisions of this resolution, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the City and any holder from time to time of the Series 2017 Bonds issued under the provisions of this resolution.

6. In case any one or more of the provisions of this resolution, of the aforementioned documents, or of the Series 2017 Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Series 2017 Bonds, this resolution, the aforementioned documents, and the Series 2017 Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

7. This resolution shall be in full force and effect from and after its passage.

Motion to approve the foregoing was made by Councilmember \_\_\_\_\_ and seconded by Councilmember \_\_\_\_\_, upon a vote being duly taken thereon, the following voted in favor thereof: \_\_\_\_\_

and the following voted against the same: \_\_\_\_\_

and the following were absent: \_\_\_\_\_

whereupon, the resolution was declared duly passed and adopted the 12<sup>th</sup> day of April, 2022.

STATE OF MINNESOTA        )

                                  )SS.

COUNTY OF HENNEPIN        )

I, the undersigned, being the duly qualified and acting City Clerk of the City of Maple Grove, Minnesota (the "City"), do hereby certify that attached hereto is a compared, true and correct copy of a resolution duly adopted by the City Council of the City, and that the attached Extract of Minutes of a special meeting of the City Council duly called and held April 12, 2022, is a full, true and correct transcript therefrom insofar as the same relates to the issuance of health care facilities revenue refunding bonds by the City on behalf of Maple Grove Hospital Corporation.

WITNESS My hand and seal officially as said City Clerk this 12th day of April, 2022.

\_\_\_\_\_

City Clerk

(Seal)