

MUNICIPAL ORDER 7-2020

A MUNICIPAL ORDER OF THE BOARD OF COMMISSIONERS FOR THE CITY OF OWENSBORO, KENTUCKY, REQUESTING THAT THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY ADOPT A RESOLUTION PROVIDING FOR THE ISSUANCE OF REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$62,000,000, THE PROCEEDS OF WHICH WILL BE LOANED TO CHRISTIAN CARE COMMUNITIES, INC., A KENTUCKY NONPROFIT ORGANIZATION, AND/OR ONE OR MORE AFFILIATES, WITH FACILITIES LOCATED WITHIN THE BOUNDARIES OF THE CITY OF OWENSBORO, TO FINANCE AND/OR REFINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN HEALTH CARE AND HEALTH RELATED FACILITIES OWNED AND OPERATED BY THEM.

WHEREAS, the Kentucky Economic Development Finance Authority (the "Authority") is authorized to issue bonds from time to time under the provisions of Chapter 154 and Sections 103.200 - 103.285 inclusive, of the *Kentucky Revised Statutes* and to use the proceeds of such bonds to make loans to nonprofit organizations such as Christian Care Communities, Inc. (together with one or more affiliates, the "Borrower") to provide financing for health care and health related facilities in the Commonwealth of Kentucky; and

WHEREAS, the Borrower desires to (i) refinance certain existing indebtedness of the Borrower, including but not limited to the \$21,727,510 Kentucky Economic Development Finance Authority Healthcare Facilities Revenue Bonds, Series 2016A (Christian Care Communities, Inc. Obligated Group) and \$15,002,542 Kentucky Economic Development Finance Authority Healthcare Facilities Revenue Bonds, Series 2016B (Christian Care Communities, Inc. Obligated Group) (collectively, the "Prior Debt"), the proceeds of which Prior Debt were used to finance and refinance the costs of the acquisition, construction and equipping of health care and health related facilities,

including long-term care facilities and housing for the aged or infirm, located in the Commonwealth and owned and/or operated by the Borrower (collectively, the “Prior Project”), (ii) finance and refinance the costs of the acquisition, construction and equipping of health care and health related facilities, including long-term care facilities and housing for the aged or infirm, located in the Commonwealth and owned and/or operated by the Borrower (collectively, the “New Project” and, together with the Prior Project, the "Project"), (iii) fund capitalized interest on all or a portion of the Bonds (as hereinafter defined), (iv) fund a debt service reserve for the Bonds and (v) pay costs of issuance, through the issuance by the Authority of its Healthcare Facilities Revenue Bonds, Series 2020 (Christian Care Communities, Inc. Obligated Group) (the "Bonds"); and

WHEREAS, the loan, payments to the Authority from the Borrower for such loan will be at an effective rate below the interest rate charged to the Borrower by conventional lenders for similar loans; and

WHEREAS, the Borrower is using a portion of the proceeds of the Bonds to finance and/or refinance activities within the boundaries of the City of Owensboro, Kentucky and wishes to enter into a loan or financing agreement with the Authority to meet its financing needs; and

WHEREAS, such financing will be beneficial to the Borrower and to the residents of the City.

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF OWENSBORO, KENTUCKY, AS FOLLOWS:

SECTION 1. The Board of Commissioners of the City of Owensboro, Kentucky, does hereby request that the Kentucky Economic Development Finance Authority issue its revenue bonds pursuant to Chapter 154 and Sections 103.200 - 103.285 inclusive, of the *Kentucky Revised Statutes* to provide such funds as may be necessary and to use the proceeds thereof to make a loan to the Borrower to enable the Borrower to refinance the Prior Debt, reimburse the Borrower for costs of the Project and pay issuance costs, all of which will be in furtherance of the charitable purposes of the Borrower in providing community health care and related services.

SECTION 2. That all formal actions relative to the adoption of this Municipal Order were taken in open meetings by the Board of Commissioners, and that all deliberations of the Board which resulted in formal action, were taken in meetings open to the public, in full compliance with the Kentucky Open Meetings Act.

SECTION 3. That this Municipal Order shall be in full force and effect upon adoption, as provided by law.

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this 3rd day of March, 2020.

Thomas H. Watson, Mayor

ATTEST:

Beth Cecil, City Clerk

CERTIFICATION

I, Beth Cecil, City Clerk of the City of Owensboro, Kentucky, do hereby certify that the foregoing is a true and correct copy of Municipal Order 7-2020, duly adopted by the Board of Commissioners of the City of Owensboro, Kentucky, on March ____, 2020, the original of which is on file in the Office of the City Clerk, this _____ day of March, 2020.

Beth Cecil, City Clerk