

Summary - A resolution authorizing the issuance and sale of economic development revenue bonds for Keep Memory Alive.

RESOLUTION NO. R-25-2007

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF LAS VEGAS, NEVADA VARIABLE RATE DEMAND ECONOMIC DEVELOPMENT REVENUE BONDS (KEEP MEMORY ALIVE PROJECT) SERIES 2007A AND SERIES 2007B TO FINANCE THE COSTS OF ACQUIRING CERTAIN FACILITIES FOR KEEP MEMORY ALIVE; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A LOAN AGREEMENT, INDENTURE OF TRUST, BOND PURCHASE AGREEMENT, CLOSING DOCUMENTS AND SUCH BONDS IN CONNECTION THEREWITH; MAKING DETERMINATIONS AND FINDINGS AS TO OTHER MATTERS RELATED TO SUCH FINANCING; AND REPEALING ANY ACTION HERETOFORE TAKEN IN CONFLICT HEREWITH.

WHEREAS, the City of Las Vegas, Nevada (the "City") is authorized by the City Economic Development Revenue Bond Law, Nevada Revised Statutes Sections 268.512 to 268.568, inclusive (the "Act"), to issue bonds to finance projects located within the City or within ten miles of the corporate boundaries of the City to promote the social welfare of the residents of the City by enabling "corporations for public benefit" (as defined in the Act) to acquire, develop, expand and maintain facilities that provide services for those residents; and

WHEREAS, the Act authorizes the City (i) to issue its revenue bonds for the purpose of defraying the cost of financing any project and all incidental expenses incurred in connection with the issuance of such bonds, (ii) to enter into financing agreements with others for the purpose of providing revenues to pay the bonds authorized to be issued under the Act and upon such terms and conditions as the City Council of the City may deem advisable, and (iii) to secure the payment of the principal of, premium, if any, and interest on such bonds as provided in the Act; and

WHEREAS, Keep Memory Alive, a nonprofit corporation duly organized and existing under the laws of the State of Nevada ("KMA"), has requested that the City issue its revenue bonds pursuant to the Act to finance the costs of the construction of a building to be located on a parcel of land to be acquired by KMA and the acquisition and installation of personal property and facilities in such building and on such land (the "Project"); and

WHEREAS, the Project will be owned by KMA, and may, in the future, be leased to the Lou Ruvo Brain Institute, a Nevada nonprofit corporation, will be used as an outpatient treatment, education and research facility for Alzheimer's, ALS, Parkinson's and Huntington's diseases, along with other brain diseases and memory disorders and as the headquarters for KMA and other nonprofit organizations dedicated to the treatment, education and research for these diseases and disorders and will also contain a café/kitchen and will be located in the City; and

WHEREAS, the City has determined to issue its City of Las Vegas, Nevada Variable Rate Demand Economic Development Revenue Bonds (Keep Memory Alive Project) Series 2007A (the "Series 2007A Bonds") in an aggregate principal amount of not to exceed \$68,600,000 and its City of Las Vegas, Nevada Taxable Variable Rate Demand Economic Development Revenue Bonds (Keep Memory Alive Project) Series 2007B in an aggregate principal amount of not to exceed \$5,400,000 (the "Series 2007B Bonds" and together with the Series 2007A Bonds, the "Bonds") pursuant to and secured by an Indenture of Trust dated as of May 1, 2007 (the "Indenture") between the City and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), to provide proceeds for a loan to be made to KMA pursuant to a Loan Agreement dated as of May 1, 2007 (the "Loan Agreement") between the City and KMA to pay a part or all of the cost of the Project, to pay interest on the Bonds for a period estimated to be one year and to pay certain costs of issuance incurred in connection with the issuance of the Bonds; and

WHEREAS, payment of the principal of and interest on the Bonds, and the purchase price of the Bonds upon optional and mandatory tender, will be supported by an irrevocable transferable direct pay letter of credit (the "Letter of Credit") from The Bank of New York (the "Bank"), the beneficiary of which is the Trustee; and

WHEREAS, the issuance of the Bonds by the City to finance the cost of the Project will enable or assist KMA in carrying out the purposes for which it was created; and

WHEREAS, there has been submitted to the City an application of KMA requesting the City to issue the Bonds (the "Application"); and

WHEREAS, the Application contains a schedule of the estimated costs of the Project and the other estimated uses of the proceeds of the Bonds and financial and other information with respect to the Bank; and

WHEREAS, pursuant to the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the City Council has caused to be published notice of a public hearing and has held a public hearing in connection with the Project and the Bonds; and

WHEREAS, pursuant to the Act, the City Council has determined to make certain findings in connection with the Project and the financing thereof; and

WHEREAS, there have been presented to the City Council (i) the proposed form of the Loan Agreement, including, as Exhibit D thereto, the proposed form of the promissory note (the "Note") of KMA, (ii) the proposed form of the Indenture, (iii) the proposed form of the Bond Purchase Agreement to be dated the date of the sale of the Bonds (the "Purchase Contract") among the City, KMA and Zions First National Bank (the "Underwriter"), (iv) the proposed form of the Official Statement (the "Official Statement") relating to the Bonds, and (v) the proposed form of the Letter of Credit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAS VEGAS, NEVADA:

Section 1. All action (not inconsistent with the provisions of this resolution) heretofore taken by the City Council and the officers, employees and agents of the City directed toward the financing of the cost of the Project and the issuance and sale of the Bonds therefor be, and the same is hereby, ratified, approved and confirmed.

Section 2. The City Council has held a public hearing pursuant to NRS 268.528 and the Code on April 18, 2007 at the Council Chambers, 400 East Stewart Avenue, Las Vegas, Nevada. An affidavit of publication of the notice of the hearing is attached hereto as Exhibit B. The minutes of the public hearing are attached hereto as Appendix C.

Section 3. Pursuant to NRS 268.530, the City Council hereby determines as follows:

(a) Based on information from KMA contained in the Application, the total amount of money necessary to be provided for the Project by the issuance of the Bonds by the City shall not exceed \$75,000,000.

(b) The City Council has received a 5-year operating history from the Bank in the Application. Based upon a commitment letter from the Bank which is contained in the Application, the payment of the principal of and interest on the Bonds will be

supported by the Letter of Credit from the Bank and, therefore, the Bank will be an enterprise which guarantees principal and interest payments on the Bonds.

(c) The City has received evidence in the Application that the Bank has received within the 12 months preceding the date of the public hearing a rating within the top four rating categories by either Moody's Investors Service or Standard and Poor's Rating Services.

(d) Based upon information from the City's special financial consultant for this transaction which is a part of the Application, KMA has sufficient financial resources to place the Project in operation and to continue its operations, meeting the obligations of the Loan Agreement.

(e) Based upon information from KMA in the Application, the Project will provide a public benefit.

(f) Based upon information from KMA contained in the Application, the Project will be compatible with existing facilities in the area adjacent to the location of the Project and is compatible with the general plan of the City adopted pursuant to Chapter 278 of NRS.

(g) The Project will encourage the creation of jobs for the residents of the State of Nevada.

(h) Sufficient safeguards are provided in the financing documents authorizing the issuance of the Bonds to assure that all proceeds of the Bonds will be expended solely for the purposes of the Project and the other purposes permitted by such financing documents.

Section 4. For the purposes of Section 147(f) of the Code, the City Council hereby approves the Bonds and the Project, including the following information regarding the Project: the Project will be used as an outpatient treatment, education and research facility for Alzheimer's, Parkinson's, ALS and Huntington's diseases, along with other brain diseases and memory disorders, and as the headquarters for KMA and other nonprofit organizations dedicated

to treatment, education and research for these diseases and disorders, and will also contain a café/kitchen. The Project will be located at 22 South Grand Central Parkway, Las Vegas, Nevada. The City Council hereby determines that the Project will promote the social welfare of the residents of the City by enabling KMA to acquire and construct the Project which will, among other purposes, provide services for the residents of the City. The City Council hereby determines that it desires the City to proceed with the issuance of the Bonds and the financing of the Project.

Section 5. The City shall finance the cost of the Project by loaning the proceeds of the Bonds to KMA in accordance with the provisions of the Loan Agreement.

Section 6. To defray the cost of the Project (including interest on the Bonds for approximately one year and certain incidental expenses incurred in issuing the Bonds), there is hereby authorized and created two issues of economic development revenue bonds designated “City of Las Vegas, Nevada Variable Rate Demand Economic Development Revenue Bonds (Keep Memory Alive Project) Series 2007A” and “City of Las Vegas, Nevada Taxable Variable Rate Demand Economic Development Revenue Bonds (Keep Memory Alive Project) Series 2007B”. The Bonds are issuable as fully registered bonds in denominations of \$100,000 and \$5,000 multiples in excess thereof while bearing interest at the Weekly Interest Rate (as defined in the Indenture) and in denominations of \$5,000 and integral multiples thereof while bearing interest at the Fixed Interest Rate (as defined in the Indenture). The Bonds shall be dated as provided in the Indenture and shall bear interest from such date payable on each Interest Payment Date (as defined in the Indenture). Pursuant to NRS Section 350.165, the City hereby delegates to the Director of Finance and Business Services of the City or, in his absence, the City Manager the power to sign the Purchase Contract, thereby determining the aggregate principal amount of the Series 2007A Bonds, provided that such aggregate principal amount shall not exceed \$68,600,000, and the aggregate principal amount of the Series 2007B Bonds, provided that such aggregate principal amount shall not exceed \$5,400,000.

Such determinations shall be evidenced by the execution of the Purchase Contract by the Director of Finance and Business Services of the City or by the City Manager.

From the date of their initial delivery through the next succeeding Wednesday, the interest rate on the Bonds shall be that rate per annum as shall be established in the Indenture.

Thereafter, except as provided in the Indenture, the Bonds shall bear interest at the Weekly Interest Rate. On any Interest Period Reset Date (as defined in the Indenture) on or after August 1, 2007, the interest rate on the Bonds may be converted to the Fixed Interest Rate upon written direction from KMA, in the manner provided in the Indenture and determined by the Remarketing Agent, initially Zions First National Bank, according to the standards and procedures set forth in the Indenture.

Notwithstanding the foregoing, the rate of interest on the Series 2007A Bonds shall not at any time exceed 12% per annum and the rate of interest on the Series 2007B Bonds shall not at any time exceed 20% per annum. The Series 2007A Bonds shall mature on May 1, 2037. The Series 2007B Bonds shall mature on May 1, 2013. The Bonds shall be payable, shall be subject to redemption and purchase prior to maturity and shall be in substantially the forms provided in the Indenture. Pursuant to the Purchase Contract, the Bonds shall be sold at a negotiated sale to the Underwriter at the purchase price equal to 99.00% of the principal amount thereof.

Section 7. The following determinations and findings are hereby made in accordance with Sections 268.548, 268.550 and 268.558 of the Act:

(a) The maximum amount reasonably anticipated to be necessary in each year to pay the principal of and the interest on the Bonds is as follows:

Annual Period to and Including May 1	Maximum Interest for Such Period	Principal to be Retired in Such Period	Maximum Annual Debt Service Requirement
2008	\$9,260,976 *	\$-0-	\$9,260,976 *
2009	9,312,000	-0-	9,312,000
2010	9,312,000	-0-	9,312,000
2011	9,312,000	-0-	9,312,000
2012	9,312,000	-0-	9,312,000
2013	9,312,000	5,400,000	14,712,000
2014	8,232,000	-0-	8,232,000
2015	8,232,000	-0-	8,232,000
2016	8,232,000	-0-	8,232,000
2017	8,232,000	-0-	8,232,000
2018	8,232,000	-0-	8,232,000
2019	8,232,000	-0-	8,232,000
2020	8,232,000	-0-	8,232,000
2021	8,232,000	-0-	8,232,000
2022	8,232,000	-0-	8,232,000
2023	8,232,000	-0-	8,232,000
2024	8,232,000	-0-	8,232,000
2025	8,232,000	-0-	8,232,000
2026	8,232,000	-0-	8,232,000
2027	8,232,000	-0-	8,232,000
2028	8,232,000	-0-	8,232,000
2029	8,232,000	-0-	8,232,000
2030	8,232,000	-0-	8,232,000
2031	8,232,000	-0-	8,232,000
2032	8,232,000	-0-	8,232,000
2033	8,232,000	-0-	8,232,000
2034	8,232,000	-0-	8,232,000
2035	8,232,000	-0-	8,232,000
2036	8,232,000	-0-	8,232,000
2037	8,232,000	68,600,000	76,832,000

* Assumes the Bonds are issued on May 3, 2007.

(b) No reserve fund has been established nor is proposed to be established for the retirement of the Bonds or the maintenance of the Project and accordingly it shall not be necessary to pay amounts into any such reserve fund.

(c) The terms under which the Project is to be financed provide that KMA shall maintain the Project and carry all proper insurance with respect thereto.

(d) The revenues payable by KMA under the Loan Agreement and the Note are sufficient to pay, in addition to all other requirements of the Loan Agreement and this resolution, all sums referred to in paragraphs (a) and (c) of this Section.

(e) The Project will be located on land transferred to KMA by City Parkway V, Inc., a corporation established and controlled by the City. Such land is no longer necessary for other purposes of the City.

Section 8. The forms, terms and provisions of the Loan Agreement, the Note, the Indenture, the Letter of Credit and the Purchase Contract be and they hereby are approved, and the City shall enter into the Loan Agreement, the Indenture and the Purchase Contract in the form of each of such documents presented to the City Council at this meeting, with only such changes therein as are not inconsistent herewith; and the Mayor is hereby authorized to execute and deliver the Loan Agreement and the Indenture; and the Acting City Clerk and any Deputy City Clerk of the City are each hereby authorized to affix the City seal to and to attest the Loan Agreement and the Indenture. The City Manager, the Director of Finance and Business Services of the City and the Acting City Clerk and any Deputy City Clerk of the City are each hereby authorized to execute and deliver the Purchase Contract. The City shall assign the Note to the Trustee, and the Mayor and the Acting City Clerk and any Deputy City Clerk of the City are each hereby authorized to execute the assignment form on the Note.

Section 9. The forms, terms and provisions of the Bonds, in the forms contained in the Indenture, be and they hereby are approved, with only such changes therein as are not inconsistent herewith; and the Mayor and the Acting City Clerk of the City are each hereby authorized to execute the Bonds, by manual or facsimile signature, and each is authorized to deliver the Bonds; and the seal of the City, or a facsimile thereof, is hereby authorized to be affixed to the Bonds.

Section 10. The Bank of New York Trust Company, N.A., is appointed as trustee under the Indenture, thereby also serving as registrar and paying agent for the Bonds under the terms of the Indenture. Zions First National Bank is appointed as remarketing agent under the Indenture to determine the interest rate on the Bonds and to perform certain other duties, all in accordance with the Indenture.

Section 11. The distribution of the Official Statement in substantially the form presented to the City Council at this meeting in connection with the offering and sale of the Bonds is hereby ratified and approved; provided, however, that neither the City nor any officer, employee or agent thereof has or assumes any responsibility for the accuracy or completeness of the Official Statement.

Section 12. The officers, employees and agents of the City shall take all action necessary or reasonably required by the Loan Agreement, the Indenture and the Purchase Contract to effectuate their provisions and shall take all action necessary or desirable in conformity with the Act to finance the cost of the Project and for carrying out the transactions contemplated by this resolution, including without limitation the execution and delivery of any closing documents to be delivered in connection with the sale and delivery of the Bonds.

Section 13. The cost of financing the Project, including the costs incidental to the authorization, issuance and sale of the Bonds, will be paid out of the proceeds of the Bonds and funds of KMA, and the Bonds will not be the general obligations of the City, nor shall the Bonds, including the interest thereon, constitute the debt or indebtedness of the City within the meaning of the Constitution or statutes of the State of Nevada, nor shall anything contained in this resolution or in the Bonds, the Loan Agreement, the Note, the Indenture, the Purchase Contract, the Letter of Credit, the Official Statement or any other instrument give rise to a pecuniary liability or a charge upon the general credit or taxing powers of the City, nor shall the breach of any agreement contained in this resolution, the Bonds, the Loan Agreement, the Note, the Indenture, the Purchase Contract, the Letter of Credit, the Official Statement or any other instrument impose any pecuniary liability upon the City or a charge upon the general credit or taxing powers of the City, the City having no power to pay out of its general fund, or otherwise contribute any part of the cost of financing the Project, nor power to operate the Project as a business or in any manner, nor shall the City condemn any land or other property for the Project.

Section 14. After any of the Bonds are issued, this resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

Section 15. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

Section 16. All bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

Section 17. This resolution shall be in effect immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED April 18, 2007.

Mayor

(SEAL)

Attest:

Acting City Clerk

Approved as to form:

Thomas R. Green 4/4/07

Deputy City Attorney
Thomas R. Green

STATE OF NEVADA)
)
COUNTY OF CLARK) SS.
)
CITY OF LAS VEGAS)

I, Beverly K. Bridges, the duly chosen and qualified Acting City Clerk of the City of Las Vegas, Nevada (the "City"), do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution (the "Resolution") passed and adopted by the City Council of the City at a regular meeting of the Council held on April 18, 2007.

2. The adoption of the Resolution was duly moved and seconded and the Resolution was adopted by an affirmative vote of a majority of the members of the City Council as follows:

Those Voting Aye:

Mayor:	Oscar B. Goodman
Councilmembers:	Gary Reese
	Larry Brown
	Steven D. Ross
	Steve Wolfson
	Lois Tarkanian

Those Voting Nay:

Those Absent:

3. The original of the Resolution has been approved and authenticated by the signatures of the Mayor of the City and myself, as Acting City Clerk, and has been recorded in the regular official record of the City Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

4. All members of the City Council were given due and proper notice of the meeting. Pursuant to §241.020, Nevada Revised Statutes, written notice of the meeting was

given not later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location and agenda of the meeting:

(a) By posting a copy of the notice at least three working days before the meeting at the principal office of the City Council, or if there is no principal office, at the building in which the meeting is to be held, and at least three other separate, prominent places within the jurisdiction of the City Council, to wit:

- (i) City Clerk's Bulletin Board
City Hall Plaza
2nd Floor Skybridge
Las Vegas, Nevada
- (ii) Bulletin Board (next to Metro Records)
City Hall Plaza
Las Vegas, Nevada
- (iii) Las Vegas Library
833 Las Vegas Boulevard North
Las Vegas, Nevada
- (iv) Clark County Government Center
500 South Grand Central Parkway
Las Vegas, Nevada
- (v) Grant Sawyer Building
555 E. Washington Avenue
Las Vegas, Nevada

and

(b) By mailing a copy of the notice to each person, if any, who has requested notice of the meetings of the City Council in the same manner in which notice is required to be mailed to a member of the City Council. Such notice was delivered to the postal service no later than 9:00 a.m. on the third working day prior to the meeting.

5. Upon request, the City Council provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or resolution which will be discussed at the public meeting, and any other supporting materials provided to the City Council for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

6. A copy of the notice so given of the meeting of the City Council held on April 18, 2007 is attached to this certificate as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City this April 18, 2007.

Acting City Clerk

(SEAL)

EXHIBIT A

(Attach Copy of Notice of Meeting)

EXHIBIT B

(Attach Copy of Affidavit of Publication of Notice of Public Hearing)

EXHIBIT C

(Attach Copy of Minutes of Public Hearing)

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