RESOLUTION NO. **R-106-93**

RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS AND INDUSTRY (FORMERLY THE DEPARTMENT OF COMMERCE) OF THE STATE OF NEVADA TO CONSIDER ISSUING BONDS TO FINANCE A PROJECT FOR CAMBRIDGE HEALTH SYSTEM, INC., A NEVADA NOT-FOR-PROFIT HOSPITAL FOR WHICH BONDS COULD BE ISSUED BY THE CITY OF LAS VEGAS, NEVADA UNDER THE CITY ECONOMIC DEVELOPMENT REVENUE BOND LAW, REQUESTING THE STATE BOARD OF FINANCE TO CONSIDER APPROVING THIS FINANCING

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAS VEGAS, NEVADA, AS FOLLOWS:

Section 1. Authority and Purpose. This Resolution is adopted pursuant to the provisions of the City Economic Development Revenue Bond Law, NRS 268.512 et seq. (the "Law") that empower the City of Las Vegas, Nevada (the "City") to request the director of the Department of Business and Industry (formerly the Department of Commerce) (the "Department") of the State of Nevada (the "State") to consider issuing revenue bonds for a variety of projects including health and care facilities to promote the health of residents of the City. This Resolution is adopted for the purpose of requesting that the Director of the Department consider issuing bonds (the "Bonds") and loan the proceeds to Cambridge Health System, Inc., a Nevada not-for-profit corporation, a/k/a Spring Valley Hospital ("Cambridge"), to finance any land, buildings or other improvement and all real and personal properties necessary in connection therewith suitable for a not-for-profit hospital to be located within 10 miles of the City of Las Vegas, Nevada, and its related activities and all other necessary costs including but not limited to reserves for the bonds, expenses of the hereinafter described Project and of issuing the Bonds, working capital for Cambridge and interest on the Bonds during the construction and start up phases of the hospital (the "Project").

Section 2. Public Hearing Requirements. Prior to the City approving this request to the Department to consider issuing the Bonds, it has held a public hearing pursuant to NRS 268.528 at 2:00 p.m. on December 15, 1993 at the City Council Chambers, City Hall, 400 East Stewart, Las Vegas, Nevada 89101.

Section 3. Request of State Board of Finance. To date the City has not been provided with the information needed to make the findings and determinations required by NRS 265.530. Pursuant to Subsection 2 of NRS 268.530 the City requests that the State Board of Finance review such evidence as it believes necessary to approve the issuance of Bonds by the Department.

035059

Section 4. Request of the State Department of Business and Industry (formerly the Department of Commerce). In the event that the State Board of Finance approves the issuance of Bonds for the Project, the City hereby requests the Director of the State Department of Business and Industry (formerly the Department of Commerce) to consider issuing the Bonds to finance the Project.

Section 5. Bonds to be Special Limited Obligations. The Bonds shall be special limited obligations of the State. The principal of, premium, if any, and interest on the Bonds and any fees, charges or expenses of the Department and the trustee(s) for the Bonds incurred and charged in connection with the Bonds shall be payable solely out of certain proceeds of the Bonds and out of revenues derived from the Project. The Bonds are not an obligation of the City. No obligation or representation of the City is expressed by the City in making the requests of the State Board of Finance and the State Department of Business and Industry contained herein.

Section 6. Purpose. The City is adopting this Resolution based upon the representation of Cambridge that the financing of the Project will promote the public health by enabling the acquisition, development, expansion and maintenance of health and care facilities and supplemental facilities for health and care facilities.

Section 7. Terms of the Bonds. Cambridge has requested the following: The Bonds be issued as senior and subordinated bonds, the senior tax-exempt bonds to mature no more than 31 years from their date of issue, the subordinated tax-exempt bonds to mature no more than 11 years from their date of issue, the aggregate principal amount of the senior tax-exempt bonds not exceed $55,000,000, exclusive of any original issue discount, the aggregate principal amount of the subordinated tax-exempt bonds not exceed $15,000,000, exclusive of any original issue discount, the maximum annual true interest rate on the senior tax-exempt bonds not exceed 12% inclusive of the effects of any original issue discount, the maximum annual true interest rate on the subordinated tax-exempt bonds not exceed 15% inclusive of any original issue discount, a debt service reserve fund securing the senior tax-exempt bonds be held by the trustee for those bonds equal to approximately maximum annual debt service on such bonds, no debt service reserve fund be created to secure the subordinated tax-exempt debt, and if any moneys are drawn from the debt service reserve fund, the financing documents require Cambridge to replenish that fund over no greater than 13 months.

Section 8. Delegation. The officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute such documents as may be necessary to carry out the intent and accomplish the purposes of this Resolution.

Section 9. Separability. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid, such declaration shall not affect the validity or enforceability of the remainder of the sections, phrases and provisions hereof.

Section 10. Repeal of Conflicting Resolutions; Effective Date. All orders and resolutions and parties thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall become effective upon adoption.

Adopted this 15th day of December, 1993, by roll call vote as follows:

Ayes: 5

Nays: 0

Approved: December 15, 1993

By: [signature]

VS
12-17-93

ATTEST

[signature]