

DRAFT FOR PRESENTATION PURPOSES ONLY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE AND REFUNDING BONDS (BRYAN PROJECTS), SERIES 2022, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$95,000,000, IN ONE OR MORE SERIES, FOR THE PURPOSE OF MAKING A LOAN TO BRYAN MEDICAL CENTER, A NEBRASKA NONPROFIT CORPORATION, TO REFINANCE, FINANCE OR REIMBURSE A PORTION OF THE COSTS OF CONSTRUCTING, REMODELING AND ACQUIRING CERTAIN IMPROVEMENTS TO THE CORPORATION'S NONPROFIT FACILITIES; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE BONDS; AND RELATED MATTERS.

WHEREAS, The County of Lancaster, Nebraska (the **"Issuer"**) is a county and political subdivision of the State of Nebraska (the **"State"**);

WHEREAS, the Issuer is authorized by Sections 13-1101 to 13-1110, inclusive, Reissue Revised Statutes of Nebraska, as amended (the **"Act"**) to issue revenue bonds for the purpose of loaning the proceeds of such bonds to finance any land, building or equipment or other improvement, and all real and personal properties deemed necessary in connection therewith, which shall be suitable for use as a nonprofit enterprise or the refinancing of outstanding debt of an enterprise incurred to finance such land, building, equipment, improvement or other properties;

WHEREAS, Bryan Medical Center, a nonprofit corporation duly organized and validly existing under the laws of the State (the **"Corporation"**), has requested that the Issuer issue its Revenue and Refunding Bonds (Bryan Projects), Series 2022, in a principal amount not to exceed \$95,000,000, in one or more series (the **"Bonds"**), and loan the proceeds thereof to the Corporation to provide funds to:

(a) finance and reimburse a portion of the costs of acquiring, constructing, improving, extending, repairing, equipping and furnishing (i) a new surgery center located on the Corporation's East Campus at 1600 S. 48th Street, Lincoln, Nebraska, and (ii) a new building located at 2900, 2920, and 2040 South 84th Street, Lincoln, Nebraska (collectively, the **"2022 Project"**) to be owned and operated by the Corporation;

(b) refund (i) the Hospital Authority No. 1 of Lancaster County, Nebraska's (the **"Lancaster Authority's"**), Variable Rate Demand Hospital Revenue Refunding Bonds (BryanLGH Medical Center), Series 2008B-1, dated May 27, 2008 (the **"2008B-1 Bonds"**), issued in the original aggregate principal amount of \$41,400,000, (ii) the Lancaster Authority's Variable Rate Demand Hospital Revenue Refunding Bonds (BryanLGH Medical Center), Series 2008B-2, dated May 27, 2008 (the **"2008B-2 Bonds"**), and together with the 2008B-1 Bonds, the **"2008B Bonds"**), in the original aggregate principal amount of \$41,400,000 and (iii) the Hospital Authority No. 1 of Saline County, Nebraska's (the **"Saline Authority's"**), Variable Rate Demand Hospital Revenue Refunding Bonds (BryanLGH Medical Center), Series 2008C, dated May 27, 2008 (the **"2008C Bonds"**) and together with the 2008B Bonds, the **"Refunded Bonds"**), issued in the original aggregate principal amount of \$13,480,000 through the issuance of the Bonds (as hereinafter defined) by the Issuer to the Lender pursuant to the Act and the lending of the proceeds of the Bond to the Corporation as evidenced by the Note (as hereinafter defined). The 2008B Bonds were issued to provide for the payment and redemption of the Lancaster Authority's Hospital Revenue Bonds (BryanLGH Medical Center), Series 2007A-1 and Series A-2 (Auction Rate

Securities) issued to refinance the costs of (A) a three-story addition to the Corporation's existing hospital facilities, (B) renovations to the Corporation's Women's Center, (C) an addition to the School of Nursing (D) additional parking facilities, and (E) certain other improvements to its facilities, (A) through (E) all located at 1600 South 48th Street, Lincoln, Nebraska and (F) additions to connect the existing hospital towers and provide additional hospital space, (G) expansion and remodeling of existing surgical facilities (H) relocations and expansion of emergency facilities, (I) expansions of and an addition to the secure mental health facilities, (J) renovation of all patient care areas, (K) additional parking facilities, and (L) certain other improvements to the Corporation's facilities, (F) through (L) all located at 2300 South 16th Street, Lincoln, Nebraska (collectively, the **"2001A Project"**). The 2008C Bonds were issued to provide for the payment and redemption of the Saline Authority's Hospital Revenue Bonds (Bryan Memorial Hospital Project) Series 2007B (Auction Rate Securities) issued to refinance a portion of the costs of acquiring, constructing, improving, expanding, equipping and furnishing the Crete Area Medical Center, 2910 Benton Drive, Crete, Nebraska (collectively, the **"2001B Project"** and together with the 2001A Project, the **"Refunded Projects"**); and

(c) finance termination payment(s) for interest rate swaps integrated with the Refunded Bonds financings.

The Refunded Projects and the 2022 Project are collectively hereinafter referred to as the **"Project."**

WHEREAS, the Issuer has agreed to (a) issue the Bonds and loan the proceed thereof to the Corporation pursuant to a Loan Agreement by and among the Issuer, the Corporation, and _____, as lender (the **"Lender"**);

WHEREAS, as evidence of and further security for its obligation to repay the Loan, the Corporation will issue its Bryan Medical Center Direct Obligation Master Note No. [1] (the **"Obligation No. [1]"**), under the Amended and Restated Master Trust Indenture dated as of _____, 2022, as supplemented and amended, among the Corporation as Initial Sole Member of the Obligated Group, and such other persons as from time to time are other Members of the Obligated Group (as defined therein), and Computershare Trust Company, National Association as master trustee, and the First Supplemental Master Indenture dated as of _____, 2022 (the **"First Supplemental Master Indenture"**); said Master Trust Indenture, together with said First Supplemental Trust Indenture and all other amendments and supplements thereto, being referred to herein collectively as the **"Master Indenture"**).

WHEREAS, the following documents will be prepared in connection with the issuance, sale and delivery of the Bonds (collectively, the **"Financing Documents"**):

(a) Loan Agreement, or other substantively similar bond documentation, including a Bond Trust Indenture and separate Loan Agreement, evidencing the County's issuance of the Bonds and the obligation of the Corporation to make payments related thereto (collectively, **"Loan Agreement"**); and

(b) Tax Compliance Agreement with respect to the Bonds (the **"Tax Agreement"**), among the Issuer, the Corporation and the Lender, concerning compliance with the provisions of the Internal Revenue Code of 1986, as amended (the **"Code"**), and the applicable regulations thereunder.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF LANCASTER, NEBRASKA AS FOLLOWS:

ARTICLE I

LEGAL AUTHORIZATION; FINDINGS; LIMITED OBLIGATIONS

Section 1.01. Legal Authorization. The Issuer is a county and political subdivision of the State and is authorized under the Act to issue and sell the Bonds for the purposes, in the manner and upon the terms and conditions set forth in the Act, in this Resolution, and in the Financing Documents.

Section 1.02. Findings. The Issuer has heretofore found and determined, and does hereby find and determine, as follows:

(a) Based upon representations made to it by the Corporation in the Financing Documents, which representations the Corporation shall be deemed to have confirmed, affirmed and ratified upon its execution of the Financing Documents, the Issuer does hereby find and determine the following:

(1) pursuant to Section 13-1105 of the Act, (1) the amount necessary to pay the principal of and the interest on the Bonds is not to exceed \$200,000,000 and (2) no reserve fund is advisable to be established in connection with the financing and maintenance of the Project including taxes;

(2) the Corporation expects to operate the Project as an integral part of its overall operations for the foreseeable future; and

(3) the Corporation is a private nonprofit corporation and is authorized by law to operate its facilities in the State.

(b) The Bonds, when issued, will be a special, limited revenue obligation of the Issuer payable solely from the loan repayments and other money received from the Corporation under the Loan Agreement and from certain other revenues pledged under the Loan Agreement and the Master Indenture, and shall not be a general liability of the Issuer or a charge against its general credit.

(c) The Bonds will not be a debt of the State, or any city, village, county or political subdivision of the State, and none of the State or any city, village, county or political subdivision of the State shall be liable on the Bonds. The Bonds shall not constitute a debt within the meaning of any constitutional or statutory debt limitation of the State. The Issuer's taxing power is not pledged for repayment of the Bonds.

ARTICLE II

AUTHORIZATION OF BONDS APPROVAL OF FINANCING DOCUMENTS

Section 2.01. Authorization of Bonds.

(a) For the purpose of making a loan to the Corporation to pay the costs to finance the Project, and to finance funded interest and issuance costs related to the Bonds, there are hereby authorized to be issued revenue bonds of the Issuer in an aggregate principal amount not to exceed Ninety-five Million Dollars (\$95,000,000), in one or more series, to be designated "The County of Lancaster,

Nebraska, Revenue and Refunding Bonds (Bryan Projects), Series 2022.” The Bonds shall (1) be issued in fully registered form in the denominations, (2) bear such dates and interest rates, (3) mature and be payable as to principal or redemption price and interest at such place and in such form, (4) carry such registration privileges, (5) be subject to redemption and purchase prior to maturity, (6) be executed, (7) be in such form, and (8) contain such other terms, covenants and conditions as shall be set forth in the Loan Agreement. The Bonds shall be sold to the Lender.

(b) The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its chair or vice chair and attested by the manual or facsimile signature of its County Clerk or an assistant County Clerk, who are authorized to execute, seal, attest and deliver the Bonds on behalf of the Issuer.

Section 2.02. Approval of Financing Documents. The preparation of each proposed Financing Document is, in all respects, hereby approved, authorized, ratified, and confirmed, and the Chair, Vice Chair, or County Clerk of the Issuer (each, an “**Authorized Officer**”) are each separately and individually hereby authorized and directed to finalize, execute, acknowledge, and deliver each Financing Document, including counterparts thereof, in the name and on behalf of the Issuer. Each Financing Document shall be approved by an Authorized Officer of the Issuer executing the same, such execution thereof to constitute conclusive evidence of the Issuer’s approval. From and after the execution and delivery of the Financing Documents by the Issuer, the officers, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents, certificates, and instruments as may be necessary to carry out and comply with the provisions of the Financing Documents.

Section 2.03. Authority To Execute and Deliver Additional Documents; Further Authorizations. Each officer of the Issuer severally is hereby authorized to execute and deliver for and on behalf of the Issuer any and all additional certificates, documents and other papers and to perform all other acts as the party signing may deem necessary or appropriate to implement and carry out the purposes and intent of this Resolution, including the preamble hereto. Each Authorized Officer severally is hereby authorized to determine, in conjunction with authorized representatives of the Corporation: (a) the date of the Financing Documents and the Bonds, (b) the aggregate principal amount of Bonds to be issued, not to exceed the amount set forth in **Section 2.01** hereof, and the principal maturities thereof, (c) the interest rates to be carried by each principal maturity of the Bonds or the manner of determining such interest rates, and (d) the dates upon which the Bonds will be subject to redemption and purchase prior to maturity, and the amount of any redemption premium, if any.

Section 2.04. Public Hearing Approval. The notice of joint public hearing related to the issuance of the Bonds was duly published and a joint public hearing pursuant to such notice has been conducted in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, and the Board hereby approves the issuance of the Bonds in the original aggregate face amount of not to exceed \$95,000,000, in one or more series, to finance the Project and to finance related fees and issuance costs related to the Bonds, all in accordance with the terms of such notice, which is attached hereto as **Exhibit A** and made a part hereof by reference.

ARTICLE III

MISCELLANEOUS

Section 3.01. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is

intended or shall be construed to give to any person, other than the Issuer and the Lender, any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Lender as herein provided.

Section 3.02. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 3.03. Immunity of Officers. No recourse for the payment of any part of the principal or redemption price of or interest on the Bonds for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, sale and delivery of the Bonds shall be had against any official, officer, member or agent of the Issuer or the State, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issuance, sale and delivery of the Bonds.

Section 3.04. Prior Resolutions. To the extent that the provisions of this Resolution conflict with provisions of prior resolutions, or parts thereof, the provisions of this Resolution shall control, to the extent of such conflicts.

Section 3.05. Captions. The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 3.06. Validity of Bonds. Each Bond shall contain a recital that such Bond is issued pursuant to and under the Act, and such recital shall be conclusive evidence of its validity and of the regularity of its issuance.

Section 3.07. Electronic Transactions. The transactions described herein may be conducted and this Resolution and related documents may be sent, received and stored by electronic means. All closing documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 3.08. Effective Date. This Resolution shall be in full force and effect immediately upon its passage by the Board.

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DATED: _____, 2022

THE COUNTY OF LANCASTER, NEBRASKA

ATTEST:

By: _____
Chair

By: _____
County Clerk

EXHIBIT A
TEFRA HEARING NOTICE

NOTICE OF PUBLIC MEETING AND
JOINT PUBLIC HEARING
OF THE BOARD OF COMMISSIONERS
OF LANCASTER COUNTY, NEBRASKA
AND THE CITY COUNCIL
OF THE CITY OF CRETE, NEBRASKA

Notice is hereby given that the Board of Commissioners of Lancaster County, Nebraska (“Lancaster County”), on behalf of itself and the City of Crete, Nebraska (the “City of Crete”), will conduct a joint public hearing on Tuesday, _____, 2022, at 9:00 a.m. in the Board of Commissioners Room, County-City Building, 555 South 10th Street, Lincoln, Nebraska, concerning the issuance by Lancaster County of its Revenue and Refunding Bonds (Bryan Projects), Series 2022 in the maximum aggregate face amount of not to exceed \$_____ (the “Bonds”), for the benefit of Bryan Medical Center, a Nebraska nonprofit corporation (the “Borrower”). The Bonds are expected to be issued as Qualified 501(c)(3) Bonds as defined in Section 145 of the Internal Revenue Code of 1986, as amended.

The proceeds of the Bonds will be loaned by Lancaster County pursuant to Sections 13-1101 to 13-1110, inclusive, Reissue Revised Statutes of Nebraska, as amended (the “Act”) to the Borrower and used to finance or refinance all of the Borrower’s obligations related to the following:

- (a) The Hospital Authority No. 1 of Lancaster County, Nebraska’s (the “Lancaster Authority’s”) (1) Hospital Revenue Refunding Bonds, Series 2008A (BryanLGH Medical Center Project), dated May 27, 2008 (the “2008A Bonds”), outstanding in the aggregate principal amount of _____, which were issued to provide for the payment and redemption of the Lancaster Authority’s Hospital Revenue Bonds, Series 2002 (BryanLGH Medical Center Project), which were issued to pay the costs of various routine capital expenditures of the Borrower; (2) Variable Rate Demand Hospital Revenue Refunding Bonds (BryanLGH Medical Center), Series 2008B-1, dated May 27, 2008 (the “2008B-1 Bonds”), outstanding in the aggregate principal amount of \$_____; and (3) Variable Rate Demand Hospital Revenue Refunding Bonds (BryanLGH Medical Center), Series 2008B-2, dated May 27, 2008 (“2008B-2 Bonds” and, together with the 2008B-1 Bonds, the “2008B Bonds”), outstanding in the aggregate principal amount of \$_____, which were issued to finance or refinance the Lancaster Authority’s Hospital Revenue Bonds (BryanLGH Medical Center), Series 2007A-1 and Series 2007A-2 (Auction Rate Securities) 2007A Bonds, which were issued to finance or refinance (A) a three-story addition to the Borrower’s existing hospital facilities, (B) renovations to the Borrower’s Women’s Center, (C) an addition to the School of Nursing, (D) additional parking facilities, and (E) certain other improvements to its facilities, (A) through (E) all located at or proximate to the Borrower’s campus at 1600 South 48th Street, Lincoln, (F) additions to connect the existing hospital towers and provide additional hospital space, (G) expansion and remodeling of existing surgical facilities, (H) relocations and expansion of emergency facilities, (I) expansions of and an addition to the secure mental health facilities, (J) renovation of all patient care areas, (K) additional parking facilities, and (L) certain other improvements to the Borrower’s facilities, (F) through (L) all located at or proximate to the Borrower’s campus at 2300 South 16th Street, Lincoln, Nebraska. Up to the aggregate principal amount of the 2008B Bonds may have been used at any of the above-listed locations.
- (b) The Hospital Authority No. 1 of Saline County, Nebraska’s (the “Saline Authority’s”) Variable Rate Demand Hospital Revenue Refunding Bonds (BryanLGH Medical Center), Series 2008-C, dated May 27, 2008 (the “2008C Bonds”), outstanding in the aggregate principal amount of

\$_____, which were issued to finance or refinance the Saline Authority's Hospital Revenue Bonds (Bryan Memorial Hospital Project) Series 2007B (Auction Rate Securities), which were issued to refinance a portion of the costs of acquiring, constructing, improving, expanding, equipping and furnishing the Crete Area Medical Center, at or proximate to the Borrower's campus at 2910 Benton Drive, Crete, Nebraska. Crete Area Medical Center, a Nebraska nonprofit corporation, will use all or a portion of the project financed with the 2008C Bonds.

- (c) In addition, the proceeds of the Bonds will be applied to finance or reimburse the Borrower for all or a portion of the costs of (1) acquiring, constructing, improving, extending, repairing, equipping and furnishing a new surgery center located on the Borrower's East Campus at or proximate to 1600 S. 48th Street, Lincoln, Nebraska, (2) acquiring, constructing, improving, extending, repairing, equipping and furnishing a new facility located at or proximate to 2900, 2920, and 2040 South 84th Street, Lincoln, Nebraska, , and (3) financing termination payment(s) for interest rate swaps integrated with the [2008B Bonds and the 2008C Bonds]. While the Borrower reserves the right to allocate up to the entire maximum principal amount of the Bonds to any of the above project components, the Borrower does not expect the amount of Bond proceeds allocated to (1) to exceed \$_____, to (2) to exceed \$_____, and to (3) to exceed \$_____.

Each of the above-described projects are referred to herein collectively as the "Project". The Project will be initially owned and operated by the Borrower or Create Area Medical Center.

THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF LANCASTER COUNTY OR THE CITY OF CRETE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF LANCASTER COUNTY OR THE CITY OF CRETE OR A CHARGE AGAINST EITHER OF LANCASTER COUNTY'S OR THE CITY OF CRETE'S GENERAL CREDIT OR TAXING POWERS, AND NO TAX FUNDS WILL EVER BE USED TO PAY ANY PART THEREOF, SUCH BONDS AND THE INTEREST THEREON TO BE PAYABLE SOLELY FROM THE REVENUES DERIVED BY LANCASTER COUNTY FROM THE PROJECT.

In addition, Lancaster County will hold a public meeting at such date, time, and location. An agenda for the meeting, kept continually current, is available for public inspection at the County Clerk's office during normal business hours.

All interested persons are invited to present comments at the public hearing or to submit written comments to counsel to Lancaster County, Gilmore & Bell, P.C., 2120 S. 72nd Street, Omaha, Nebraska 68124, concerning the issuance of the Bonds and the Project.

Dan Nolte, County Clerk