

22 2020 RESOLUTION

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MONTROSE COUNTY, COLORADO, APPROVING THE PROPOSED MONTROSE MEMORIAL HOSPITAL, INC. LINE OF CREDIT WITH KEYBANK NATIONAL ASSOCIATION

WHEREAS, Montrose County, Colorado (the "County") is a duly and regularly created, organized and existing political subdivision, existing as such under and by virtue of the Constitution and laws of the State of Colorado (the "State"); and

WHEREAS, the County is governed by a duly publically elected Board of County Commissioners (the "Board"), a public body corporate and politic; and,

WHEREAS, the Board is authorized, pursuant to law, acquire and dispose of real property titled and conveyed to County, including but not limited to, C.R.S. 30-11-101; and,

WHEREAS, pursuant to C.R.S. 25-3-301, *et seq.*, the Board is also authorized to establish a public hospital owned by the County, and to turn over the governance, management and operations of such hospital to a Board of Trustees appointed by the Board (the "Board of Trustees"); and,

WHEREAS, the County owns such a hospital, Montrose Memorial Hospital (the "Hospital"), established by a public petition to a preceding Board, and vote of the electorate of Montrose County; and,

WHEREAS, a Board of Trustees, in accordance with C.R.S. 25-3-313, may lease a county public hospital to a non-profit corporation for the purpose of conducting a hospital, and,

WHEREAS, in 2010, the Board of Trustees for the Hospital approved and entered into such a lease for operation of the Hospital with Montrose Memorial Hospital, Inc. ("MMHI," "Lessee" or "Tenant"), a not for profit corporation established for the purpose of conducting a hospital; and

WHEREAS, MMHI has requested, and Keybank National Association (the "Lender") has agreed to make available to MMHI, a revolving loan facility under which Lender may from time to time make advances on a line of credit in the amount of up to \$10,000,000 (the "Loan") for the purpose of providing funds for working capital, capital expenditures and other general or specific corporate or business purposes of MMHI pursuant to the terms of a Loan Agreement between MMHI and the Lender (the "Loan Agreement"); and

WHEREAS, the Corporation has made certain representations to the Board of Trustees regarding its intended use of the line of credit, detailed in a Memorandum of Agreement between MMHI and the Board of Trustees; and

WHEREAS, the Board finds and determines that the Loan proposed by MMHI is of benefit to the operation of the Hospital; and

WHEREAS, the Board finds and determines that granting its approval to the proposed Loan is in the best interests of the County and its residents,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MONTROSE COUNTY, COLORADO, THAT:

1. The Board hereby provides its approval to MMHI for the Loan as has been presented to the County Staff, and the Chair is authorized to execute any documents necessary to complete this transaction.

ADOPTED AND APPROVED this 3rd day of June, 2020.



Tressa Guynes
Clouse Lent
County Clerk

K Caddy
Keith Caddy, Chair
Board of County Commissioners
Montrose County, Colorado

STATE OF COLORADO)
) SS.
COUNTY OF MONTROSE)

I, Tressa Guynes, the County Clerk of the County of Montrose (the "County") in the State of Colorado, do hereby certify that:

1. The foregoing pages are a true and correct copy of a resolution (the "Resolution") passed and adopted by the Board of County Commissioners (the "Board") of the County at a regular meeting held on [June 3], 2020.

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

<u>Commissioner</u>	<u>Voting "Yes"</u>	<u>Voting "No"</u>	<u>Absent</u>	<u>Abstaining</u>
<u>Cady</u> Keith Cady, Chairman	✓			
Roger Rash, Vice-Chairman	✓			
Sue Hansen	✓			

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the Chair of the Board, sealed with the County seal, attested by the County Clerk and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

6. Notice of the meeting of [June 3], 2020], was posted in the County Courthouse not less than twenty-four hours prior to the meeting in accordance with law.

WITNESS my hand and the seal of said County affixed this 3rd day of June,
2020.

Tressa Guynes

Eloise Lentz

County Clerk



MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT ("Agreement") is executed as of this 15th day of May, 2020, by and among the BOARD OF TRUSTEES FOR MONTROSE MEMORIAL HOSPITAL, a body corporate and politic and subdivision of the State of Colorado pursuant to C.R.S. § 25-3-301(1) and local public body pursuant to C.R.S. § 25-3-303(2) ("Lessor"), and MONTROSE MEMORIAL HOSPITAL, INC., a Colorado nonprofit corporation ("Lessee").

RECITALS

WHEREAS, the Lessor and Lessee have executed a Recognition and Attornment Agreement of even date herewith in favor of KEYBANK NATIONAL ASSOCIATION ("Lender") in reference to that certain Hospital Operating Lease Agreement dated as of October 15, 2010, as amended by the First Amendment to Hospital Operating Lease Agreement dated as of October 25, 2010, the Second Amendment to Hospital Operating Lease Agreement dated as of March 31, 2011 and the Third Amendment to Hospital Operating Lease Agreement dated as of November 8, 2017 (as amended, the "Lease"), between Lessor and Lessee with respect to certain premises;

WHEREAS, pursuant to that certain Loan Agreement dated of even date herewith between Lender and Lessee (also known as "Borrower"), Lender anticipates providing to Borrower a revolving credit facility; and

WHEREAS, the Lessor and Lessee desire to identify the purposes and uses of the advancements made under the credit facility.

NOW, THEREFORE, the Parties mutually agree as follows:

1. All advances shall be pursuant to the terms and conditions of the Loan Agreement, specifically Article II, Section 2.01. Loan, Procedures for Advances.
2. Each advance on the credit facility shall be at Borrower's request on the form attached to the Loan Agreement as Exhibit "A".
3. Prior to each Borrower's advance request being submitted to the Lender, the same shall have been submitted by the Chief Executive Officer to the Board of Directors of Montrose Memorial Hospital, Inc., for consideration and approval. Upon approval, the Board of Directors shall provide a copy of the same to the Board of Trustees. The Board of Trustees shall have up to five (5) business days after receipt of the advance request in which to review the advance and request clarification, if any, to the Board of Directors. Any Borrower's advance request submitted to the Lender is not subject to Lessor's consent or approval, unless the request to access the credit facility is outside of the criteria set forth in Section 4 below. If the Board of Trustees objects to the advance request on the grounds that it is not consistent with the criteria set forth in Section 4 below, Lessee agrees to delay its application for the advance until the objection is resolved.
4. The criteria for Borrower to access the credit facility is as follows:
 - a. To maintain and comply with the Colorado Health Facilities Authority Hospital Revenue Bonds Series 2017 debt covenant days of cash on hand requirement.
 - b. To ensure compliance with the Hospital Operating Lease Agreement, as amended, days of cash on hand requirement.
 - c. To maintain and comply with all Key Bank Loan Agreements.
 - d. To maintain 125 days cash on hand.

- e. To fund an emergency quality of patient care capital equipment need.
- f. To fund an emergency building or property repair.
- g. To fund an emergency IT infrastructure need.

5. The Chief Financial Officer shall include in her monthly reports to the Finance Committee and the Board of Directors a status report on the credit facility.

6. This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns. Nothing contained herein or in the parties' course of dealings shall be construed as conferring any third-party beneficiary status on any person or entity not a party to this Agreement. Time is of the essence.

7. To the extent permitted by law, the terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

8. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

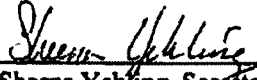
9. This Agreement constitutes the entire agreement between Lessor and Lessee in reference to the specific credit facility identified herein, and supersedes and merges any and all prior discussions or agreements with regard to this subject matter.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the date first written above.

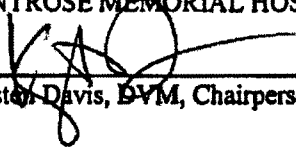
LESSOR:
BOARD OF TRUSTEES FOR
MONTROSE MEMORIAL HOSPITAL


Philip Booker, President

ATTEST:


Sheena Yehling, Secretary

LESSEE:
BOARD OF DIRECTORS FOR
MONTROSE MEMORIAL HOSPITAL, INC.


Kjersten Davis, DVM, Chairperson

ATTEST:


Michael Brezinsky, M.D., Secretary