

**ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY**

RESOLUTION NO. G17-11

RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY PROVIDING FOR THE SALE OF ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY LOAN ANTICIPATION REVENUE NOTES, SERIES 2017 (YKHC PROJECT) IN A PRINCIPAL AMOUNT NOT TO EXCEED \$165,000,000; AUTHORIZING AN INDENTURE BY AND BETWEEN THE AUTHORITY AND U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE, TO SECURE SAID LOAN ANTICIPATION REVENUE NOTES; AUTHORIZING THE EXECUTION OF A LOAN AND SECURITY AGREEMENT SECURING PAYMENT OF SAID LOAN ANTICIPATION REVENUE NOTES; DELEGATING CERTAIN AUTHORITY TO THE CHAIR, THE VICE CHAIR, THE EXECUTIVE DIRECTOR, AND THE CHIEF FINANCIAL OFFICER; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the Alaska Industrial Development and Export Authority (the “Authority”) is authorized by Title 44, Chapter 88, of the Alaska Statutes, as amended, to issue revenue bonds and notes for the purpose of providing funds to finance the cost of acquiring, constructing, improving and equipping projects in the State of Alaska (the “State”), provided the user thereof agrees to pay the Authority an amount at least sufficient to pay the principal of, and premium, if any, and interest on, said bonds and notes and other expenses incurred by the Authority in connection therewith; and

WHEREAS, the Authority hereby finds and determines that it is in the public interest and will further the purposes of the Authority to provide for the issuance of loan anticipation revenue notes of the Authority (the “Notes”); and

WHEREAS, the Notes will be special, limited revenue obligations of the Authority payable solely from and secured by payments to be made pursuant to the hereinafter defined Loan and Security Agreement and other sources of security as described herein and the hereinafter defined Indenture; and

WHEREAS, the Authority has determined to issue the Notes in an aggregate principal amount not to exceed \$165,000,000, in one or more subseries, and designated as Alaska Industrial Development and Export Authority Loan Anticipation Revenue Notes, Series 2017 (YKHC Project) to make a loan (the “AIDEA Loan”) to the Yukon-Kuskokwim Health Corporation

(herein, “YKHC” or the “Borrower”) to provide funds to (a) pay for, or reimburse the Borrower for the payment of, all or a portion of the costs of a major renovation to the approximately 90,000 square foot Yukon-Kuskokwim Delta Regional Hospital (the “Hospital”) owned by YKHC; (b) pay for, or reimburse the Borrower for payment of, all or part of the cost construction of an approximately 180,000 square foot primary care clinic to be located adjacent to the Hospital; (c) fund any reserves that may be required in connection with the issuance of the Notes; (d) capitalize some or all of the interest expected to accrue on the Notes from their issuance to their maturity date or dates; and (e) pay for, or reimburse the Borrower for payment of, all or a portion of the costs incurred in connection with the issuance of the Notes (collectively, the “Project”); and

WHEREAS, the Notes will be issued under and pursuant to, and will be secured by, an Indenture (the “Indenture”) by and between the Authority and U.S. Bank National Association, as Trustee (the “Trustee”) which shall be in substantially the form presented to and made part of the records of this meeting; and

WHEREAS, the Authority and the Borrower will enter into a Loan and Security Agreement (the “Loan and Security Agreement”), which shall be in substantially the form presented to and made part of the records of this meeting, under the terms of which the Borrower will be obligated to pay an amount sufficient to pay when due the principal of and the premium, if any, and interest on the Notes, together with all expenses of the Authority properly incurred therewith; and

WHEREAS, in exchange for, and as evidence of, the AIDEA Loan, the Borrower will issue to the Authority an Obligation (the “AIDEA Loan Obligation”) under the Master Trust Indenture between the Borrower and Zions Bank, A Division of ZB, National Association, as Master Trustee (the “Master Trustee”), dated as of March 1, 2017 (the “YKHC Master Trust Indenture”); and

WHEREAS, the AIDEA Loan Obligation shall be an “Obligation” as defined in, and for all purposes of, the YKHC Master Trust Indenture; and

WHEREAS, the Authority and the Borrower currently anticipate that the source of the funds to make the payment of principal when due on the AIDEA Loan Obligation will come from proceeds of a loan to be made to the Borrower by the United States of America acting through the Rural Housing Service of the United States Department of Agriculture (the “USDA Loan”); and

WHEREAS, the Borrower shall transfer, or shall cause the transfer of, proceeds of the USDA Loan directly to the Trustee immediately upon receipt thereof in such amount as is

necessary for payment in full of the AIDEA Loan and satisfaction of all amounts due under the AIDEA Loan Obligation at that time; and

WHEREAS, in the event that the proceeds of the USDA Loan transferred to the AIDEA Trustee as described in the preceding paragraph are insufficient to effect full and timely payment of all amounts then due under the AIDEA Loan and the AIDEA Loan Obligation, the Master Trustee will as soon as practicable make up the difference from amounts available to it under the YKHC Master Trust Indenture or will declare a payment default under the YKHC Master Trust Indenture, whereupon the Authority will be entitled to such remedies as are provided in the YKHC Master Trust Indenture; and

WHEREAS, the Authority will distribute a preliminary official statement (the "Preliminary Official Statement") or other similar offering document in connection with the sale of the Notes, the final form of which shall be substantially in the same form as the form of Preliminary Official Statement presented at this meeting; and

WHEREAS, the Borrower has entered into a Parity Agreement dated February 17, 2017, among the Borrower, the Rural Housing Service, United States Department of Agriculture ("USDA"), and the Master Trustee (the "Parity Agreement"); and

WHEREAS, the Parity Agreement contains terms and conditions that set forth the respective rights of the Borrower, the Master Trustee, and the USDA under the YKHC Master Trust Indenture; and

WHEREAS, the Master Trustee will have a duty to protect the interests of all creditors under the YKHC Master Trust Indenture, which will include the Authority with respect to the AIDEA Loan Obligation and any other Obligations (as defined in the YKHC Master Trust Indenture) that the Authority may own; and

WHEREAS, provisions shall be made for the sale of the Notes pursuant to a note purchase agreement, with such note purchase agreement entered into among Raymond James & Associates, Inc., as representative of the purchasers of the Notes identified therein (the "Underwriters"), the Authority, and the Borrower (the "Note Purchase Agreement") which shall be in substantially the form presented to and made part of the records of this meeting; and

WHEREAS, there has been presented to this meeting the draft forms of the following documents which the Authority proposes to finalize in connection with the issuance of the Notes and substantially in the form presented at this meeting:

1. Form of the Indenture;
2. Form of the Loan and Security Agreement;
3. Form of the Note Purchase Agreement;
4. Form of the Note Purchase Agreement as set forth in the Indenture;
5. Form of Preliminary Official Statement; and

WHEREAS, it appears that each of the instruments above referred to, which are now before the members of the Authority, is in appropriate form and is an appropriate instrument for the purposes intended; and

WHEREAS, there has also been presented to this meeting for the information of the Board of the Authority the following executed documents:

1. YKHC Master Trust Indenture; and
2. Parity Agreement; and

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. That in order to provide funds to finance the Project, the Authority will issue the Notes in a principal amount not to exceed \$165,000,000 maturing on the date or dates and bearing interest at the rate or rates per annum as may be determined by the Executive Director of the Authority or the Chief Financial Officer of the Authority; the form of the Notes in substantially the form and content set forth in the Indenture now before this meeting, subject to appropriate insertions and revisions, be and the same hereby is in all respects authorized, approved and confirmed; and the Chair, Vice Chair, Executive Director, and Chief Financial Officer of the Authority (each, an "Authorized Officer") be, and each of them hereby is, authorized, empowered, and directed to execute the Notes, whether by manual or facsimile signature, to seal the Notes with the official seal of the Authority (manually or by facsimile), and to deliver, for and on behalf of the Authority, the Notes to the Underwriters; and the provisions of the Indenture with respect to the Notes be and the same hereby are authorized, approved and confirmed and are incorporated herein by reference.

The Notes do not constitute indebtedness or any other liability of the State of Alaska or any political subdivision thereof, but shall be payable solely from certain of the payments to be made by the Borrower under the Loan and Security Agreement and certain other sources as identified in the Indenture. The Authority does not pledge the faith and credit of the State of

Alaska or any political subdivision thereof to the payment of the Notes, and the issuance of the Notes does not directly or contingently obligate the State of Alaska or any political subdivision thereof to apply money from, or levy or pledge, any form of taxation to or for payment of the Notes.

Section 2. That the form and content of the Indenture be and the same hereby are in all respects authorized, approved, and confirmed, and each Authorized Officer be and they hereby are in all respects severally authorized, empowered, and directed to execute and deliver the final Indenture for and on behalf of the Authority to the AIDEA Trustee named therein for the security of the Notes, including necessary counterparts, in substantially the form now before this meeting, but with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all changes, modifications, additions, or deletions thereto from such form, and after the execution and delivery of the Indenture, each Authorized Officer be and they hereby are authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the provisions of the Indenture as executed.

Section 3. That the form and content of the Preliminary Official Statement, the Loan and Security Agreement, and the Note Purchase Agreement be and the same hereby are in all respects authorized, approved and confirmed, and each Authorized Officer be and they hereby are authorized, empowered and directed to execute and deliver the Preliminary Official Statement, the Final Official Statement, the final Loan and Security Agreement, and the final Note Purchase Agreement for and on behalf of the Authority, including necessary counterparts, in substantially the form and content now before this meeting (or, in the case of the Final Official Statement, in substantially the form and content of the Preliminary Official Statement now before this meeting) but with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all changes, modifications, additions or deletions therein from the form and content of the Preliminary Official Statement, the Loan and Security Agreement, and the Note Purchase Agreement now before this meeting, and that, from and after the execution and delivery of the Preliminary Official Statement, the Final Official Statement, the Loan and Security Agreement, and the Note Purchase Agreement, each Authorized Officer be and they hereby are

authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Preliminary Official Statement, the Final Official Statement, the Loan and Security Agreement, and the Note Purchase Agreement as executed. The Underwriters are hereby authorized, upon receipt of approval of an Authorized Officer, to distribute the Preliminary Official Statement and the Final Official Statement in connection with the offer and sale of the Notes.

Section 4. That the lending of the proceeds of the Notes to the Borrower in exchange for, and evidenced by, the AIDEA Loan issued by the Borrower to the Authority pursuant to the terms and conditions of the YKHC Master Trust Indenture is hereby approved;

Section 5. That the sale of the Notes to the Underwriters pursuant to the terms of the Note Purchase Agreement is hereby authorized and approved.

Section 6. That the Authorized Officers be, and each of them hereby is, authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents, opinions or other papers and perform all such other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 7. That this Resolution does hereby incorporate by reference, as though fully set out herein, the provisions of the Act and the documents presented to this meeting.

Section 8. That this Resolution shall become effective immediately upon its passage and approval.

DATED at Anchorage, Alaska, this 10th day of August, 2017.




Chair


Secretary