

TRIPLETT WOOLF GARRETSON, LLC

---

ORDINANCE NO. 1363

OF

THE

CITY OF HILLSBORO, KANSAS

AUTHORIZING AMENDMENTS TO:

\$5,983,459  
CITY OF HILLSBORO, KANSAS  
HEALTH CARE FACILITIES REFUNDING REVENUE BONDS  
SERIES 2007  
(PARKSIDE HOMES, INC.)

---

(Published in *The Hillsboro Star-Journal* on March 1, 2023)

ORDINANCE NO. 1363

AN ORDINANCE OF THE CITY OF HILLSBORO, KANSAS AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LEASE AGREEMENT BY AND BETWEEN THE CITY AND PARKSIDE HOMES, INC.; A FIRST AMENDMENT TO BOND AGREEMENT BY AND BETWEEN THE CITY, CENTRAL NATIONAL BANK, HILLSBORO, KANSAS, AND PARKSIDE HOMES, INC.; APPROVING THE CONVEYANCE OF CERTAIN LAND; AND AUTHORIZING THE EXECUTION AND DELIVERY OF (1) A QUIT CLAIM DEED, AND (2) A PARTIAL RELEASE OF LEASE.

WHEREAS, the City of Hillsboro, Kansas (the "Issuer") has previously authorized and issued its Health Care Facilities Refunding and Improvement Revenue Bonds, Series 1994 (Parkside Homes, Inc.), in the original aggregate principal amount of \$1,455,000 (the "1994 Bonds"), none of which remain outstanding, for the purpose of paying the costs of purchasing, acquiring, installing and equipping additions and improvements (the "1994 Additions") to an existing adult care facility (the "Original Facility") and refunding and redeeming the Issuer's outstanding Health Care and Retirement Facilities Revenue Bonds, Series 1987 (Parkside Homes, Inc.); and

WHEREAS, the Issuer has previously authorized and issued its Health Care Facilities Revenue Bonds, Series 1995 (Parkside Homes, Inc.), in the original aggregate principal amount of \$2,000,000 (the "1995 Bonds"), none of which remain outstanding, for the purpose of paying the costs of purchasing, acquiring, installing and equipping certain congregate senior housing facilities located on the campus of Parkside Homes, Inc., in the City of Hillsboro, Kansas (the "1995 Project"); and

WHEREAS, the Issuer has previously authorized and issued its Health Care Facilities Refunding Revenue Bonds, Series A, 2005 (Parkside Homes, Inc.), in the original aggregate principal amount of \$1,180,000 (the "Series A, 2005 Bonds"), none of which remain outstanding, for the purpose of refunding and redeeming the 1995 Bonds; and

WHEREAS, the Issuer has previously authorized and issued its Health Care Facilities Improvement and Refunding Revenue Bonds, Series B, 2005 (Parkside Homes, Inc.), in the original aggregate principal amount of \$2,820,000 (the "Series B, 2005 Bonds"), none of which remain outstanding, for the purpose of refunding on an advance basis the outstanding 1994 Bonds and financing a portion of the costs of the acquisition, construction, and equipping of certain additions to the Original Facility, the 1994 Additions and the 1995 Project (the "2005 Additions"); and

WHEREAS, the Issuer has previously authorized and issued its Taxable Health Care Facilities Revenue Bonds, Series C, 2005 (Parkside Homes, Inc.), in the original aggregate principal amount of \$2,105,000 (the "Series C, 2005 Bonds"), none of which remains outstanding, for the purpose of financing a portion of the costs of the acquisition, construction, and equipping of the 2005 Additions; and

WHEREAS, the Issuer has previously authorized and issued its Health Care Facilities Refunding Revenue Bonds, Series D, 2005 (Parkside Homes, Inc.), in the original aggregate principal amount of \$2,105,000 (the "Series D, 2005 Bonds"), none of which remain outstanding, for the purpose of refunding and redeeming the outstanding Series C, 2005 Bonds; and

WHEREAS, the Issuer has previously authorized and issued its Health Care Facilities Refunding Revenue Bonds, Series 2007 (Parkside Homes, Inc.), in the original aggregate principal amount of \$5,983,459 (the "2007 Bonds"), for the purpose of refunding and redeeming the outstanding Series A, 2005 Bonds, the Series B, 2005 Bonds, and the Series D, 2005 Bonds; and

WHEREAS, the Issuer has acquired title to the Original Facility, the 1994 Additions, the 1995 Project, and the 2005 Additions (collectively, the "Facility") and is leasing the Facility to Parkside Homes, Inc. (the "Tenant"), pursuant to the Lease Agreement, dated as of June 15, 2005 (the "2005 Lease"), by and between the Issuer and Tenant; and

WHEREAS, the Bonds are payable from the revenues derived from the Issuer pursuant to the 2005 Lease (except to the extent payable from proceeds of sale or re-letting of the Project or from moneys paid pursuant to a Guaranty Agreement, dated as of November 1, 2007 and from the Bond Agreement dated as of November 1, 2007 (the "Bond Agreement") by and between the Issuer, Central National Bank, Hillsboro, Kansas (the "Bank"), and the Tenant; and

WHEREAS, Section 8 of the Bond Agreement provides that the Bonds, the Bond Agreement, and the Lease may be amended with the consent of the Owners of the Bonds, Issuer, the Bank, the Tenant, as Tenant, and the Bondowner of the Outstanding Bonds, if different from the Bank; and

WHEREAS, the Tenant and the Bank, as owner of 100% of the Outstanding 2007 Bonds, desire to amend the Bond Agreement and the 2005 Lease to release certain Land (as defined below) from the Facility, the Lease, and the Bond Agreement; and

WHEREAS, the Issuer, the Tenant, and the Bondowner desire and consent to (1) amend the Bond Agreement and the 2005 Lease in order to remove the certain Land from the Facility; (2) the Issuer's conveyance of the Land to the Tenant, and (3) authorize the execution and delivery of (i) a First Amendment to the Bond Agreement (as hereinafter defined), (ii) a First Amendment to Lease (as hereinafter defined), (iii) a Quit Claim Deed, and (iv) a Partial Release of Lease, in connection with the foregoing.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HILLSBORO, KANSAS, AS FOLLOWS:

Section 1. Definition of Terms. All terms and phrases not otherwise defined herein shall have the respective meanings set forth herein and in the Bond Agreement and 2005 Lease (as defined above).

Section 2. Authorization of First Amendment to Bond Agreement. The Issuer is hereby authorized to execute and deliver the First Amendment to Bond Agreement, dated as of March 7,

2023 (the "First Amendment to Bond Agreement"), by and between the Issuer, the Bank, and the Tenant, in substantially the form as presented and now before the governing body of the Issuer, under which the Land will be removed from the Facility.

Section 3. Authorization of First Amendment to Lease. The Issuer is hereby authorized to execute and deliver the First Amendment to Lease Agreement, dated as of March 7, 2023 (the "First Amendment to Lease"), by and between the Issuer and the Tenant, in substantially the form as presented and now before the governing body of the Issuer, under which the Land will be removed from the Project.

Section 4. Conveyance of the Land. The Issuer is hereby authorized to convey the following described real property:

PARCEL 3:

A portion of the East Half of the Southwest Quarter of the Northwest Quarter of Section 3, Township 20 South, Range 2 East of the 6<sup>th</sup> Principal Meridian in Marion County, Kansas, more particularly described by Daniel E. Garber, Professional Surveyor #683, on May 13, 2022 as follows:

Beginning at the Southwest corner of the East Half of the Southwest Quarter of the Northwest Quarter of Section 3, Township 20 South, Range 2 East of the 6<sup>th</sup> Principal Meridian; thence with a bearing North 00°49'41" West (basis of bearings is NAD 83 Kansas South Zone) along the West line of the East Half of the Southwest Quarter of said Northwest Quarter a distance of 270.00 feet; thence North 89°12'16" East 164.74 feet; thence South 00°48'58" East a distance of 270.00 feet to the South line of said Northwest Quarter; thence South 89°12'16" West along the South line of said Northwest Quarter 164.69 feet (165 feet record) to the point of beginning containing 1.021 Acres TOGETHER WITH AND SUBJECT TO a 30.00 feet wide easement for ingress, egress and utilities described as follows: Beginning at the Southwest corner of the East Half of the Southwest Quarter of the Northwest Quarter of Section 3, Township 20 South, Range 2 East of the 6<sup>th</sup> Principal Meridian; thence with a bearing North 00°49'41" West (basis of bearings is NAD 83 Kansas South Zone) along the West line of the East Half of the Southwest Quarter of said Northwest Quarter a distance of 396.39 feet (396 feet record); thence North 89°13'00" East 30.00 feet; thence South 00°49'41" East parallel with the West line of the East Half of the Southwest Quarter of said Northwest Quarter a distance of 396.35 feet to the South line of said Northwest Quarter; thence South 89°12'16" West along the South line of said Northwest Quarter 30.00 feet to the point of beginning.

and

Tract III

The East Half of the Northwest Quarter (NW/4) of the Southwest Quarter (SW/4) of Section 3, Township 20 South, Range 2 East of the 6<sup>th</sup> P.M., Marion County, Kansas.

(collectively, the "Land")

to the Tenant upon execution and delivery of the First Amendment to Bond Agreement, First Amendment to Lease, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance.

Section 5. Authorization of Quit Claim Deed. The Issuer is hereby authorized to execute and deliver its Quit Claim Deed for the Land to the Tenant, upon satisfaction of the conditions contained in Section 4 hereof, and in substantially the same form as the deed before the governing body on this date.

Section 6. Authorization of the Partial Release of Lease. The Issuer is hereby authorized to execute and deliver its Partial Release of Lease, dated as of March 7, 2023 (the "Partial Release of Lease") releasing the Land from the real property leased to the Tenant pursuant to the 2005 Lease, upon satisfaction of the conditions contained in Section 4 hereof, and in substantially the same form as the deed before the governing body on this date.

Section 7. Execution of the City Documents. The Mayor is hereby authorized and directed to execute and deliver the First Amendment to Bond Agreement, First Amendment to Lease, Quit Claim Deed, and Partial Release of Lease (the "City Documents") for and on behalf of and as the act and deed of the Issuer in substantially the form as it is presented today with such minor corrections or amendments thereto as the Mayor shall approve (after consultation with counsel) which approval shall be evidenced by his execution thereof, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance. The City Clerk is hereby authorized and directed to attest the execution of the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 8. Further Authority. The Issuer shall, and the officers, agents and employees of the Issuer are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Ordinance and to carry out, comply with and perform the duties of the Issuer with respect to the City Documents, all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

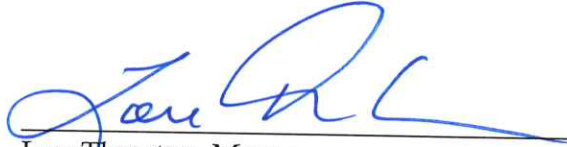
Section 9. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body of the Issuer and publication once in the official newspaper of the Issuer.

*[Remainder of Page Intentionally Left Blank]*

PASSED AND APPROVED by the governing body of the City of Hillsboro, Kansas this 21<sup>st</sup>  
day of February, 2023.



CITY OF HILLSBORO, KANSAS

  
\_\_\_\_\_  
Lou Thurston, Mayor

ATTEST:

  
\_\_\_\_\_  
Danielle Bartel, City Clerk

## EXCERPT OF MINUTES

The governing body of the City of Hillsboro, Kansas met in regular session at the usual meeting place in the City on February 21, 2023 at 6:30 p.m., with Mayor Lou Thurston presiding, and the following members of the governing body present:

Blake Beye, Brent Driggers, David Loewen, Byron McCarty

and the following members absent:

None.

Thereupon, there was presented to the governing body an Ordinance entitled:

AN ORDINANCE OF THE CITY OF HILLSBORO, KANSAS AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LEASE AGREEMENT BY AND BETWEEN THE CITY AND PARKSIDE HOMES, INC.; A FIRST AMENDMENT TO BOND AGREEMENT BY AND BETWEEN THE CITY, CENTRAL NATIONAL BANK, HILLSBORO, KANSAS, AND PARKSIDE HOMES, INC.; APPROVING THE CONVEYANCE OF CERTAIN LAND; AND AUTHORIZING THE EXECUTION AND DELIVERY OF (1) A QUIT CLAIM DEED, AND (2) A PARTIAL RELEASE OF LEASE.

Thereupon, the Ordinance was considered and discussed, and upon the motion of Byron McCarty, seconded by Blake Beye, the Ordinance was adopted by a majority vote of the governing body, it was given No. 1363 and was directed to be signed by the Mayor and attested by the City Clerk; and the City Clerk was directed to publish the Ordinance one time in the City's official newspaper as required by law and as provided therein.

\*\*\*\*

CITY CLERK'S  
CERTIFICATION OF EXCERPT OF MINUTES

I hereby certify that the foregoing is a true and correct Excerpt of Minutes of the February 21, 2023 meeting of the governing body of the City of Hillsboro, Kansas.



  
\_\_\_\_\_  
Danielle Bartel, City Clerk