

TRIPLETT, WOOLF & GARRETSON, LLC

ORDINANCE NO. 1265

OF THE

CITY OF HILLSBORO, KANSAS

RELATING TO THE ISSUANCE OF
\$1,325,000
PUBLIC BUILDING COMMISSION OF HILLSBORO, KANSAS
TAXABLE REVENUE BONDS
SERIES 2015
(HOSPITAL PROJECT)

(Published in *The Hillsboro Star Journal* on December 23, 2015)

ORDINANCE NO. 1265

AN ORDINANCE OF THE CITY OF HILLSBORO, KANSAS, APPROVING THE ISSUANCE OF \$1,325,000 AGGREGATE PRINCIPAL AMOUNT OF THE PUBLIC BUILDING COMMISSION OF HILLSBORO, KANSAS, TAXABLE REVENUE BONDS, SERIES 2015 (HOSPITAL PROJECT) FOR THE PURPOSE OF PROVIDING FUNDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, INSTALLING, AND EQUIPPING INFRASTRUCTURE IMPROVEMENTS INCLUDING ELECTRIC, WATER, SEWER, AND PARKING LOT IMPROVEMENTS RELATED TO HOSPITAL FACILITIES TO BE LOCATED WITHIN THE CITY; APPROVING THE FORM OF A TRUST INDENTURE BY AND BETWEEN THE PUBLIC BUILDING COMMISSION AND SECURITY BANK OF KANSAS CITY, KANSAS CITY, KANSAS, AS TRUSTEE; PRESCRIBING THE FORM AND AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT OF THE PROJECT BY AND BETWEEN THE PUBLIC BUILDING COMMISSION AND THE CITY; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT BETWEEN THE PUBLIC BUILDING COMMISSION, THE CITY, AND GEORGE K. BAUM & CO., KANSAS CITY, MISSOURI, AS UNDERWRITER OF THE BONDS; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT WITH RESPECT TO THE BONDS; APPROVING AN OFFICIAL STATEMENT WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND AUTHORIZING THE EXECUTION OF A SUBLEASE AGREEMENT OF THE PROJECT BY AND BETWEEN THE CITY AND CAH ACQUISITION COMPANY #5, LLC; AND APPROVING THE FORM AND AUTHORIZING THE ACCEPTANCE OF A GUARANTY AGREEMENT BY HMC/CAH CONSOLIDATED, INC IN FAVOR OF THE CITY.

WHEREAS, by Resolution No. PBC-2015-1 published in *The Hillsboro Star Journal*, the Public Building Commission of Hillsboro, Kansas (the “Issuer”) has indicated its intent to issue its Taxable Revenue Bonds, Series 2015 (the “Bonds”) for the purpose of acquiring, constructing, installing, and equipment infrastructure improvements, including electric, water, sewer, and parking lot improvements related to hospital facilities (the “Improvements”) to be located on land owned by the Issuer (the “Land”) in the City of Hillsboro, Kansas (the “City”) (the Land and Improvements together being the “Project”); and

WHEREAS, pursuant to K.S.A. 1257 *et seq.*, Charter Ordinance No. 11, Charter Ordinance No. 14, and Charter Ordinance No. 18 of the City, the Issuer is authorized to issue the Bonds for the purpose of paying the costs of acquiring, constructing, furnishing and equipping of the Project and the issuance of such Bonds is not subject to any further petition or protest; and

WHEREAS, the City finds and determines that it is necessary and desirable in connection with the issuance of the Bonds (1) to approve the issuance of the Bonds by the Issuer; (2) to approve the form of a Trust Indenture, dated as of December 15, 2015 (the "Indenture") by and between the Issuer and Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee"); (3) to enter into a Lease Agreement, dated as of December 15, 2015 (the "Lease"), with the Issuer pursuant to which the City shall lease the Project from the Issuer in consideration of payments of Basic Rent, Additional Rent and other charges provided for therein; (4) to execute and deliver a Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the Issuer, the City, and George K. Baum & Co., Kansas City, Missouri, as purchaser of the Bonds (the "Underwriter"); (5) to execute and deliver a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") by the Issuer and the City; (6) to approve the form and content of the Official Statement prepared in connection with the Bonds; (7) to enter into a Sublease Agreement, dated as of December 15, 2015 (the "Sublease"), with CAH Acquisition Company #5, LLC (the "Company") pursuant to which the City will sublease lease the Project to the Company; (8) to authorize the acceptance of a Guaranty Agreement (the "Guaranty Agreement") by HMC/CAH Consolidated, Inc. in favor of the City.

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

Section 1. Approval of the Bonds. The governing body of the City hereby approves the issuance of the Bonds by the Issuer.

Section 2. Approval of the Trust Indenture. The City hereby approves the form of the Indenture (defined above).

Section 3. Authorization of the Lease. The City is hereby authorized to enter into and deliver the Lease (defined above), pursuant to which the City shall lease the Project from the Issuer.

Section 4. Authorization of Bond Purchase Agreement. The City is hereby authorized to enter into and deliver the Bond Purchase Agreement (defined above), pursuant to which the Bonds shall be sold and delivered to the Underwriter.

Section 5. Authorization of Continuing Disclosure Agreement. The City is hereby authorized to execute and deliver the Continuing Disclosure Agreement (as defined above), pursuant to which the Issuer and the City agree to provide certain annual financial information and notices of the occurrence of certain events with respect to the Bonds.

Section 6. Authorization of Official Statement. The City hereby approves the form and content of the Official Statement prepared in the offering and sale of the Bonds, and approves and authorizes the use of the Official Statement in the reoffering of the Bonds by the Underwriter. The Mayor and City Clerk are hereby authorized, ordered and directed to execute the Official Statement for and on behalf of the City.

Section 7. Authorization of the Sublease. The City is hereby authorized to enter into and deliver the Sublease (defined above), pursuant to which the City shall lease the Project to the Company.

Section 8. Acceptance of Guaranty Agreement. The City is hereby authorized to accept the Guaranty Agreement (defined above).

Section 9. Execution of Documents. The Mayor is hereby authorized and directed to execute and deliver the Lease, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Sublease, and the Guaranty Agreement, for and on behalf of and as the act and deed of the City, with such minor corrections or amendments thereto as the Mayor shall approve, which approval shall be evidenced by his or her 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, or any deputy thereof or assistant thereto, is hereby authorized and directed to attest the execution of the Lease, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Sublease, and the Guaranty Agreement 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 10. Further Authority. The City shall, and the officers, agents and employees of the City 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 City with respect to the Lease, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Sublease, and the Guaranty Agreement, all as necessary to carry out and give effect to the transactions contemplated hereby and thereby.

Section 11. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body of the City and publication once in the official newspaper of the City.

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PASSED AND APPROVED by the governing body of the City of Hillsboro, Kansas the
15th day of December, 2015.

CITY OF HILLSBORO, KANSAS

[seal]

By _____/s/_____
Delores Dalke, Mayor

ATTEST:

By _____/s/_____
Janice K. Meisinger, City Clerk

EXCERPT OF MINUTES

The governing body of the City of Hillsboro, Kansas met in regular session at the usual meeting place in said City on December 15, 2015, at 4:00 p.m., with the Mayor Delores Dalke presiding, and the following members of the governing body present:

Brent Driggers, Byron McCarty, and Bob Watson

and the following members absent:

David Loewen

Among other business, there came on for consideration an Ordinance entitled:

AN ORDINANCE OF THE CITY OF HILLSBORO, KANSAS, APPROVING THE ISSUANCE OF \$1,325,000 AGGREGATE PRINCIPAL AMOUNT OF THE PUBLIC BUILDING COMMISSION OF HILLSBORO, KANSAS, TAXABLE REVENUE BONDS, SERIES 2015 (HOSPITAL PROJECT) FOR THE PURPOSE OF PROVIDING FUNDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, INSTALLING, AND EQUIPPING INFRASTRUCTURE IMPROVEMENTS INCLUDING ELECTRIC, WATER, SEWER, AND PARKING LOT IMPROVEMENTS RELATED TO HOSPITAL FACILITIES TO BE LOCATED WITHIN THE CITY; APPROVING THE FORM OF A TRUST INDENTURE BY AND BETWEEN THE PUBLIC BUILDING COMMISSION AND SECURITY BANK OF KANSAS CITY, KANSAS CITY, KANSAS, AS TRUSTEE; PRESCRIBING THE FORM AND AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT OF THE PROJECT BY AND BETWEEN THE PUBLIC BUILDING COMMISSION AND THE CITY; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT BETWEEN THE PUBLIC BUILDING COMMISSION, THE CITY, AND GEORGE K. BAUM & CO., KANSAS CITY, MISSOURI, AS UNDERWRITER OF THE BONDS; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT WITH RESPECT TO THE BONDS; APPROVING AN OFFICIAL STATEMENT WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND AUTHORIZING THE EXECUTION OF A SUBLEASE AGREEMENT OF THE PROJECT BY AND BETWEEN THE CITY AND CAH ACQUISITION COMPANY #5, LLC; AND APPROVING THE FORM AND AUTHORIZING THE ACCEPTANCE OF A GUARANTY AGREEMENT BY HMC/CAH CONSOLIDATED, INC IN FAVOR OF THE CITY.

Thereupon, the Ordinance was considered and discussed; and on motion of Bob Watson, seconded by Byron McCarty, the Ordinance was adopted by the majority of the members of the governing body.

Thereupon, the Ordinance was given No. 1265 and was directed to be signed by the Mayor and attested by the City Clerk and was directed to be published once in the official newspaper of the City of Hillsboro, Kansas as required by law.

CITY CLERK'S
CERTIFICATION OF EXCERPTS OF MINUTES

I hereby certify that the foregoing is a true and correct Excerpt of the Minutes of the
December 15, 2015 meeting of the Governing Body of the City of Hillsboro, Kansas.

[seal]

Janice K. Meisinger, City Clerk