

(Summary on last page of this document
to be published in *The Gardner News* on Wednesday, August 14, 2019)

ORDINANCE NO. 19-44

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF OLATHE, KANSAS OF HEALTH FACILITIES REVENUE BONDS, IN ONE OR MORE SERIES, THE AGGREGATE PRINCIPAL AMOUNT OF ALL SERIES NOT TO EXCEED \$30,000,000, TO PROVIDE FUNDS TO ACQUIRE, CONSTRUCT, EQUIP AND FURNISH PROJECTS FOR OLATHE MEDICAL CENTER, INC. AND ITS AFFILIATES, AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS

WHEREAS, the City of Olathe, Kansas (the “City”) is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (collectively, the “Act”), to issue revenue bonds, the proceeds of which shall be used for the purpose of paying all or part of the cost of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling facilities for agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes and to enter into leases or lease-purchase agreements with any person, firm or corporation for such facilities; and

WHEREAS, pursuant to the Act, the City proposes to issue its health facilities revenue bonds in one or more series (the “Bonds”), the aggregate principal amount of all series not to exceed \$30,000,000 as part of a plan of finance for the purposes of (1) paying for all or a portion of the costs related to the acquisition, construction, improvement, extension, repair, equipping and furnishing of certain health facilities and related facilities, including without limitation, Olathe Medical Center projects, including surgery, pharmacy, catheterization laboratory, and 5th floor projects, and miscellaneous capital improvements, medical office building project at Olathe Medical Park, and Gardner, Kansas clinic project (collectively, the “Projects”) for the benefit of Olathe Medical Center, Inc. (the “Corporation”) and its affiliates, including Olathe Health System, Inc., Olathe Health Physicians, Inc. (“OHPI”) and Miami County Medical Center, Inc., and (2) and paying certain costs of issuance, all as further described in the hereinafter referred to Bond Indenture and Lease Agreement; and

WHEREAS, the Bonds will be issued under one or more Bond Trust Indentures (the “Bond Indenture”), by and between the City and UMB Bank, N.A., as Bond Trustee (the “Bond Trustee”); and

WHEREAS, simultaneously with the execution and delivery of the Bond Indenture, the City will enter into one or more Lease Agreements (the “Lease Agreement”), between the City, as lessor, and the Corporation, as lessee, pursuant to which the City will sublease the Projects to the Corporation and the Corporation will agree to pay Basic Lease Payments (as defined in the Bond Indenture) sufficient to pay the principal of and premium, if any, and interest on the Bonds; and

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds that the City execute and deliver certain documents and that the City take certain other actions as herein provided;

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

Section 1. Findings and Determinations. The City hereby makes the following findings and determinations with respect to the Corporation and the Bonds to be issued by the City, based upon representations made to the City:

- (a) The Corporation has properly requested the City's assistance in financing, refinancing and reimbursing the costs of the Projects;
- (b) The issuance of the Bonds for the purposes described herein is in furtherance of the public purposes set forth in the Act; and
- (c) The Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Authorization of the Bonds. The City is hereby authorized to issue the Bonds in one or more series, the aggregate principal amount of all series of the Bonds not to exceed \$30,000,000, which shall be issued under and secured by and shall have the terms and provisions set forth in the Bond Indenture. The Bonds shall bear interest at fixed interest rates or adjustable interest rates with an initial interest rate not to exceed 4.00% per annum, and shall mature in principal installments with a final maturity date in a year not later than the year 2049, and shall have such redemption provisions, including premiums, optional or mandatory purchase terms and other terms as set forth in the Bond Indenture. The final terms shall be specified in the Bond Indenture upon the execution thereof, and the signatures of the officers of the City executing such Bond Indenture shall constitute conclusive evidence of their approval and the City's approval thereof.

Section 3. Limited Obligations. The Bonds shall be limited obligations of the City payable solely from the sources and in the manner as provided in the Bond Indenture, and shall be secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Bond Indenture) to the Bond Trustee and in favor of the owners of the Bonds, as provided in the Bond Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City, the State of Kansas (the "State") or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Lease Agreement and the Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. No breach by the City of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the City or any charge upon its general credit or against its taxing power.

Section 4. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to the City (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver each of such documents (the "City Documents") with such changes therein (including the dated date thereof) as shall be approved by the officials of the City executing such documents, such officials' signatures thereon being conclusive evidence of their approval and the City's approval thereof:

- (a) One or more Bond Indentures providing for the issuance thereunder of the Bonds and setting forth the terms and provisions applicable to the Bonds, including a pledge and assignment by the City of the Trust Estate to the Bond Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Bond Indenture;

(b) One or more Base Lease Agreements under which the Corporation and OHPI will lease to the City the property financed and refinanced with the proceeds of the Bonds in consideration of the City's deposit of the proceeds of the Bonds into the funds described in the Bond Indenture;

(c) One or more Lease Agreements under which the City will make the proceeds of the Bonds available to the Corporation for the purposes herein described in consideration of payments which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds; and

(d) One or more Tax Compliance Agreements among the City, the Corporation and the Bond Trustee, pursuant to which the requirements relating to the federal tax status of the Bonds are set forth.

If there are multiple series of Bonds, the City authorizes separate City Documents for each series of Bonds as may be deemed necessary by Bond Counsel so long as each set of City Documents for each series of Bonds are in substantially the same form as the forms presented to and reviewed by the City at this meeting, with such changes therein as shall be approved by the officials of the City executing such documents, such officials' signatures thereon being conclusive evidence of their approval and the City's approval thereof.

Section 5. Execution of Bonds and Documents. The Mayor of the City is hereby authorized and directed to execute the Bonds by manual or facsimile signature and to deliver the Bonds to the Bond Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Bond Indenture. The Mayor of the City is hereby authorized and directed to execute and deliver the City Documents for and on behalf of and as the act and deed of the City. The City Clerk or the Deputy City Clerk of the City is hereby authorized and directed to attest, by manual or facsimile signature, to the Bonds, 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 6. Further Authority. In connection with the issuance of the Bonds and at any time while the Bonds are outstanding, the City shall, and the officials, agents and employees of the City are hereby authorized and directed to, take such further action, and execute such other documents, certificates, notice and instruments, including, without limitation, any purchase contract, credit enhancement and security documents, arbitrage certificate, redemption and defeasance notices, closing certificates and tax forms, as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents.

Section 7. Effective Date. This Ordinance shall take effect and be in full force immediately upon its adoption by the Governing Body of the City and publication in the official newspaper of the City.

PASSED by the Governing Body of the City of Olathe, Kansas this 6th day of August, 2019.

Michael E. Copeland
Mayor

[SEAL]

ATTEST:

Emily K. Vincent
City Clerk

SUMMARY OF ORDINANCE NO. 19-[]

On August 6, 2019, the Governing Body of the City of Olathe, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF OLATHE, KANSAS OF HEALTH FACILITIES REVENUE BONDS, IN ONE OR MORE SERIES, THE AGGREGATE PRINCIPAL AMOUNT OF ALL SERIES NOT TO EXCEED \$30,000,000, TO PROVIDE FUNDS TO ACQUIRE, CONSTRUCT, EQUIP AND FURNISH PROJECTS FOR OLATHE MEDICAL CENTER, INC. AND ITS AFFILIATES, AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS

The bonds approved by the Ordinance are being issued in an aggregate principal amount not to exceed \$30,000,000, as part of a plan of finance for the purposes of (1) paying for all or a portion of the costs related to the acquisition, construction, improvement, extension, repair, equipping and furnishing of certain health facilities and related facilities, including without limitation, Olathe Medical Center projects, including surgery, pharmacy, catheterization laboratory, and 5th floor projects, and miscellaneous capital improvements, medical office building project at Olathe Medical Park, and Gardner, Kansas clinic project (collectively, the “Projects”) for the benefit of Olathe Medical Center, Inc. and its affiliates, including Olathe Health System, Inc., Olathe Health Physicians, Inc. and Miami County Medical Center, Inc., and (2) and paying certain costs of issuance of the bonds. The bonds shall be limited obligations of the City payable from lease payments to be made by the Corporation in amounts sufficient to pay the principal of and premium, if any, and interest on the bonds. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City, the State of Kansas (the “State”) or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Lease Agreement and the Bond Indenture. The issuance of the bonds shall not, directly, indirectly or contingently, obligate the City, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, 100 East Santa Fe. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at <http://www.olatheks.org/government/city-clerk/public-notices>.

This Summary is hereby certified to be legally accurate and sufficient pursuant to the laws of the State of Kansas.

DATED: August 6, 2019

Ronald R. Shaver
City Attorney