

**RESOLUTION NO. 1195**

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF COLBY, KANSAS DETERMINING THE ADVISABILITY OF ISSUING HOSPITAL REVENUE BONDS OF THE CITY FOR THE PURPOSE OF PROVIDING FINANCING FOR THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF A HOSPITAL FACILITY TO BE LOCATED IN THE CITY.**

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**WHEREAS**, the City of Colby, Kansas (the “City”) desires to promote, stimulate and develop the general economic welfare and prosperity of the City, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

**WHEREAS**, pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (collectively, the “Act”), the City is authorized to issue revenue bonds for such purposes and to refund revenue bonds issued for such purposes; and

**WHEREAS**, Citizens Medical Center, Inc., a Kansas not-for-profit corporation (the “Hospital”) currently operates a hospital located in the City and has need for the acquisition, construction, furnishing and equipping of a new hospital facility to be located in the City (the “Project”); and

**WHEREAS**, pursuant to proceedings duly held, the Hospital has requested that the City, as authorized under the Act, issue hospital revenue bonds to provide financing for the Project, such bonds to be limited obligations of the City; and

**WHEREAS**, it is hereby found and determined to be advisable and in the interest and for the welfare of the City and its inhabitants that hospital revenue bonds of the City in an aggregate principal amount not to exceed \$115,000,000 be authorized and issued to provide funds to: (a) pay a portion of the costs of acquiring, constructing, furnishing and equipping the Project; and (b) pay costs of issuance associated with such bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF COLBY, KANSAS:**

Section 1. **Public Purpose.** The governing body of the City hereby finds and determines that issuing bonds to provide financing for a portion of the costs of the Project will promote, stimulate and develop the general economic welfare and prosperity of the City, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas.

Section 2. **Authorization to Finance Project; Intent to Issue Bonds.** The City is hereby authorized to finance the acquisition, construction, furnishing and equipping of the Project and to issue its Hospital Revenue Bonds, in one or more series, in an aggregate principal amount not to exceed \$115,000,000 (the “Bonds”) to pay the costs thereof, subject to satisfaction of the conditions of issuance set forth herein.

Section 3. **Conditions to Issuance of Bonds.** The issuance of the Bonds is subject to: (a) the passage of an ordinance authorizing the issuance of the Bonds; (b) the successful negotiation of a Trust Indenture, Site Lease, Project Lease, Bond Purchase Agreement or other legal documents necessary to accomplish the issuance of the Bonds, the terms of which shall be in compliance with the Act and mutually satisfactory to the Issuer and the Hospital; (c) the successful negotiation and sale of the Bonds to a purchaser or purchasers yet

to be determined (the "Purchaser"), which sale shall be the responsibility of the Hospital and not the Issuer; (d) the receipt of the approving legal opinion of Gilmore & Bell, P.C. ("Bond Counsel") in form acceptable to the Issuer, the Hospital and the Purchaser; (e) the obtaining of all necessary governmental approvals to the issuance of the Bonds; (f) the commitment to and payment by the Hospital or Purchaser of all expenses relating to the issuance of the Bonds, including, but not limited to: (i) expenses of the Issuer and the Issuer Attorney; (ii) any underwriting or placement fees and expenses; (iii) all legal fees and expenses of Bond Counsel; and (iv) all recording and filing fees, including fees of the Kansas Board of Tax Appeals.

Section 4. **Reliance by Hospital; Limited Liability of City.** It is contemplated that in order to expedite acquisition of the Project and realization of the benefits to be derived thereby, the Hospital may incur temporary indebtedness or expend its own funds to pay costs of the Project prior to the issuance of the Bonds. Proceeds of Bonds may be used to reimburse the Hospital for such expenditures made not more than 60 days prior to the date this Resolution is adopted, and as provided by §1.150-2 of the U.S. Treasury Regulations. **THE BONDS HEREIN AUTHORIZED AND ALL INTEREST THEREON SHALL, IN ANY EVENT, BE PAID SOLELY FROM THE REVENUES TO BE RECEIVED BY THE CITY FROM THE PROJECT AND NOT FROM ANY OTHER FUND OR SOURCE. THE CITY SHALL NOT BE OBLIGATED ON SUCH BONDS IN ANY WAY, EXCEPT AS HEREIN SET OUT. IN THE EVENT THAT THE BONDS ARE NOT ISSUED, THE CITY SHALL HAVE NO LIABILITY TO THE HOSPITAL.**

Section 5. **Further Action.** The City Clerk is hereby authorized to deliver an executed copy of this Resolution to the Hospital. The Mayor, City Clerk and other officials and employees of the City, including the City Attorney and Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution, including providing all notices required by the Act and by federal law and the execution on behalf of the City of the information statement regarding the proposed issuance of the Bonds to be filed with the State Board of Tax Appeals pursuant to the Act.

Section 6. **Effective Date.** This resolution shall become effective upon adoption by the Governing Body.

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**ADOPTED** by the governing body of the City of Colby, Kansas this 18<sup>th</sup> day of April, 2023.

[SEAL]

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Mayor

Attest:

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City Clerk

**CERTIFICATE**

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the Issuer adopted by the governing body on April 18, 2023, as the same appears of record in my office.

DATED: April 18, 2023.

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Clerk