

ORDINANCE NO. 9441

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$90,000,000 OF HOSPITAL REVENUE BONDS (THE LAWRENCE MEMORIAL HOSPITAL), IN ONE OR MULTIPLE SERIES, TO PROVIDE FUNDS FOR THE BENEFIT OF THE LAWRENCE MEMORIAL HOSPITAL TO FINANCE CERTAIN PROJECTS AND REFUND AND REDEEM CERTAIN OUTSTANDING BONDS; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Lawrence, Kansas (the “City”) is authorized pursuant to K.S.A. 12-1740 to 12-1749d, inclusive, as amended, and K.S.A. 10-116a, as amended (collectively, the “Act”), to issue revenue bonds for the purpose of providing funds to pay the costs of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling facilities for hospital purposes, and to lease any such project to any person, firm or corporation pursuant to the Act, and to issue revenue bonds to refund any such revenue bonds; and

WHEREAS, at the request of the Board of Trustees of The Lawrence Memorial Hospital (the “Institution”), the City has issued its Hospital Revenue Bonds, Series 2012 (The Lawrence Memorial Hospital), in the original principal amount of \$10,500,000 (the “Series 2012 Bonds”), and its Hospital Revenue Bonds, Series 2013 (The Lawrence Memorial Hospital), in the original principal amount of \$6,685,000 (the “Series 2013 Bonds”); and

WHEREAS, the Series 2012 Bonds and the Series 2013 Bonds were issued pursuant to an Indenture of Trust dated as of June 1, 1994 (the “1994 Indenture”), as amended and supplemented;

WHEREAS, the certain of the Institution’s facilities (collectively, the “Facility”) were originally leased to the Institution pursuant to a Supplemental Lease Agreement dated as of June 1, 1994 (the “1994 Lease Agreement”), as amended and supplemented, pursuant to which the Institution agreed to make rental payments in an amount sufficient to pay the principal of and premium, if any, and interest on bonds issued from time to time under the 1994 Indenture and to make certain other payments provided for therein; and

WHEREAS, the City and the Institution desire that the City issue its Hospital Revenue Bonds (The Lawrence Memorial Hospital), in one or multiple series, in the aggregate principal amount of not to exceed \$90,000,000 (collectively, the “Series 2018 Bonds”), for the purpose of providing funds to (i) finance, refinance and reimburse the costs of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling facilities for hospital purposes, (ii) refund and redeem all or any portion of the outstanding bonds issued by the City for the benefit of the Institution, and (iii) pay certain costs of issuance of the Series 2018 Bonds; and

WHEREAS, to secure the payment of the Series 2018 Bonds, the City desires to enter into an Indenture of Trust (the “2018 Indenture”) to amend, restate and supersede in its entirety, the 1994 Indenture, and in connection with the issuance of the Series 2018 Bonds the City desires to enter into one or multiple supplemental indentures (collectively, the “Series 2018 Supplemental Indenture”, and together with the 2018 Indenture, collectively, the “Indenture”); and

WHEREAS, the City desires to enter into a Lease Agreement (the “2018 Lease Agreement”), to

amend, restate and supersede in its entirety, the 1994 Lease Agreement, and in connection with the issuance of the Series 2018 Bonds, and to provide for the lease of the additional project financed with the proceeds thereof, the City desires to enter into one or multiple supplemental lease agreements (collectively, the "Series 2018 Supplemental Lease Agreement", and together with the 2018 Lease Agreement, collectively, the "Lease Agreement"), and to enter into one or multiple base lease agreements (collectively, the "Series 2018 Base Lease") between the Institution as lessor and the City as lessee providing for the base lease of certain facilities of the Institution that will be subject to the Lease Agreement; and

WHEREAS, the City finds and determines that it is necessary and desirable in connection with the issuance of the Series 2018 Bonds and the other purposes described herein that the City execute and deliver certain additional 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 LAWRENCE, KANSAS AS FOLLOWS:

Section 1. Findings and Determinations. The City hereby makes the following findings and determinations with respect to the Series 2018 Bonds to be issued by the City, based upon representations made to the City by the Institution:

(a) The Institution has properly requested the City's assistance in issuing the Series 2018 Bonds for the purposes set forth herein;

(b) The issuance of the Series 2018 Bonds for the purposes set forth herein is in furtherance of the public purposes set forth in the Act; and

(c) The Series 2018 Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Authorization of the Series 2018 Bonds. In order to obtain funds to be used for the purposes set forth herein, the City is hereby authorized to issue the Series 2018 Bonds, in one or multiple series, in an aggregate principal amount of not to exceed \$90,000,000, which shall be issued under and secured by and shall have the terms and provisions set forth in the 2018 Indenture, as supplemented and amended, including as supplemented and amended by the applicable Series 2018 Supplemental Indenture herein authorized for such series of the Series 2018 Bonds. The Series 2018 Bonds may be senior/parity bonds and/or subordinate bonds. The Series 2018 Bonds may be sold by public offering through the underwriter of such Series 2018 Bonds and/or by one or multiple direct purchase transactions with the purchaser of such Series 2018 Bonds, each as provided in the applicable Purchase Contract (hereinafter defined) for such Series 2018 Bonds. The Series 2018 Bonds of a series shall bear interest at an average interest rate of not to exceed 6.0% per annum, each subject to adjustment as may be provided in the related Series 2018 Supplemental Indenture, and shall mature in principal installments with a final maturity in a year not later than the year 2048, and shall have such redemption provisions, including premiums, and other terms as provided in the applicable Series 2018 Supplemental Indenture and/or the applicable Purchase Contract (hereinafter defined) for such Series 2018 Bonds. This Ordinance separately authorizes and approves of the issuance of one or multiple series of the Series 2018 Bonds by the City, and the series authorized hereunder may be issued at separate times or concurrently. Separation in time of issuance of multiple series of the Series 2018 Bonds, shall not impair their authorization under this Ordinance, subject to the parameters set forth herein.

Section 3. Limited Obligations. The Series 2018 Bonds shall be limited obligations of the City payable solely from the sources and in the manner as provided in the Indenture, and shall be secured by the pledge of the Facility (as defined in the Indenture) and the revenues therefrom and by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Indenture) to the Trustee

in favor of the holders of the outstanding Bonds, including the Series 2018 Bonds and any other outstanding Additional Bonds, all as provided in the Indenture. The Series 2018 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 Indenture and the Lease Agreement. The issuance of the Series 2018 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 and reviewed by the City at this meeting (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 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) 2018 Indenture;
- (b) 2018 Lease Agreement;
- (c) Series 2018 Supplemental Indenture;
- (d) Series 2018 Supplemental Lease Agreement;
- (e) Series 2018 Base Lease;
- (f) one or multiple tax compliance agreements (collectively, the "Tax Compliance Agreement") pursuant to which the City, the Institution and the Trustee make certain covenants relating to the federal tax status of the Series 2018 Bonds; and
- (g) one or multiple bond purchase contracts (collectively, the "Purchase Contract"), among the City, the Institution and the original purchaser of the applicable series of the Series 2018 Bonds, pursuant to which the City agrees to sell the Series 2018 Bonds to such purchaser upon the terms and conditions as set forth in the Purchase Contract.

If there are multiple series of the Series 2018 Bonds, the City authorizes separate City Documents for each series as may be deemed necessary by Bond Counsel so long as each set of City Documents for each series are in substantially the 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. For any series of the Series 2018 Bonds issued as subordinate bonds in a direct purchase transaction, the City Documents therefor may have such changes for the subordinate bonds status or to set forth additional requirements of the purchasers 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.

Section 5. Preliminary Official Statement; Preliminary Official Statement Deemed Final. The draft Preliminary Official Statement submitted to the City, and the final Official Statement, in substantially the form of the Preliminary Official Statement with such changes and additions thereto as are necessary to conform to the transaction, and the public distribution of the publicly offered Series 2018 Bonds by the

underwriter of publicly offered Series 2018 Bonds, are hereby approved for use in connection with the Series 2018 Bonds. The City has not participated in the preparation of the Preliminary Official Statement or the final Official Statement and has not verified the accuracy of the information therein, other than information respecting the City. Accordingly, such approvals do not constitute approval by the City of such information or a representation by the City as to the completeness or accuracy of the information contained therein. For the purpose of enabling the underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the underwriter a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the underwriter to comply with the requirements of such Rule.

Section 6. Execution of Series 2018 Bonds and City Documents. The Mayor of the City is hereby authorized and directed to execute the Series 2018 Bonds by manual or facsimile signature and to deliver the Series 2018 Bonds to the 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 of the City is hereby authorized and directed to attest, by manual or facsimile signature, to the Series 2018 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, and to affix or imprint the municipal seal of the City on the Series 2018 Bonds.

Section 7. Further Authority. In connection with the issuance of the Series 2018 Bonds, and thereafter during the time the Series 2018 Bonds remain 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 and instruments, including, without limitation, any purchase contract, security agreement, arbitrage certificate, notices, including any conditional redemption notices, closing certificates and tax forms, certificates and other documents evidencing approval the issuance of such Series 2018 Bonds and for purposes of any other federal tax law requirements, each 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 Series 2018 Bonds and the City Documents.

Section 8. Effective Date. This Ordinance shall take effect and be in full force immediately after its adoption by the Governing Body of the City and publication in the official newspaper of the City.

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PASSED by the Governing Body of the City of Lawrence, Kansas this 10th day of April, 2018.

(Seal)

Mayor – Stuart Boley

Attest:

City Clerk – Sherri Riedemann

(Published in The Lawrence Journal-World on April __, 2018)

SUMMARY OF ORDINANCE NO. 9441

On April 10, 2018, the Governing Body of the City of Lawrence, Kansas passed an ordinance entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$90,000,000 OF HOSPITAL REVENUE BONDS (THE LAWRENCE MEMORIAL HOSPITAL), IN ONE OR MULTIPLE SERIES, TO PROVIDE FUNDS FOR THE BENEFIT OF THE LAWRENCE MEMORIAL HOSPITAL TO FINANCE CERTAIN PROJECTS AND REFUND AND REDEEM CERTAIN OUTSTANDING BONDS; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

The bonds approved by the Ordinance are being issued in an aggregate principal amount not to exceed \$90,000,000, for the purpose of providing funds for the benefit of the Board of Trustees of The Lawrence Memorial Hospital (the "Institution") in one or multiple series to (i) finance, refinance and reimburse the costs of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling facilities for hospital purposes, (ii) refund and redeem all or any portion of the outstanding bonds issued by the City for the benefit of the Institution, and (iii) pay certain costs of issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be limited obligations of the City, 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 Indenture and the Lease Agreement. The issuance of the Series 2018 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.

The Ordinance also approved the execution of certain documents and taking of certain actions in connection with other outstanding bonds issued by the City for the benefit of the Institution. A complete text of the Ordinance may be obtained or viewed free of charge at the office of the City Clerk, Six East 6th Street, Lawrence, Kansas 66044. A reproduction of the Ordinance is available for not less than 7 days following the publication date of this Summary at <https://lawrenceks.org/ordinances-resolutions/>.

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

DATED: April 10, 2018.

Toni R. Wheeler
City Attorney