

RESOLUTION NO. 24-04

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF SOUTH HUTCHINSON, KANSAS DETERMINING THE ADVISABILITY OF ISSUING INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF SENIOR LIVING FACILITIES TO BE LOCATED IN THE CITY; AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

WHEREAS, the City of South Hutchinson, Kansas (the "Issuer") desires to promote, stimulate and develop the general economic welfare and prosperity of the Issuer, 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.* (the "Act"), the Issuer is authorized to issue revenue bonds for such purposes, and it is hereby found and determined to be advisable and in the interest and for the welfare of the Issuer and its inhabitants that revenue bonds of the Issuer in a principal amount not to exceed \$10,500,000 be authorized and issued, in one or more series, to provide funds to pay the costs of the acquisition, construction and equipping of senior living facilities (the "Project") to be located in the corporate limits of the Issuer and to be leased by the Issuer to Interfaith Townhomes FP, L.L.C., or an affiliate entity of Interfaith Townhomes FP, L.L.C. (collectively, the "Tenant").

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SOUTH HUTCHINSON, KANSAS:

Section 1. Public Purpose. The governing body of the Issuer hereby finds and determines that the Project will promote, stimulate and develop the general economic welfare and prosperity of the Issuer, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas.

Section 2. Authorization to Acquire Project; Intent to Issue Bonds. The Issuer is hereby authorized to proceed with the acquisition, construction and equipping of the Project and to issue its revenue bonds, in one or more series, in a principal amount not to exceed \$10,500,000 (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 or Bond Agreement, 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 Tenant; (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 Tenant 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 Tenant and the Purchaser; (e) the obtaining of all necessary governmental approvals to the issuance of the Bonds; and (f) the commitment to and

payment by the Tenant 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. Sales Tax Exemption. The Governing Body hereby determines that pursuant to the provisions of K.S.A. 79-3601 *et seq.* (the "Sales Tax Act"), particularly 79-3606(b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of the Project and financed with proceeds of the Bonds are entitled to exemption from the tax imposed by the Sales Tax Act; provided proper application is made therefore. In the event that the Bonds are not issued for any reason, the Tenant will not be entitled to a sales tax exemption under the terms of the Sales Tax Act and will remit to the State Department of Revenue all sales taxes that were not paid due to reliance on the sales tax exemption certificate granted hereunder.

Section 5. Reliance by Tenant; Limited Liability of Issuer. It is contemplated that in order to expedite acquisition of the Project and realization of the benefits to be derived thereby, the Tenant 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 Tenant 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 be paid solely from the revenues to be received by the Issuer from the Project and not from any other fund or source. The Issuer 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 Issuer shall have no liability to the Tenant.

Section 6. Execution and Delivery of Documents. At such time as the Tenant has demonstrated compliance with the provisions of this Resolution, the Mayor and City Clerk are authorized to execute a bond purchase agreement with the Purchaser and the Tenant for the sale of the Bonds in a form satisfactory to the City Attorney and Bond Counsel.

Section 7. Further Action. The Mayor, Clerk and other officials and employees of the Issuer, 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, but not limited to: (a) cooperate with the Tenant in filing an application for a sales tax exemption certificate with the Kansas Department of Revenue with respect to Bond-financed property; [and](b) execution on behalf of the Issuer 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 8. Effective Date. This resolution shall become effective upon adoption by the Governing Body.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]


ADOPTED by the governing body of the City of South Hutchinson, Kansas on April 8, 2024.

[SEAL]



Mayor

Attest:




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 8, 2024, as the same appears of record in my office.

DATED: _____ April 8, 2024.



Clerk

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF SOUTH HUTCHINSON, KANSAS
HELD ON APRIL 8, 2024**

The governing body met in regular session at the usual meeting place in the City on April 8, 2024, at 6:00 p.m., the following members being present and participating, to wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

Thereupon, there was presented a Resolution entitled:

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF SOUTH
HUTCHINSON, KANSAS DETERMINING THE ADVISABILITY OF ISSUING
INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE
ACQUISITION, CONSTRUCTION AND EQUIPPING OF SENIOR LIVING
FACILITIES TO BE LOCATED IN THE CITY; AND AUTHORIZING
EXECUTION OF RELATED DOCUMENTS**

Thereupon, Councilmember Cokeley moved that the Resolution be adopted. The motion was seconded by Councilmember Brislin. The Resolution was duly read and considered, and upon being put, the motion for the adoption of the Resolution was carried by the vote of the governing body, the vote being as follows:

Aye: 4

Nay: 0

Thereupon, the Mayor declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. 24-04 and was signed by the Mayor and attested by the Clerk.

(Other Proceedings)


[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

On motion duly made, seconded and carried, the meeting hereupon adjourned.

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of South Hutchinson, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

[SEAL]



Clerk

