

RESOLUTION NO. 1660

A RESOLUTION OF INTENT FOR THE CITY OF EL DORADO, ARKANSAS TO ACCEPT THE CONVEYANCE OF CERTAIN HOSPITAL FACILITIES AND TO LEASE THE HOSPITAL FACILITIES TO A NONPROFIT CORPORATION; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, South Arkansas Regional Hospital LLC, an Arkansas non-profit corporation ("SARH"), operates a health care facility known as "South Arkansas Regional Hospital" (the "Hospital") located in the City of El Dorado, Arkansas (the "City"); and

WHEREAS, the Hospital properties are owned in part by Union County, Arkansas, with the balance being owned by SARH; and

WHEREAS, revenues of the Hospital are such that SARH may be unable to continue to provide health care services at the Hospital at the levels presently provided unless an additional source of revenue is made available to assist in the maintenance, improvement, renovation, expansion and equipping of the Hospital and to assist in obtaining access to providers of health care services at the Hospital and related health care facilities (collectively, "Hospital Purposes"), and

WHEREAS, if access to services at the Hospital is reduced, the residents of the City will not be provided with adequate health care facilities in the City; and

WHEREAS, pursuant to A.C.A. §§14-265-101 et seq., the City has the authority to acquire, own and lease hospital and related health care facilities; and

WHEREAS, the County and SARH have proposed to convey fee ownership, subject to all restrictions, reservations, easements, rights of way and mineral rights previously reserved or conveyed of record and all covenants of record, of the Hospital properties and related health care facilities, including land, buildings and equipment (collectively, the "Hospital Facilities"), to the City, free and clear of all other liens and encumbrances (the "Conveyance"); and

WHEREAS, the Conveyance from the County will contain a right of reverter in the event the Hospital Facilities conveyed by the County are not operated as a hospital, and

WHEREAS, the City Council has proposed to call a special election for March 3, 2026 on the question of the levy of a 0.50% sales and use tax (the "Tax") within the City to be used by the City to assist in the maintenance, improvement, renovation, expansion and equipping of the Hospital Facilities and to assist in obtaining access to providers of health care services at the Hospital Facilities; and

WHEREAS, if the Tax is approved at the special election, the City shall cause the Tax to be levied and collected (i) if the County and SARH have agreed to make the Conveyance and (b) if SARH or another nonprofit corporation have agreed to lease the Hospital from the City for operational purposes;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Dorado, Arkansas:

Section 1. The City hereby expresses its intent to

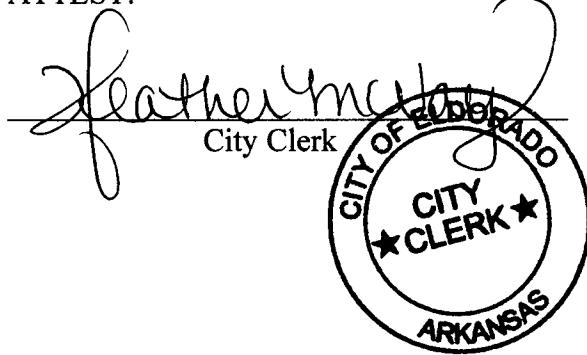
- a. levy and collect the Tax if approved by the voters on March 3, 2026;
- b. apply the collections of the Tax to the Hospital Purposes;
- c. accept the Conveyance of the Hospital from the County and SARH; and
- d. lease the Hospital to SARH or another nonprofit corporation at a nominal rental, on a long term basis assuming that the lessee is operating the Hospital.

Section 2. The provisions of this Resolution are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Resolution.

Section 3. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: December 18, 2025

ATTEST:



APPROVED

A handwritten signature of the Mayor is above a horizontal line. Below the line is the word "Mayor".