

## **PARK HOSPITAL DISTRICT**

### **RESOLUTION 2025-01**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT TO AUTHORIZE ENTERING INTO DEFINITIVE AGREEMENTS WITH UNIVERSITY OF COLORADO HEALTH**

1. **WHEREAS**, In response to the healthcare needs of the communities served by Park Hospital District (the “District”) and other developments and challenges in the healthcare industry, the District’s Board of Directors (the “District Board”) engaged in a deliberative process to explore strategic relationships to best ensure excellent health care services are available for our community for many years to come; and,
2. **WHEREAS**, In connection with its evaluation of arrangements with other health care organizations, the District engaged legal counsel and strategic advisors with national expertise in health care transactions and other relevant health care industry experience to assist with evaluating and negotiating potential strategic relationships (the “Advisors”); and,
3. **WHEREAS**, The District Board found that arrangements with one or more nonprofit health care organizations will facilitate the continued availability of outstanding local health care services, allow access to commercial payer networks and specialty care to address the health care needs of District residents for many years to come; and,
4. **WHEREAS**, Based on its findings, the District Board presented Ballot Issue 8A to the District’s eligible electors during the regular election held on May 2, 2023: “Without imposing any new tax or increasing any tax rate, shall Park Hospital District, doing business as Estes Park Health, be authorized to enter into one or more agreements, constituting a multiple fiscal year financial obligation within the meaning of Article X, Section 20(4)(b) of the Colorado Constitution, with one or more nonprofit health care providers concerning the ownership, operation, and maintenance of all or any portion of the District’s hospital and other healthcare and related facilities and assets, including the lease or other conveyance from the District of real and personal property, and to pledge all or any portion of the District’s revenues pursuant to such agreements?”; and,
5. **WHEREAS**, The District’s eligible electors overwhelmingly (80.3%) approved Ballot Issue 8A during the May 2, 2023 election, thereby authorizing the District Board to identify and pursue potential nonprofit health care provider partners for the purpose of achieving the goals set forth in Ballot Issue 8A; and,
6. **WHEREAS**, In furtherance of the goals approved by the District’s eligible electors as set forth in Ballot Issue 8A, and based on extensive negotiations, On October 3<sup>rd</sup>, 2024, Vern Carda, the District’s CEO, and Elizabeth Concordia, President and CEO of University of Colorado Health (“UCHealth”), signed a non-binding Letter of Intent which allowed the District and UCHealth to negotiate the terms and conditions of definitive agreements; and,

7. **WHEREAS**, at a Standard Monthly public meeting of the District Board held on October 23<sup>rd</sup>, 2024, the District Board unanimously ratified Vern Carda's signing of the Letter of Intent; and,
8. **WHEREAS**, the District Board and senior executives of the District have been involved in discussions and negotiations with UC Health with respect to a strategic relationship with the District (the "Transaction") to ensure excellent health care services are available for our community for many years to come; and,
9. **WHEREAS**, the parties have engaged in an extensive deliberative process and good faith negotiations regarding an Integration and Affiliation Agreement and a Health System Operating Lease Agreement (collectively the "Definitive Agreements") which provide for the following:
  - 9.1. Three Parties in the Transaction: There are three parties in the Transaction: the District, UCHealth, and UCHealth Estes Valley Medical Center.
  - 9.2. UCHealth Estes Valley Medical Center Formation: UCHealth Estes Valley Medical Center will be formed as a Colorado nonprofit corporation and a subsidiary of UCHealth.
  - 9.3. Transaction:
    - 9.3.1. The District will retain ownership of the District's land and buildings.
    - 9.3.2. Other than the District's land and buildings, all other assets and operations of the District (doing business as Estes Park Health), including equipment and employees, will be transferred to UCHealth Estes Valley Medical Center, which will take over and continue operations after the closing of the transaction.
  - 9.4. Term: The term of the Operating Lease will be fifty (50) years, with ten (10) year automatic renewal periods.
  - 9.5. UCHealth Estes Valley Medical Center Board of Directors: Post-closing, the UCHealth Estes Valley Medical Center Board of Directors will include two representatives nominated from the District Board, three additional representatives nominated from the Estes Park community, and two members from UCHealth.
  - 9.6. District Debt: UC Health will assume or make other provision to pay all Outstanding Park Hospital District Long-Term Debt related to Estes Park Healthcare Operations, or may cross-obligate such Outstanding Long-Term Debt with UCHealth's existing debt.
  - 9.7. District Tax Proceeds: Tax proceeds from the District will be assigned to UC Health and will continue to be used to support UCHealth Estes Valley Medical Center and/or ambulance operations and patient care in the District consistent with historical practice and as authorized by Ballot Issue 8A which passed with 80.3% support by District voters on May 2, 2023.
  - 9.8. EPH Employees: UCHealth intends to offer employment to all District employees, with total compensation not less than current amounts, subject to standard pre-employment screening.
  - 9.9. Post-closing Commitments: UCHealth will make certain ongoing commitments related to the Hospital's operations and facilities, including:

- 9.9.1. Providing not less than \$20 million for capital projects including strategic capital and routine maintenance over 10 years;
- 9.9.2. Evaluating the provision of new services for Behavioral Health, Behavioral Telehealth, Telehealth programs, and Pain Management;
- 9.9.3. Maintaining the “Critical Access Hospital” status of the Hospital under the Medicare program or other similar status that meets community health care needs;
- 9.9.4. Continuing the operation of ambulance services in Estes Park consistent with community and financial need; and
- 9.9.5. Making available to the District annually, a summary of UCHealth’s use of its assigned District’s tax revenues for the benefit of the UCHealth Estes Valley Medical Center.

**10. WHEREAS**, after consideration of its fiduciary duty and a review of the principal terms of the proposed Definitive Agreements, the District Board believes that implementing the principal terms and conditions of the Definitive Agreements through partnership with UC Health, will have significant benefits for the Estes Valley Community and Patients, District employees, and provide the best structure for establishing a long-term financially sustainable path for health care services in the Estes Valley, thereby best ensuring access to outstanding health care services for the District’s Community and visitors for many years to come.

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT THAT:**

**RESOLVED FIRST**, that the terms and conditions of the Definitive Agreements as presented by the senior executives and the Advisors are hereby approved, and that the Officers of the District, or any one of them, are hereby authorized and directed to execute a final version of the Definitive Agreements on such terms as have been presented to the District Board, with such revisions or modifications as may be determined, in their discretion, to be in the best interests of the District;

**RESOLVED SECOND**, that the senior executives of the District (and their designees and Advisors) are hereby authorized to pursue with all due diligence the completion of all necessary tasks, the removal of all contingencies and the consummation of the Transaction contemplated by the Definitive Agreements on such terms as are stated therein or as may be determined, in their discretion, to be in the best interests of District, with the understanding that final closing and other Transaction documentation, including restated governing documents of the District, will be presented to the District Board for approval prior to closing; and

**RESOLVED THIRD**, that all actions taken by the senior executives of the District in connection with and in furtherance of the Transaction as described in these resolutions, and which are in conformity with the intent and purposes of these resolutions be and are hereby confirmed, ratified and approved in all respects.

**ADOPTED** by the Board of Directors of Park Hospital District, d/b/a Estes Park Health  
this \_\_\_\_ day of May 2025.

**BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT**

By: \_\_\_\_\_  
**David Batey, Chair**

**Attest:**

\_\_\_\_\_  
**Drew Webb, Vice Chair**

\_\_\_\_\_  
**Stephen Alper, Treasurer**

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**Brigitte Foust, Secretary**

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**Cory Workman, At Large**