

WHEN RECORDED MAIL TO:

**CITY OF SAN LUIS
P.O. BOX 1170
SAN LUIS, ARIZONA
ATTN: CITY CLERK**

The above area is to be reserved for recording information

CAPTION HEADING:

Resolution No. 2060

Approving the issuance of a Tax-Exempt Healthcare Revenue Loan or Loans by the Industrial Development Authority of the City of San Luis, Arizona, the proceeds of which are to be lent to the Regional Center for Border Health, Inc. in an aggregate principal amount not to exceed \$35,000,000 (The "Financing").

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2018 DEC 18 A 10: 32
CITY OF SAN LUIS
OFFICE OF THE CITY CLERK



Resolution

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

No. 2060

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, APPROVING THE ISSUANCE OF A TAX-EXEMPT HEALTHCARE REVENUE LOAN OR LOANS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS, ARIZONA, THE PROCEEDS OF WHICH ARE TO BE LENT TO THE REGIONAL CENTER FOR BORDER HEALTH, INC. IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 (THE "FINANCING").

WHEREAS, The Industrial Development Authority of the City of San Luis, Arizona (the "Issuer"), pursuant to the Industrial Development Financing Act, Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act"), is authorized to issue debt and to use the proceeds thereof to aid in the financing of a portion of the costs associated with (i) acquiring, designing, constructing and equipping facilities to be used as the San Luis Medical Mall, to be constructed on property located on a ten acre parcel approximately near the southwest corner of County 24th Street and Ave. E in the City of San Luis, Arizona; and (ii) the payment of certain costs associated with the Financing (collectively, the "Project");

WHEREAS, the Project constitutes a "project" within the meaning of Section 35-701 of the Act;

WHEREAS, the Issuer intends to issue a Healthcare Revenue Loan (Regional Center For Border Health, Inc. Project), in one or more tax-exempt issuances pursuant to a plan of financing, in an aggregate amount not to exceed \$35,000,000 (the "Loan"), the proceeds of which will be lent, for the purposes specified above, by the Issuer to Regional Center for Border Health, Inc. (the "Borrower"), an Arizona nonprofit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), on behalf of itself or its affiliate or nominee;

WHEREAS, on the date hereof, the Issuer intends to resolve to approve the Financing (the "Issuer Resolution"), such Issuer Resolution being conditioned upon, among other things, the granting of approval of the Financing by the Mayor and City Council of the City of San Luis (individually and collectively, the "City");

WHEREAS, the Issuer Resolution shall authorize, among other things, the completion of the Financing, the execution and delivery of a Loan Agreement (the "Loan Agreement"),

a Tax Certificate, and such other documents as required for the completion of the Financing;

WHEREAS, the terms, maturities, provisions for redemption, security, and sources of payment for the Financing are set forth in the Loan Agreement;

WHEREAS, copies of said documents have been made available to the City, together with the aforementioned Issuer Resolution;

WHEREAS, the City has been informed that said documents have been reviewed by Kutak Rock LLP, as competent Bond Counsel, and by the Law Offices of Glenn J. Gimbut, P.L.L.C., as the Issuer's legal advisor, and said Bond Counsel has determined that said documents adequately meet the requirements of the Code and said legal advisor has determined that said documents adequately meet the requirements of the Act;

WHEREAS, in accordance with the terms of the Loan Agreement, the Issuer shall (a) complete the Financing in one or more issuances pursuant to a plan of financing and use the proceeds thereof in accordance with the Act, (b) contract with and employ others to provide for and to pay compensation for professional services and other services as the Issuer deems necessary for the financing of "projects" as defined in the Act, and (c) to the extent provided in the Loan Agreement, pledge its property and revenues to secure the payment of the principal of and premium, if any, and interest on the Loan;

WHEREAS, pursuant to Section 35-721.B of the Act, the proceedings of the Issuer under which the Financing is to be completed require the approval of the City;

WHEREAS, it is intended that this Resolution shall constitute approval by the City with respect to the Financing pursuant to Section 35-721.B of the Act;

WHEREAS, pursuant to Section 147(f) of the Code, the City must approve the Financing after a public hearing following reasonable public notice;

WHEREAS, following publication of a Notice of Public Hearing in *The Yuma Sun* on November 7 through 10, 2018, a public hearing was held by the Issuer, pursuant to Section 147(f) of the Code, on November 26, 2018, in the City Council Chambers, San Luis City Hall, 1090 E. Union Street, San Luis, Arizona 85349, with respect to the Financing to assist in the financing of the Project as described in the Notice of Public Hearing, a copy of which is attached hereto and made a part of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, as follows:

Section 1. The completion by the Issuer of the Financing through the issuance of one or more tax-exempt loans and in an aggregate principal amount not to exceed \$35,000,000 pursuant to a plan of financing, is approved for all purposes under the Act and the Code; and

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Section 2. The appropriate officers of the City are hereby authorized and directed to do all such things to execute and deliver all such documents on behalf of the City as may be necessary or desirable to effectuate the intent of this Resolution and the Resolutions of the Issuer in connection with the Financing; and

Section 3. It is intended that this Resolution shall constitute approval by the City of the proceedings with respect to the Financing pursuant to (i) Section 35-721(B) of the Act, and (ii) Section 147(f) of the Code; provided, however, that the consequences of such approval shall not limit in any way the provisions of Section 35-742 of the Act.

Section 4. The City hereby finds, determines and declares that:

(a) It is the Borrower's current expectation to have the principal balance of the Loan refinanced with the proceeds of a financing by the United States of America, acting by and through the Rural Housing Service, U.S. Department of Agriculture (the "USDA Permanent Financing"); and

(b) The USDA Permanent Financing is understood to be a significant component of the financing of the Project and will provide the Borrower with certain advantageous savings; and

(c) Failure by the City or the Issuer to approve the Loan, the Financing and the execution of all documents related thereto as expediently as possible may result in delays or loss of financing for the purchase of real estate on which the Project is to be constructed, which may ultimately adversely impact certain deadlines in connection with and the feasibility of the USDA Permanent Financing; and

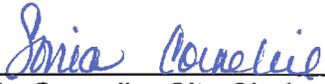
(d) It being necessary for the preservation of the peace, health and safety of the City of San Luis, Arizona, an emergency is declared to exist, and this Resolution shall become immediately operative and in force from and after the date of posting hereof.

[Remainder of page left intentionally blank, signature page follows.]

PASSED, ADOPTED, and APPROVED on this 26th day of November 2018.


Gerardo Sanchez, Mayor

ATTEST:


Sonia Cornelio, City Clerk

APPROVED AS TO FORM:


Kay Marion Macuil, City Attorney

Attachment: Notice of Public Hearing – *The Yuma Sun*

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that, commencing at 7:00 p.m., or as soon thereafter as the matter may be heard, on November 26, 2018 a public hearing will be held before the City Council of the City of San Luis in the City Council Chambers, San Luis City Hall, 1090 E. Union Street, San Luis, Arizona 85349, for the purpose of providing an opportunity for interested persons to express their views, orally and in writing, with respect to the proposed issuance by The Industrial Development Authority of the City of San Luis, Arizona (the "Issuer") of a loan, the proceeds of which are to be lent to Regional Center for Border Health, Inc. (the "Borrower"), in the maximum aggregate face amount of approximately \$35,000,000 (the "Financing"), in one or more issuances from time to time pursuant to a plan of finance.

The Borrower, an Arizona nonprofit corporation, proposes to use the proceeds of the Financing as part of a plan of finance to (i) acquire, design, construct and equip a new healthcare facility of the Borrower, expected to be at least 64,000 square feet in size, to be used as the San Luis Medical Mall and to be located on a 10-acre parcel at the southwest corner of County 24th Street and Avenue E in San Luis, AZ, constituting a "project" within the meaning of Section 35-701 of the Arizona Revised Statutes; and (ii) pay certain costs associated with the Financing (collectively, the "Project"). The initial owner and operator of the Project will be the Borrower.

The Financing will be a special, limited obligation of the Issuer and will not constitute a debt or pledge of the full faith and credit of the Issuer, the City of San Luis, the State of Arizona or any agency or political subdivision thereof. Any person may appear at the hearing and express his or her views, or may submit his or her views in writing, regarding the proposed Financing. Any written submission should be sent to the Issuer's Legal Advisor, Law Offices of Glenn J. Gimbut, P.L.L.C. at 152 South First Avenue Yuma, AZ 85364-6455, Attention: Glenn J. Gimbut, and should be clearly marked: Healthcare Revenue Loan (Regional Center for Border Health, Inc. Project). Written submissions should be mailed in sufficient time to be received before the hearing on November 26, 2018.