

WHEN RECORDED, MAIL TO:

**CITY OF SAN LUIS
ATTN: CITY CLERK
P.O. BOX 1170
SAN LUIS, ARIZONA 85349**

2024-23635 RESOLUTION
10/03/2024 01:56:23 PM Pages: 5 Fees: \$15.00
Requested By: SAN LUIS CITY CLERK'S OFFICE

Richard Colwell County Recorder, YUMA County AZ



The above area is to be reserved for recording information.

CAPTION HEADING:

RESOLUTION

Resolution No. 2334

Approving the issuance of debt issued by the Industrial Development Authority of the City of San Luis, Arizona, in the maximum stated principal amount of \$80,000,000.00 in one or more series or issuances, the proceeds of which are to be lent to the Regional Center For Border Health, Inc., and declaring an emergency.



Resolution

No. 2334

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, APPROVING THE ISSUANCE OF DEBT ISSUED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS, ARIZONA, IN THE MAXIMUM STATED PRINCIPAL AMOUNT OF \$80,000,000 IN ONE OR MORE SERIES OR ISSUANCES, THE PROCEEDS OF WHICH ARE TO BE LENT TO THE REGIONAL CENTER FOR BORDER HEALTH, INC., AND DECLARING AN EMERGENCY.

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 loan the proceeds of such debt 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 (the “Code”), as part of a plan of finance, to (i) design, construct and equip a new approximately 16-bed hospital in San Luis, Arizona, to be known as the “Border Health Medical Campus/San Luis Community Hospital” (the “Project”), which is expected to be approximately 64,000 square feet in size and to be constructed on a 10-acre parcel owned by the Borrower with an anticipated street address of 311 South Oak Avenue, San Luis, AZ, 85349, which is adjacent to the Borrower’s existing Medical Mall facilities located at 151 South Oak Avenue, San Luis, AZ, 85349 (all of the property to be financed with proceeds of the Subject Debt (as defined hereafter) is collectively referred to herein as the “Financed Property”); (ii) pay certain costs associated with the issuance of such debt; and (iii) fund a reserve fund and certain interest, if applicable;

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

WHEREAS, the Issuer intends to issue such proposed debt in the form of bonds, a loan, a promissory note, or some other evidence of such debt (the “Subject Debt”), in the maximum stated principal amount of \$80,000,000, in one or more series or issuances from time to time pursuant to a plan of finance;

WHEREAS, the initial owner and principal user of the Financed Property will be the Borrower;

WHEREAS, all or a majority of the Subject Debt is expected to be issued as tax-exempt qualified 501(c)(3) bonds as defined in as defined in Section 145 of the Code;

WHEREAS, on the date hereof, by the adoption of a resolution (the "Issuer Resolution"), the Issuer intends to resolve to approve the issuance of the Subject Debt and the financing of the Project, such Issuer Resolution being conditioned upon, among other things, the granting of approval therefor by the Mayor and City Council of the City of San Luis, Arizona (individually and collectively, the "City");

WHEREAS, the Issuer Resolution shall authorize, among other things, the issuance of the Subject Debt and the execution and delivery of an Indenture of Trust ("Indenture"), Loan Agreement ("Loan Agreement"), a Tax Certificate, and such other documents as required for the issuance of the Subject Debt and the financing of the Project;

WHEREAS, the terms, maturities, provisions for redemption, security, and sources of payment for the Subject Debt will be set forth in the Indenture and Loan Agreement;

WHEREAS, the Indenture and Loan Agreement will provide that all amounts payable thereunder by the Borrower to the Issuer will be secured by a pledge of and lien on the revenues generated by the Borrower's healthcare operations (less operating expenses), which will be on a parity with the lien of the Borrower's outstanding USDA Financings (as defined in the Loan Agreement);

WHEREAS, the Borrower is required to secure USDA's written consent prior to the issuance of any obligations that are to be on parity with the outstanding USDA Financings and, as of the date hereof, the Borrower is actively working with USDA to obtain such consent;

WHEREAS, copies of the aforementioned Issuer Resolution, Indenture, Loan Agreement, and Tax Certificate have been made available to the City;

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

WHEREAS, in accordance with the terms of the Indenture and Loan Agreement, the Issuer shall (a) issue the Subject Debt in one or more series and/or 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 Subject Debt is to be issued require the approval of the City;

WHEREAS, it is intended that this Resolution shall constitute approval by the City with respect to the issuance of the Subject Debt and the financing of the Project pursuant to Section 35-721.B of the Act;

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

WHEREAS, following the publication of a Notice of Public Hearing in The Yuma Sun on September 22 through 29, 2024, a public hearing concerning the Subject Debt was held by the Issuer, pursuant to Section 147(f) of the Code, on October 2, 2024, in the City Council Chambers, San Luis City Hall, 1090 E. Union Street, San Luis, Arizona 85349, in order 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 issuance of the Subject Debt, in one or more series and/or issuances from time to time pursuant to a plan of financing, and financing of the Project as described herein, in a maximum stated principal amount of \$80,000,000, is approved for all purposes under the Act and the Code; and

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 Issuer Resolution in connection with the issuance of the Subject Debt and the financing of the Project; and

Section 3: It is intended that this Resolution shall constitute approval by the City with respect to the issuance of the Subject Debt and the financing of the Project pursuant to (i) Section 35-721.B of the Act, and (ii) Section 147(f) of the Code.

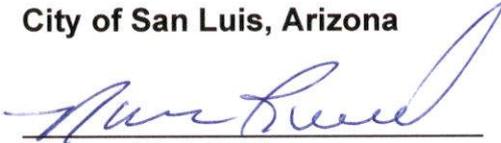
Section 4: The City hereby finds, determines, and declares that:

- a. Construction costs in connection with the Project are subject to escalation resulting from delays in the completion of the Project and, therefore, time is of the essence with respect to the issuance of the Subject Debt and the financing of the Project; and
- b. 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.

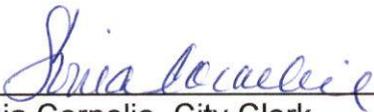
PASSED, ADOPTED, and APPROVED by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this 2nd day of October 2024.

City of San Luis, Arizona



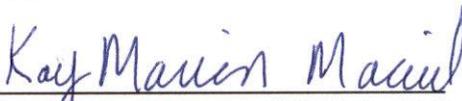
Nieves Riedel, Mayor

Attest:



Sonia Cornelio, City Clerk

Approved As to Form



Kay Marion Macuil, City Attorney