

RESOLUTION

No. 2018-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS, ARIZONA GRANTING FINAL APPROVAL OF THE TAX-EXEMPT BORROWING AND HEALTHCARE REVENUE LOAN OR LOANS (REGIONAL CENTER FOR BORDER HEALTH, INC. PROJECT) 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”) is a nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”) incorporated with the approval of the City of San Luis, Arizona (the “City”), pursuant to the provisions of the Constitution of the State and under Title 35, Chapter 5 of the Arizona Revised Statutes, as amended (the “Act”);

WHEREAS, the Issuer is authorized and empowered, among other things, (a) to issue revenue bonds and use the proceeds thereof in accordance with the Act, (b) to contract with and employ others to provide for and to pay compensation for professional services and other services as the Issuer shall deem necessary for the financing of “projects” as defined in the Act, and (c) to pledge its property and revenues to secure the payment of the principal of and premium, if any, and interest on its revenue bonds;

WHEREAS, 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”), has requested that the Issuer enter into an agreement to borrow an amount not to exceed \$35,000,000 from the Lender (as defined below) and loan the proceeds thereof to the Borrower (the “Financing”) to aid in the financing of a portion of the costs associated with (i) acquiring, designing, constructing and equipping 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 near the southwest corner of County 24th Street and Avenue E in San Luis, AZ, with an expected street address of 151 South Oak Avenue, San Luis, AZ, 85349; 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 Borrower will be the initial owner and operator of the Project;

WHEREAS, Western Alliance Business Trust (the “Lender”) has agreed to be the construction lender for the Financing, has approved the Financing pursuant to the terms of a term sheet and will sign an investor letter in form and substance satisfactory to the Issuer;

WHEREAS, in furtherance of the purposes of the Act, the Issuer proposes to complete the Financing, the proceeds of which will be loaned to the Borrower to assist the Borrower in the financing of a portion of the costs associated with completing the Project; and

WHEREAS, there has been presented to this meeting the proposed substantially final forms of (1) the Loan Agreement (the "Loan Agreement") by and among the Lender, the Issuer and the Borrower, (2) the Tax Certificate (the "Tax Certificate") by and between the Issuer and the Borrower, (3) the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") (each of the foregoing documents are collectively referred to as the "Issuer Documents"), and (4) the form of Investor Letter; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of The Industrial Development Authority of the City of San Luis, Arizona that:

Section 1. Definitions. In addition to words and terms elsewhere defined in this Resolution, the capitalized words and terms used herein shall have the meanings given in Article I of the Loan Agreement.

Section 2. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Issuer and its directors, officers, counsel, advisors or agents directed toward the completion of the Financing are hereby approved and ratified. Further, all actions previously taken or to be taken by the Issuer's officers, the Issuer's legal advisors, Law Offices of Glenn J. Gimbut, P.L.L.C. (the "Issuer's Counsel"), or Kutak Rock LLP ("Bond Counsel"), in connection with the preparation and publication of one or more Notices of Public Hearing or the conducting of one or more public hearings on behalf of the Issuer are also hereby authorized, ratified, and confirmed and the Issuer hereby approves the Financing for all purposes under the Internal Revenue Code of 1986, as amended from time to time (the "Code").

Section 3. Financing Authorization. The Financing is hereby authorized and designated "The Industrial Development Authority of the City of San Luis, Arizona Healthcare Revenue Loan (Regional Center For Border Health, Inc. Project)." The Financing shall be completed in one or more tax-exempt issuances (the "Loan(s)") as set forth in the proposed form of Loan Agreement, and will mature on the dates and in the amounts and will bear interest at the rates set forth in the Loan Agreement. The Loan(s) shall be payable and subject to redemption prior to maturity as provided in the Loan Agreement.

Section 4. Special, Limited Obligations; Other Obligations. The Loan(s) shall be payable solely from the receipts and revenues received by, or on behalf of, the Issuer pursuant to the Loan Agreement. Nothing contained in (a) this Resolution, (b) any of the Issuer Documents, or (c) any other agreement, certificate, document or instrument executed in connection with the Financing shall be construed as obligating the Issuer (except as a special, limited obligation to the extent provided in such agreements, certificates, documents or instruments) or obligating the City, or as incurring a charge upon the general credit of the Issuer or of the City, nor shall the breach of any agreement contemplated by (x) this Resolution, (y) any of the Issuer Documents, or (z) any other instrument or documents executed in connection therewith impose any charge upon the general credit of the Issuer or of the City. The Issuer has no taxing power.

Prior to the completion of the Financing, the Issuer has issued, and subsequent to the completion of the Financing, the Issuer may issue obligations in connection with the financing of other projects (said obligations together with any obligations issued by the Issuer between the date hereof and the completion of the Financing shall be referred to herein as the "Other Obligations"). Any pledge, mortgage, or assignment made in connection with the Other Obligations shall be protected, and any funds pledged or assigned for payment of principal, premium, if any, or interest on the Other Obligations shall not be used for the payment of principal, premium, if any, or interest on the Loan(s). Any pledge, mortgage, or assignment made in connection with the Loan(s) shall be protected, and no funds pledged or assigned for the payment of the Loan(s) shall be used for the payment of principal, premium, if any, or interest on the Other Obligations.

Section 5. Conditions. The Financing shall not be completed unless and until: (a) the Financing is approved by the Mayor and City Council of the City of San Luis, Arizona; (b) the public hearing process is approved by both the Mayor and City Council of the City of San Luis, Arizona; (c) the Attorney General is duly notified pursuant to Arizona Revised Statutes Section 35-721.F; (d) all agreements, certificates, documents, or instruments requiring the execution or consent of Issuer are in a form and substance acceptable to the Issuer's Counsel; and (e) the Issuer receives such opinions, certificates, comfort letters and consent letters in connection with the Financing as the Issuer's Counsel or other advisors may deem necessary or appropriate, in form and substance satisfactory to the Issuer's Counsel and advisors.

Section 6. Acknowledgement of Roles. At the request of the Borrower, Kutak Rock LLP shall serve as Bond Counsel.

Section 7. Loan Details. The terms and provisions of the Loan(s), in accordance with the terms of the Loan Agreement, are hereby approved, with only such changes as are approved by the officers authorized to execute any Loan documents (which approval will be conclusively established by their execution thereof). Upon satisfaction of the conditions set forth in Section 5 hereof, the Issuer's President, Vice-President and Secretary/Treasurer are each hereby authorized to execute any Loan documents and each is hereby authorized to deliver them. The signatures of the Issuer's President, Vice-President and/or Secretary/Treasurer on any documents evidencing or in connection with the Loan(s) may be by facsimile.

Section 8. Issuer Documents. The forms, terms, and provisions of each of the Issuer Documents in the forms of such documents (including the exhibits thereto) presented to this meeting, are hereby approved, with such insertions, deletions, and changes as are approved by the officers authorized to execute the documents (which approval will be conclusively established by their execution thereof). Upon satisfaction of the conditions set forth in Section 5 hereof, the Issuer's President, Vice-President and Secretary/Treasurer are each hereby authorized to execute each of the Issuer Documents.

Section 9. Further Actions. The officers of the Issuer, upon satisfaction of the conditions set forth in Section 5 hereof, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and thereby, including without limitation, the execution and delivery of the Issuer Documents and closing and other documents required to be delivered in connection with the completion of the Financing.

Section 10. Open Meeting Laws. It is found and determined that all formal actions of the Issuer and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Issuer.

Section 11. Irrepealability. After the proceeds of the Loan(s) are delivered pursuant to the terms of the Loan Agreement and upon receipt of (a) payment therefor and (b) an executed and fully-completed Investor Letter in connection with the Financing, this Resolution shall be and remain irrepealable until the Loan(s) and interest thereon shall have been fully paid, canceled, and discharged.

Section 12. Severability. If any section, paragraph, clause, or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 13. Waiver. Any provisions of the Issuer's By-Laws, the Policy Guidelines and Application Procedure, or prior resolutions (except as specified in Section 2 hereof) inconsistent herewith are waived to the extent only of such inconsistency. This waiver shall not be construed as repealing any such By-Laws, the Policy Guidelines or Application Procedure, or prior resolutions or any part thereof. The Issuer acknowledges no feasibility study has been prepared. The Issuer also acknowledges that no Placement Memorandum, Official Statement or other form of disclosure document has been prepared.

Section 14. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 15. Effectiveness. This Resolution shall be effective immediately.

Section 16. Notice of A.R.S. Section 38-511 – Cancellation. Notice of Arizona Revised Statutes Section 38-511 is hereby given. The provisions of said Statute are by this reference incorporated herein to the extent of their applicability to the matters contained herein and under the laws of the State of Arizona.

PASSED, ADOPTED, AND APPROVED on November 28, 2018.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF SAN LUIS, ARIZONA

By: _____
President, Board of Directors