



Resolution

No. 2414

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

AN AMENDING RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, APPROVING THE APPLICATION OF DRAWS ON EXISTING TAX-EXEMPT DRAW-DOWN BONDS ISSUED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS, ARIZONA, IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000, TO THE REFINANCING OF CERTAIN OUTSTANDING DEBT OBLIGATIONS OF 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. ("RCBH"), an Arizona nonprofit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and San Luis Walk-In Clinic, Inc. ("SLWIC" and, together with RCBH, the "Borrowers"), an Arizona nonprofit corporation and an organization described under Section 501(c)(3) of the Code, as part of a plan of finance, to provide financing for the projects described hereafter;

WHEREAS, the Issuer has previously issued its Healthcare Facilities Revenue Bonds, Series 2026 (the "Subject Debt"), in the maximum principal amount of \$83,745,000, as tax-exempt draw-down bonds constituting qualified 501(c)(3) bonds (as defined in Section 145 of the Code) in anticipation of loaning the proceeds thereof to the Borrowers (referred to herein as the "Financing"), to be applied to (i) the designing, construction, and equipping of RCBH's new approximately 16-bed hospital in San Luis, Arizona, to be known as the "Border Health Medical Campus/San Luis Community Hospital" (the "New Hospital Project"), which is to be owned and operated by RCBH, expected to be approximately 64,000 square feet in size, and to be constructed on a 10-acre parcel owned by RCBH with an anticipated street address of 285 South Oak Avenue, San Luis, AZ, 85336, which is adjacent to the RCBH's existing Medical Mall facilities located at 151 South Oak Avenue, San Luis, AZ, 85349; (ii) the payment of certain costs of issuance of such debt; and (iii) the funding of one or more reserve funds and capitalized interest;

WHEREAS, in accordance with Section 147(f) of the Code, public hearings were held before the City Council of the City of San Luis, Arizona on October 2, 2024 and September 10, 2025 (collectively, the "Prior Hearings") to provide an opportunity for interested

persons to express their views, orally and in writing, with respect to the issuance of the Subject Debt

WHEREAS, following the Prior Hearings, the City Council approved the New Hospital Project and the Financing in accordance with Resolution No. 2334, adopted on October 2, 2024, as subsequently amended by Resolution No. 2375, adopted on September 10, 2025, and Resolution No. 2390, adopted on January 14, 2026 (collectively, the "Prior Resolution");

WHEREAS, since the adoption of the Prior Resolution, the Borrowers have determined the completion of the Financing requires the refinancing of certain outstanding loans made to RCBH by the United States Department of Agriculture ("USDA"), and the Borrowers have requested the authorization to apply a portion of the proceeds of certain draws on the Subject Debt to such refinancings in accordance with an amended plan of finance;

WHEREAS, the USDA loans proposed to be refinanced with a portion of the proceeds of the Subject Debt (the "Refunding Project") consist of: (i) a November 14, 2007 loan which was used to finance the acquisition, construction and/or equipping of capital improvements to medical related facilities of RCBH located at 214 W. Main Street, Somerton, AZ 85350 (the "2007 Loan"); (ii) a June 15, 2016 loan which was used to finance the acquisition, construction and/or equipping of capital improvements to medical related facilities of RCBH located at 950 E. Main Street, Buildings A and B, Somerton, AZ 85350 (the "2016 Loan"); (iii) a November 26, 2019 loan which was used to finance the acquisition, construction and/or equipping of capital improvements to medical related facilities of RCBH located at: (A) 3748 E. Los Olivos Drive, San Luis, AZ 85349; (B) 3779 W. San Pedro Street, San Luis, AZ 85349; (C) 3855 E. Udall Lane, San Luis, AZ 85349; (D) 460 S. Bingham Drive, Somerton, AZ 85350; (E) 545 E. Eucalyptus Street, Somerton, AZ 85350; and (F) 795 E. Crane Street, Somerton, AZ 85350 (the "2019 Loan"); and (iv) a June 8, 2022 loan which was used to finance the acquisition, construction and/or equipping of capital improvements to medical related facilities of RCBH located at 745 N. Avenida Serenidad, Somerton, AZ 85350 (the "2022 Loan"; and together with the 2007 Loan, the 2016 Loan, and the 2019 Loan, collectively, the "Refunded Loans");

WHEREAS, a new public hearing before City Council is needed to authorize the application of a portion of the Subject Debt proceeds, in an aggregate maximum stated principal amount not to exceed \$10,000,000, to the Refunding Project (the "Amendment");

WHEREAS, the maximum stated principal amount of the Subject Debt allocable to refinancing of the 2007 Loan is \$1,462,598.48; the maximum stated principal amount of the Subject Debt allocable to refinancing of the 2016 Loan is \$7,885,800.40; the maximum stated principal amount of the Subject Debt allocable to refinancing of the 2019 Loan is \$571,714.37; and the maximum stated principal amount of the Subject Debt allocable to refinancing of the 2022 Loan is \$79,886.75;

WHEREAS, all of the property financed with proceeds of the Refunded Loans (the "Subject Financed Property") will be owned and principally used by RCBH, and the Subject Financed Property and the New Hospital Project will be used by the Borrowers in an integrated operation;

WHEREAS, on or prior to the date hereof, by the adoption of an amending resolution, the Issuer has authorized the Amendment, such resolution being conditioned upon, among other things, the granting of approval therefor by the Mayor of the City and the City Council of the City of San Luis, Arizona (individually and collectively, the "City");

WHEREAS, pursuant to Section 147(f) of the Code and Section 35-721.B of the Act, the proceedings of the Issuer to approve the Amendment require the approval of the City;

WHEREAS, it is intended that the Prior Resolution, as amended by this Resolution, shall constitute approval by the City with respect to the Amendment pursuant to Section 147(f) of the Code and Section 35-721.B of the Act; and

WHEREAS, following publication of a Notice of Public Hearing in *The Yuma Sun* on September 2, 2026, a public hearing concerning the amended application of the Subject Debt was held by the Issuer, pursuant to Section 147(f) of the Code, on September 9, 2026, in the City Council Chambers, San Luis City Hall, 1090 E. Union Street, San Luis, Arizona 85349.

NOW THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of San Luis, Arizona, as follows:

Section 1: The description of the plan of finance under the Prior Resolution and the permitted uses of the Subject Debt is hereby amended to include the application of the Subject Debt, in a maximum stated principal amount of \$10,000,000 (\$1,462,598.48 with respect to the 2007 Loan, \$7,885,800.40 with respect to the 2016 Loan, \$571,714.37 with respect to the 2019 Loan, and \$79,886.75 with respect to the 2022 Loan), to the Refunding Project; and

Section 2: All remaining provisions of the Prior Resolution not otherwise amended by this Resolution remain unchanged and in full force and effect; and

Section 3: 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 complete the Amendment and effectuate the intent of this Resolution and the Issuer's resolutions in connection with the financing of the Refunding Project; and

Section 4: It is intended that the Prior Resolution, as amended by this Resolution, shall constitute approval by the City with respect to the Amendment and Refunding Project pursuant to (i) Section 35-721.B of the Act, and (ii) Section 147(f) of the Code.

Section 5: The City hereby finds, determines, and declares that:

(a) The completion of the New Hospital Project, necessitating the Refunding Project (collectively, the "Project"), has been delayed for reasons beyond the Borrowers' control, putting construction costs at risk of escalation, and any further delays would jeopardize the Borrowers' ability to complete the Project within its current budget; therefore, time is of the essence with respect to the completion of the Financing, as amended hereby; 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 ____ day of September 2026.

City of San Luis, Arizona

Nieves Riedel, Mayor

Attest:

Approved As to Form

Sonia Cornelio, City Clerk

Joseph Estes, City Attorney

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, as required by and in compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), that, commencing at 6:00 p.m., or as soon thereafter as the matter may be heard, on September 9, 2026, 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 application of a portion of certain draws on previously issued Healthcare Facilities Revenue Bonds (the "Subject Debt"), in the maximum principal amount of \$83,745,000, issued by The Industrial Development Authority of the City of San Luis, Arizona (the "Issuer"), to the Refunding Project described below. The Subject Debt was issued as tax-exempt draw-down bonds constituting qualified 501(c)(3) bonds (as defined in Section 145 of the Code).

As previously authorized by the Issuer and the City of San Luis, Arizona, the proceeds of the Subject Debt are being lent by the Issuer to Regional Center for Border Health, Inc. ("RCBH"), an Arizona nonprofit corporation and an organization described under Section 501(c)(3) of the Code, and San Luis Walk-In Clinic, Inc. ("SLWIC" and, together with RCBH, the "Borrowers"), an Arizona nonprofit corporation and an organization described under Section 501(c)(3) of the Code, to provide financing for (i) the design, construction and equipping of a new approximately 16-bed hospital in San Luis, Arizona, to be known as the "Border Health Medical Campus/San Luis Community Hospital" (the "New Hospital Project"), which is to be owned and operated by RCBH, expected to be approximately 64,000 square feet in size, and to be constructed on a 10-acre parcel owned by RCBH with an anticipated street address of 285 South Oak Avenue, San Luis, AZ, 85336; (ii) the payment of certain costs of issuance of such debt; and (iii) the funding of one or more reserve funds and payment of capitalized interest.

Since the initial authorization of the Subject Debt, the Borrowers have determined it is necessary to refinance certain outstanding loans made to RCBH by the United States Department of Agriculture ("USDA"), the proceeds of which were originally applied to the acquisition, construction, and/or equipping of capital improvements to RCBH facilities. The Borrowers propose to amend the authorized application of the Subject Debt proceeds to include the refunding of the following USDA loans (collectively, the "Refunding Project") in a maximum principal stated amount of \$10,000,000: (i) a November 14, 2007 loan which was used to finance the acquisition, construction and/or equipping of capital improvements to medical related facilities of RCBH located at 214 W. Main Street, Somerton, AZ 85350 (the "2007 Loan"); (ii) a June 15, 2016 loan which was used to finance the acquisition, construction and/or equipping of capital improvements to medical related facilities of RCBH located at 950 E. Main Street, Buildings A and B, Somerton, AZ 85350 (the "2016 Loan"); (iii) a November 26, 2019 loan which was used to finance the acquisition, construction and/or equipping of capital improvements to medical related facilities of RCBH located at: (A) 3748 E. Los Olivos Drive, San Luis, AZ 85349; (B) 3779 W. San Pedro Street, San Luis, AZ 85349; (C) 3855 E. Udall Lane, San Luis, AZ 85349; (D) 460 S. Bingham Drive, Somerton, AZ 85350; (E) 545 E. Eucalyptus Street, Somerton, AZ 85350; and (F) 795 E. Crane Street, Somerton, AZ 85350 (the "2019 Loan"); and (iv)

a June 8, 2022 loan which was used to finance the acquisition, construction and/or equipping of capital improvements to medical related facilities of RCBH located at 745 N. Avenida Serenidad, Somerton, AZ 85350 (the "2022 Loan"; and together with the 2007 Loan, the 2016 Loan, and the 2019 Loan, collectively, the "Refunded Loans"). All of the property financed with proceeds of the Refunded Loans (the "Subject Financed Property") will be owned and principally used by RCBH. The Subject Financed Property and the New Hospital Project will be used by the Borrowers in an integrated operation.

The maximum stated principal amount of the Subject Debt allocable to refinancing of the 2007 Loan is \$1,462,598.48; the maximum stated principal amount of the Subject Debt allocable to refinancing of the 2016 Loan is \$7,885,800.40; the maximum stated principal amount of the Subject Debt allocable to refinancing of the 2019 Loan is \$571,714.37; and the maximum stated principal amount of the Subject Debt allocable to refinancing of the 2022 Loan is \$79,886.75.

The Subject Debt is a special, limited obligation of the Issuer and does not constitute a debt or pledge of the full faith and credit of the Issuer, the City of San Luis, the City of Somerton, the State of Arizona or any agency or political subdivision thereof. The Subject Debt is secured by a pledge of and lien on the revenues generated by the Borrowers' healthcare operations, in addition to liens on certain RCBH properties, as provided in the documentation executed and delivered in connection with the issuance of the Subject Debt.

The public hearing will provide a reasonable opportunity to be heard for persons wishing to express their views on the amended application of the previously authorized Subject Debt, as described herein. Any person may appear at the hearing and express his or her views, or may submit his or her views in writing, relating to the matters set forth herein. Any written submission should be sent to the Issuer's Legal Advisor, Glenn J. Gimbut, Attorney at Law, at 1090 E. Union Street, San Luis, Arizona 85336, Attention: Glenn J. Gimbut, and should be clearly marked: Border Health Medical Campus/San Luis Community Hospital Project. Written submissions should be mailed in sufficient time to be received before the hearing on September 9, 2026.