Resolution No. 2026-02

AN AMENDING RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS, ARIZONA, APPROVING THE APPLICATION OF DRAWS ON EXISTING TAX-EXEMPT DRAW-DOWN BONDS ISSUED BY THE AUTHORITY, 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.

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 under the Act 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 Board of Directors of the Issuer (the "Board") previously adopted a resolution on October 2, 2024 (the "2024 Resolution") authorizing the issuance of debt (defined hereafter as the "Subject Debt"), in an aggregate maximum stated principal amount of $80,000,000, with the proceeds thereof to be loaned to RCBH to finance all or any portion of the Project described in the 2024 Resolution;

WHEREAS, the 2024 Resolution was subsequently amended by a resolution adopted by the Board on September 8, 2025 (the "2025 Resolution") to increase the authorized principal amount of the Subject Debt to an aggregate maximum amount of $100,000,000, and then further amended by a resolution adopted on January 13, 2026 (the "2026 Resolution" and, together with the 2024 Resolution and 2025 Resolution, the "Authorizing Resolution") to increase the authorized principal amount of the Subject Debt to an aggregate maximum amount of $110,000,000;

WHEREAS, pursuant to the Authorizing Resolution, 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 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 by the City Council of the City 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;

WHEREAS, 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, 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, new public hearings before the City Council of the City and the City Council of the City of Somerton, AZ ("Somerton") (where a portion of the Subject Financed Property is located) are 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 Board hereby desires to authorize the Amendment, with such authorization being conditioned upon, among other things, the granting of approval therefor by (i) the Mayor of the City and the City Council of the City and (i) the Mayor of Somerton and the City Council of Somerton;

WHEREAS, following publication of a Notice of Public Hearing in The Yuma Sun on August 25, 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 1, 2026, in the City Council Chambers, Somerton City Hall, 143 North State Avenue, Somerton, Arizona 85350 (the "Somerton Hearing");

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 is to be 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 (the "San Luis Hearing" and, together with the Somerton Hearing, the "Hearings");

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, capitalized words and terms used herein shall have the meanings given in the Authorizing Resolution.

Section 2. Authorization of Amendment. The Authorizing Resolution is hereby amended to permit 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 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.

Section 3. Authorization of Hearings. The Board hereby authorizes and ratifies all actions previously taken or to be taken by the Issuer's officers and the Issuer's legal advisors, including Issuer's Counsel and Bond Counsel, in connection with (i) the preparation and publication of one or more Notices of Public Hearing and (ii) the conducting of the Somerton Hearing and the San Luis Hearing, in one or more public hearings before the City Council of Somerton and the City Council of the City, respectively, on behalf of the Issuer, to authorize the Amendment for all purposes under the Code.

Section 4. Conditions. Subject Debt proceeds shall not be applied to the completion of the Refunding Project unless and until: (a) the Amendment is approved by the Mayor of the City and the City Council and the Somerton Mayor and City Council of Somerton; (b) the new public hearing process is approved by each of the Mayor of the City, the City Council of the City, the Somerton Mayor, and the City Council of Somerton; (c) all agreements, certificates, documents, or instruments requiring the execution or consent of the Issuer in connection with the Refunding

Project are in a form and substance acceptable to the Issuer's Counsel; and (d) the Issuer receives such opinions, certificates, comfort letters and consent letters in connection with the Refunding Project 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 5. Remaining Provisions Unchanged. All remaining provisions of the Authorizing Resolution not otherwise amended by this Resolution remain unchanged and in full force and effect.

Section 6. Ratification of Actions. All actions (not inconsistent with the provisions of Authorizing Resolution, as amended by 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 and issuance of the Subject Debt are hereby approved and ratified.

Section 7. Open Meeting Laws. It is found and determined that all formal actions of the Issuer and the Board 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 8. Irrepealability. After the proceeds of the Subject Debt are delivered pursuant to the terms of the Loan Agreement and upon receipt of payment therefor, the Authorizing Resolution, as amended by this Resolution, shall be and remain irrepealable until the Subject Debt and interest thereon shall have been fully paid, canceled, and discharged.

Section 9. 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 10. Waiver. Any provisions of the Issuer's By-Laws, the Policy Guidelines and Application Procedure, or prior resolutions 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.

Section 11. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall <u>not</u> affect the construction or interpretation of any of its provisions.

Section 12. Effectiveness. This Resolution shall be effective immediately.

Section 13. 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.

[Remainder of page left intentionally blank, signatures to follow.]

PASSED, ADOPTED, AND APPROVED on this 9th day of September, 2026.

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

____
Gary Black, President

ATTEST:

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Clerk of the Board

APPROVED AS TO FORM:

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Glenn J. Gimbut, Issuer Counsel