

UNION COUNTY, NEW MEXICO

RESOLUTION NO. 107-27

DECLARING THE INTENT OF THE BOARD OF COUNTY COMMISSIONERS OF UNION COUNTY, NEW MEXICO (THE "COUNTY") TO HOLD A PUBLIC HEARING AND TO CONSIDER FOR ADOPTION AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN THE COUNTY AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE COUNTY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$1,353,328, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF REFINANCING LOAN NO. PPRF-2334 DATED OCTOBER 16, 2009 FROM THE NEW MEXICO FINANCE AUTHORITY FOR IMPROVEMENTS AND RENOVATIONS AND THE ACQUISITION OF EQUIPMENT AT THE UNION COUNTY HOSPITAL, TO PAY A PROCESSING FEE AND TO FUND A LOAN AGREEMENT RESERVE ACCOUNT; AND AUTHORIZING AND DIRECTING THE PUBLICATION OF A NOTICE OF MEETING AND PUBLIC HEARING ON THE REFINANCING PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (A "TEFRA HEARING") AND NOTICE OF MEETING TO CONSIDER FINAL PASSAGE OF AN ORDINANCE AUTHORIZING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE COUNTY.

WHEREAS, Sections 4-62-1 through 4-62-10, NMSA 1978 (the "Act"), authorize New Mexico counties to issue gross receipts tax revenue bonds and project revenue bonds which, pursuant to the Act, may include loan agreements; and

WHEREAS, pursuant to the Act, the County may secure its gross receipts tax revenue bonds with the revenues of the County's third one-eighth of one percent (0.125%) increment of County Gross Receipts Tax and may secure its project revenue bonds with the revenues received from a net system revenue producing project owned by the County, such as the Union County Hospital (the "Hospital"); and

WHEREAS, the County desires to hold a public hearing (the "Public Hearing") pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and consider for adoption a resolution authorizing, in accordance with the Act, the execution and delivery of a Loan Agreement and Intercept Agreement by and between the New Mexico Finance Authority (the "Finance Authority") and the County in a principal amount not to exceed \$1,353,328 (the "Loan Agreement") to provide funds for the refinancing of Loan No. PPRF-2334 dated October 16, 2009 from the Finance Authority (the "2009 Loan Agreement") which financed improvements and renovations and the acquisition of equipment at the Hospital; such Loan Agreement and Intercept Agreement shall be secured by a pledge of (i) the net revenues of the Hospital, including amounts paid on behalf of the County by the operator of the Hospital pursuant to an operating agreement, and (ii) the revenues of the third one-eighth of one percent (0.125%) increment of County Gross Receipts Tax; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended, requires the publication of notice of the Public Hearing be made in a newspaper of general circulation within the County no fewer than seven days prior to the meeting of the Board of County Commissioners at which the Public Hearing will be held.

WHEREAS, the County desires to consider for adoption an ordinance authorizing, in accordance with the Act, the execution and delivery of the Loan Agreement and an Intercept Agreement by and between the Finance Authority and the County; and

WHEREAS, Section 4-37-7, NMSA 1978, requires that publication of the title and general summary of the subject matter of any proposed ordinance be made in a newspaper of general circulation within the County at least two weeks prior to the meeting of the Board of County Commissioners at which the ordinance is proposed for final passage.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, THE GOVERNING BODY OF UNION COUNTY, NEW MEXICO:

Section 1. That all action (not inconsistent with the provisions hereof) heretofore taken by the Board of County Commissioners of Union County and the officers thereof directed toward the publication, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, in the *Union County Leader*, a newspaper of general circulation within the County, of a proposed notice of public hearing to be held at 9:00 a.m. on July 9, 2019, or as soon thereafter as possible, concerning approval of the execution and delivery of the Loan Agreement and Intercept Agreement, is hereby authorized.

Section 2. That all action (not inconsistent with the provisions hereof) heretofore taken by the Board of County Commissioners of Union County and the officers thereof directed toward the authorization, execution and delivery of the Loan Agreement and Intercept Agreement for such purposes, be and the same is hereby ratified, approved and confirmed, and the publication, in accordance with Section 4-37-7, NMSA 1978, as amended, in the *Union County Leader*, a newspaper of general circulation within the County, of the title and general summary of the ordinance relating to and authorizing execution and delivery of the Loan Agreement and Intercept Agreement at least two weeks prior to the meeting at which the Board of County Commissioners will consider such ordinance, is hereby authorized.

Section 3. That the Loan Agreement provides a principal loan amount not to exceed \$1,353,328 and shall evidence a special, limited obligation to pay its principal amount, together with interest due under the Loan Agreement.

Section 4. The Notice of Meeting, Public Hearing and Intent to Adopt Ordinance shall be published in substantially the following form:

(Form of Notice for Publication)

UNION COUNTY, NEW MEXICO

NOTICE OF MEETING, PUBLIC HEARING AND INTENT TO ADOPT ORDINANCE

Notice is hereby given that on the 9<sup>th</sup> day of July, 2019, at 9:00 a.m., or as soon thereafter as possible, in the County Commission Chamber of the Union County Courthouse, located at 200 Court Street, Clayton, New Mexico, a public hearing will be held concerning the proposed execution and delivery of a Tax-Exempt Loan Agreement (the "Loan Agreement") by and between the Union County, New Mexico (the "County") and the New Mexico Finance Authority in an aggregate principal amount not to exceed \$1,353,328. The proceeds of the Loan Agreement are to be used to provide funds to the County to refinance Loan No. PPRF-2334 dated October 16, 2009 for improvements and renovations and the acquisition of equipment at the Union County General Hospital (the "Hospital") and pay costs of issuance (the "Project"), to pay a processing fee and to fund of a loan agreement reserve fund in connection with the Loan Agreement. The owner of the Hospital is the County. The operator of the Hospital is Clayton Health Systems, Inc., a New Mexico nonprofit corporation, its successors or assigns. The location of the Project is 301 Harding Street, Clayton, New Mexico, which is the existing location of the hospital facilities commonly known as Union County General Hospital.

This notice is intended to comply with the public notice requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. All persons are invited to attend the public hearing and will be given the opportunity to express their views, either orally or in writing, on the location and nature of the Project and on the execution of the Loan Agreement. Additional information concerning the financing and the public hearing may be obtained from, and written comments should be addressed to Angie Gonzales, County Manager, Union County, New Mexico, 200 Court Street, Clayton, New Mexico 88415. Written comments must be received prior to the public hearing.

After the public hearing, the County Commissioners of the County will consider the adoption of an ordinance (the "Ordinance") authorizing the execution of the Loan Agreement and related documents. The title and subject matters of the Ordinance are as follows:

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT (THE "LOAN AGREEMENT") AND INTERCEPT AGREEMENT BY AND BETWEEN UNION COUNTY, NEW MEXICO (THE "COUNTY") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE COUNTY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$1,353,328, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF REFINANCING LOAN NO. PPRF-2334 DATED OCTOBER 16, 2009 FROM THE FINANCE AUTHORITY FOR IMPROVEMENTS AND RENOVATIONS AND THE ACQUISITION OF EQUIPMENT AT THE UNION COUNTY HOSPITAL, PAYING A LOAN PROCESSING FEE AND COSTS OF ISSUANCE, AND FUNDING A LOAN AGREEMENT RESERVE ACCOUNT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL OF, AND INTEREST ON, THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES, INCLUDING OPERATING AGREEMENT PAYMENTS,

RECEIVED BY THE COUNTY PURSUANT TO AN OPERATING AGREEMENT WITH THE OPERATOR OF THE HOSPITAL AND FROM THE REVENUES OF THE THIRD ONE-EIGHTH OF ONE PERCENT (0.125%) INCREMENT OF COUNTY GROSS RECEIPTS TAX; PROVIDING FOR THE COUNTY'S DISTRIBUTIONS OF THE THIRD ONE-EIGHTH OF ONE PERCENT (0.125%) INCREMENT OF GROSS RECEIPTS TAX REVENUES FROM THE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO AN INTERCEPT AGREEMENT UPON CERTAIN EVENTS OF DEFAULT FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT.

A general summary of the subject matter of the Ordinance is contained in its title. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the County Clerk, Union County Courthouse, 200 Court Street, Clayton, New Mexico.

This Notice constitutes compliance with Section 4-37-7, NMSA 1978, and Section 147(f) of the Internal Revenue Code of 1986, as amended.

Mary Lou Harkins, County Clerk  
Union County, New Mexico

(End of Form of Notice for Publication)

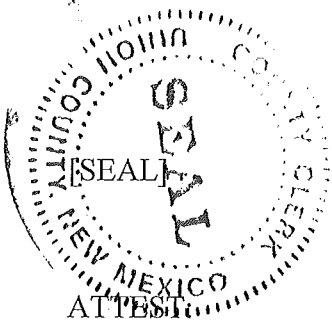
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(Signature page follows)

PASSED AND ADOPTED this 11th day of June, 2019.

UNION COUNTY, NEW MEXICO

By: Justin Bennett  
Justin Bennett, Chairman  
Board of County Commissioners



By: Mary Lou Harkins  
Mary Lou Harkins, County Clerk

STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF UNION                )

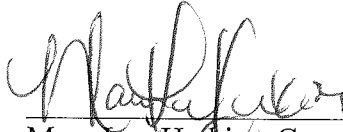
I, Mary Lou Harkins, County Clerk of Union County, New Mexico, do hereby certify:

1. The foregoing pages are a true, correct and complete copy of the record of the proceedings of the Board of County Commissioners (the "Board") of the County, constituting the governing board of the County, had and taken at a duly called regular, open meeting of the Board held in the Commission Chambers of the County Courthouse, 200 Court Street, Clayton, New Mexico, being the regular meeting place of the Board, on June 11, 2019, beginning at 9:00 a.m., insofar as the same relate to the publication of a notice of public hearing and publication of the title and general summary of a proposed ordinance, a copy of which is set forth in the official records of the proceedings of the County kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Notice of said meeting was given in compliance with the permitted methods of giving notice of meetings of the Board as required by the open meetings standards then in effect, i.e., the County's Open Meetings Resolution No. 107-12, adopted January 8, 2019

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said County of Union, New Mexico, this 11<sup>th</sup> day of, 2019.

*June*

  
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Mary Lou Harkins, County Clerk

