

FILED
TIME 11:32 AM/PM
APR 14 2021

2021-23

ORDINANCE NO. _____ (5)

CRYSTAL GRADY
BOONE COUNTY CLERK
BY [Signature] CONTACTED BY THE QUORUM COURT OF THE COUNTY OF BOONE, STATE OF ARKANSAS, AN
ORDINANCE TO BE ENTITLED:

AN ORDINANCE MAKING CERTAIN FINDINGS IN CONNECTION WITH REFINANCING PREVIOUSLY ISSUED BONDS BENEFITTING HILLCREST HOME NURSING HOME IN BOONE COUNTY, ARKANSAS; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,800,000 OF NURSING HOME REVENUE REFUNDING BONDS (HILLCREST HOME PROJECT), SERIES 2021; PROVIDING FOR THE PROCEEDS OF THE BONDS TO BE USED TO REFUND BONDS ISSUED IN 2012 TO FINANCE CAPITAL IMPROVEMENTS TO HILLCREST HOME NURSING HOME; PROVIDING FOR THE BONDS TO BE SECURED BY LEASE PAYMENTS AND OTHER REVENUES DERIVED FROM THE OPERATION OF THE NURSING HOME; PROVIDING FOR THE BONDS TO BE FURTHER SECURED BY A STATUTORY MORTGAGE ON THE NURSING HOME; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING TO THE ISSUANCE OF AND SECURITY FOR THE SERIES 2021 BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Boone County, Arkansas (the "County") presently owns a 93-bed long-term care nursing home facility located within the County at 1111 Maplewood Road in the City of Harrison, Arkansas, which facility is known as Hillcrest Home (the "Nursing Home"); and

WHEREAS, the Nursing Home is presently leased by the County to, and is operated by, The Mission Interest Committee of the Amish and Mennonite Churches of the United States and Canada (the "Lessee"), a non-profit entity that is an exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), pursuant to the terms and provisions of a Lease Agreement dated December 31, 2011 (together with any amendments to or replacement of such Lease, the "Lease Agreement"); and

WHEREAS, pursuant to the Constitution and laws of the State of Arkansas, including particularly Amendment 65, Arkansas Code Annotated Sections 14-265-101 *et seq.* (the "Health Care Facilities Act"), and Arkansas Code Annotated Sections 14-164-101 *et seq.* (the "Revenue Bond Act"; and together with the Health Care Facilities Act, the "Acts"), the County is authorized to issue its capital improvement revenue bonds for the public purpose of assisting in the financing and refinancing of hospitals and public health facilities within the County such as the Nursing Home; and

WHEREAS, the County intends to call for redemption its previously issued Boone County, Arkansas Nursing Home Revenue Bonds (Hillcrest Home Project), Series 2012 (the "Refunded Bonds"), which were issued to make capital improvements to the Nursing Home; and

WHEREAS, to benefit the citizens of Boone County and to recognize debt service savings, the County desires to refund the Refunded Bonds through the issuance of the County's tax-exempt revenue refunding bonds; and

WHEREAS, an open public hearing on the question of the issuance of the County's Nursing Home Revenue Refunding Bonds (Hillcrest Home Project), Series 2021 (the "Series 2021 Bonds"), in an amount not to exceed \$5,800,000 for the purposes of (i) refunding the Refunded Bonds, and (ii) paying the costs of issuance of the Series 2021 Bonds, was held before the County

Judge on April 13, 2021, following publication of notice thereof in the *Harrison Daily Times* on March __, 2021; and

WHEREAS, after solicitation of proposals from local financial institutions, arrangements have been made with First Community Bank of Batesville, Arkansas (the "Bank") for the sale to the Bank of the Series 2021 Bonds, to be dated, to be payable, to mature, to bear interest, and to be in the maximum principal amount as hereinafter provided and as provided in the Financing Agreement (as defined and described herein); and

WHEREAS, in order to provide for the issuance of and security for the Series 2021 Bonds it is necessary that there be authorized and approved the entry by the County into a Financing Agreement and a Mortgage (all as defined and described herein);

NOW, THEREFORE, BE IT ORDAINED BY THE QUORUM COURT OF BOONE COUNTY, ARKANSAS THAT:

Section 1. It has been determined that the use of the Series 2021 Bond proceeds for the purpose of refunding the Refunded Bonds and paying the costs of issuance of the Series 2021 Bonds will be in the public interest and will promote the general health and welfare of the inhabitants of the County. During the time while any of the Series 2021 Bonds are outstanding, the County will operate the Nursing Home as a long-term care facility or other health care facility or will cause the Nursing Home to be so operated, to the end that the interest on the Series 2021 Bonds will continue to be excluded from gross income for federal income tax purposes.

Section 2. There is hereby authorized the issuance of the County's Nursing Home Revenue Refunding Bonds (Hillcrest Home Project), Series 2021 (the "Series 2021 Bonds"), pursuant to Amendment 65 and the Acts, under the terms and provisions of a Financing Agreement to be dated as of April 1, 2021, or such other date as is deemed reasonable by the County Judge (the "Financing Agreement"), to be entered into by and among the County, the Lessee and First Community Bank, as lender (the "Bank"). The Series 2021 Bonds will not be general obligations of the County but will be special obligations secured by payments to be made by the Lessee to the County pursuant to the terms of the Lease Agreement (or any subsequent lease agreement), any other revenues paid to the County as a result of the operations of the Nursing Home, and a statutory mortgage on the Nursing Home as provided in Arkansas Code Annotated Section 14-265-108. The County will not pay any costs or expenses incurred in connection with the authorization and issuance of the Series 2021 Bonds, and all such costs and expenses will be paid out of the proceeds of the Series 2021 Bonds.

Section 3. The Series 2021 Bonds shall be issued in such principal amount as shall be determined by the County, upon consultation with the Hillcrest Home Administrative Board, but not to exceed \$5,800,000 in aggregate face amount, shall finally mature in not more than seventeen (17) years from the date of the Series 2021 Bonds, and shall bear interest at an average rate of not to exceed 4.79% per annum. The interest rate per annum on the Series 2021 Bonds shall be fixed at 3.97% for the first ten years, and thereafter the interest rate will vary monthly based on the prime rate stated in *The Wall Street Journal*, but in no event shall the variable rate be less than 3.79% or exceed 4.79%. The Series 2021 Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, shall mature, shall be subject to redemption

prior to maturity, and may contain such other terms, covenants, and conditions, all as set forth in the Financing Agreement.

Section 4. To prescribe the terms and conditions upon which the Series 2021 Bonds are to be secured, executed, authenticated, issued, accepted, and held, the County Judge and the County Clerk are hereby authorized and directed to execute, acknowledge, and deliver the Financing Agreement by and among the County, the Lessee, and the Bank. The Financing Agreement is hereby approved in substantially the form submitted to this meeting, and the County Judge, with the advice of the County Attorney, is hereby authorized to confer with the Bank, the Lessee and Kutak Rock LLP ("Bond Counsel") in order to complete the Financing Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Financing Agreement in substantially the form authorized to be executed is on file with the County Clerk and is available for inspection by any interested person.)

Section 5. To further secure the Series 2021 Bonds, the County Judge is hereby authorized and directed to execute, pursuant to Arkansas Code Annotated Section 14-265-108, a Mortgage, Security Agreement and Fixture Filing in favor of the Bank covering the Project, to be dated as of the date of issuance of the Bonds (the "Mortgage"). The Mortgage is hereby approved in substantially the form submitted to this meeting, and the County Judge, with the advice of the County Attorney, is hereby authorized to confer with the Bank, the Lessee and Bond Counsel in order to complete the Mortgage in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Mortgage in substantially the form authorized to be executed is on file with the County Clerk and is available for inspection by any interested person.)

Section 6. The County Judge and the County Clerk, when requested by Bond Counsel, are hereby authorized to execute and deliver on behalf of the County such additional agreements and undertakings as are consistent with the provisions of this Ordinance and are deemed appropriate by the County Judge and the County Clerk, on the advice of the County Attorney, in connection with the transactions herein authorized, to effect the issuance of the Series 2021 Bonds, including, without limitation, a Tax Regulatory Agreement to assure compliance with the Internal Revenue Code of 1986, as amended, and such other documents, certificates and instruments as they deem appropriate to effectuate the intent of this Ordinance.

Section 7. That the County hereby designates the Series 2021 Bonds for purposes of paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code").

Section 8. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held invalid or illegal, such holding shall not affect the validity of the remainder of this Ordinance.

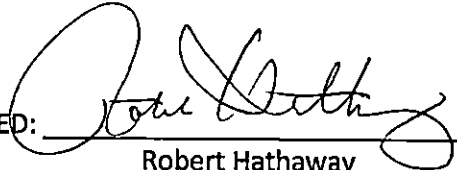
Section 9. All ordinances and parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

DATE PASSED: 4-13-2021

SUBMITTED BY: JUSTICE WOHL

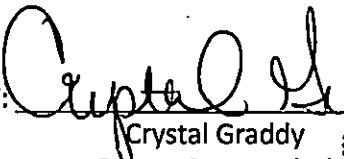
DATE APPROVED: 4-13-2021

APPROVED: _____



Robert Hathaway
Boone County Judge

ATTEST: _____



Crystal Graddy
Boone County Clerk

