

TIME 11:50 AM
FILED
OCT 13 2021
BY CRYSTAL GRADY
BOONE COUNTY CLERK
D.C.

ORDINANCE (3)
NO. 2021- 51

BE IT ENACTED 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 THE REFUNDING OF CERTAIN DEBT INCURRED TO FINANCE AND REFINANCE CAPITAL IMPROVEMENTS TO NORTH ARKANSAS REGIONAL MEDICAL CENTER IN BOONE COUNTY, ARKANSAS; AUTHORIZING THE ISSUANCE OF (1) NOT TO EXCEED \$10,000,000 OF HOSPITAL REVENUE REFUNDING BONDS (NORTH ARKANSAS REGIONAL MEDICAL CENTER PROJECT), SERIES 2021, AND (2) NOT TO EXCEED \$8,250,000 OF HOSPITAL REVENUE REFUNDING BONDS (NORTH ARKANSAS REGIONAL MEDICAL CENTER PROJECT), SERIES 2022; PROVIDING FOR A LOAN OF THE PROCEEDS OF THE BONDS TO NORTH ARKANSAS REGIONAL MEDICAL CENTER, THE REPAYMENT OF WHICH WILL PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING TO THE ISSUANCE OF AND SECURITY FOR THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Boone County, Arkansas (the "County") presently owns the real property at 620 North Main Street in the City of Harrison, Arkansas, within the County, on which property is located a general acute care hospital known as North Arkansas Regional Medical Center (the "Medical Center"); and

WHEREAS, the real property component of the Medical Center is presently leased by the County to, and is operated by, North Arkansas Regional Medical Center, an Arkansas nonprofit corporation (the "Corporation"), pursuant to the terms and provisions of an Assignment and Lease Agreement dated March 1, 1997, as amended by an Amendment to Assignment and Lease Agreement dated November 1, 2010 (as amended, the "Lease Agreement"); and

WHEREAS, pursuant to the Constitution and laws of the State of Arkansas, including particularly Amendment 65 and the Local Government Capital Improvement Revenue Bond Act of 1985, Arkansas Code Annotated Sections 14-164-401 *et seq.* (1998 Repl. & 2019 Supp.) (the "Act"), 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 Medical Center; and

WHEREAS, pursuant to Amendment 65 and the Act, the County has previously issued (i) its \$25,000,000 Variable Rate Hospital Revenue Construction Bonds (North Arkansas Regional Medical Center Project), Series 2006 (the "Series 2006 Bonds"), for the purpose of financing improvements and additions to the Medical Center, which Series 2006 Bonds are currently outstanding in the principal amount of \$4,700,000, (ii) its \$9,965,000 Hospital Revenue Refunding Bonds (North Arkansas Regional Medical Center Project), Series 2011 (the "Series 2011 Bonds"), for the purpose of refunding a portion of the Series 2006 Bonds, which Series 2011 Bonds are currently outstanding in the principal amount of \$3,375,000, and (iii) its \$9,940,000 Hospital Revenue Refunding Bonds (North Arkansas Regional Medical Center Project), Series 2013 (the

“Series 2013 Bonds”), for the purpose of refunding a portion of the Series 2006 Bonds, which Series 2013 Bonds are currently outstanding in the principal amount of \$9,740,000; and

WHEREAS, in order to secure historically low long-term interest rates on its debt, the Corporation has evidenced its interest in refinancing all of the debt represented by the outstanding Series 2006 Bonds, Series 2011 Bonds and Series 2013 Bonds through the issuance of refunding revenue bonds by the County under the authority of Amendment 65 and the Act; and

WHEREAS, to benefit the citizens of Boone County and to fix long-term borrowing costs, the County desires to assist the Corporation in the refinancing of the debt represented by the outstanding Series 2006 Bonds, Series 2011 Bonds and Series 2013 Bonds; and

WHEREAS, at the request of the Corporation, arrangements have been made with Stephens Inc. (the “Underwriter”) for the sale to the Underwriter of the County’s (i) Hospital Revenue Refunding Bonds (North Arkansas Regional Medical Center Project), Series 2021 (the “Series 2021 Bonds”), and (ii) Hospital Revenue Refunding Bonds (North Arkansas Regional Medical Center Project), Series 2022 (the “Series 2022 Bonds”), such Series 2021 Bonds and Series 2022 Bonds to be dated, to be payable, to mature, to bear interest, and to be in the maximum principal amount as hereinafter provided; and

WHEREAS, in order to provide for the issuance of and security for the Series 2021 Bonds and the redemption of the Series 2013 Bonds, it is necessary that there be authorized and approved the entry by the County into a Fifth Supplemental Trust Indenture, Fifth Supplemental Loan Agreement, 2021 Bond Purchase Agreement and 2021 Official Statement (all as defined and described herein); and

WHEREAS, in order to provide for the issuance of and security for the Series 2022 Bonds and the redemption of the Series 2006 Bonds and the Series 2011 Bonds, it is necessary that there be authorized and approved the entry by the County into a Sixth Supplemental Trust Indenture, Sixth Supplemental Loan Agreement, 2022 Bond Purchase Agreement and 2022 Official Statement (all as defined and described herein);

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

Section 1. (a) It has been determined that the making of a loan to the Corporation of the Series 2021 Bond proceeds for the purpose of refinancing the debt represented by the Series 2013 Bonds will allow the Corporation to realize debt service savings which will be in the public interest and will promote the general health and welfare of the inhabitants of the County.

(b) It has been determined that the making of a loan to the Corporation of the Series 2022 Bond proceeds for the purpose of refinancing the debt represented by the Series 2006 Bonds and the Series 2011 Bonds will allow the Corporation to secure historically low long-term fixed interest rates on its debt which will be in the public interest and will promote the general health and welfare of the inhabitants of the County.

(c) During the time while any of the Series 2021 Bonds or Series 2022 Bonds are outstanding, the County will operate the Medical Center as a hospital or other health care facility, or will cause the Medical Center to be so operated, to the end that the interest on the Series 2021 Bonds and Series 2022 Bonds will continue to be excluded from gross income for federal income tax purposes.

Section 2. (a) There is hereby authorized the issuance of (i) the County’s Hospital Revenue Refunding Bonds (North Arkansas Regional Medical Center Project), Series 2021 (the “Series 2021 Bonds”), and (ii) the County’s Hospital Revenue Refunding Bonds (North Arkansas Regional Medical Center Project), Series 2022 (the “Series 2022 Bonds”), pursuant to Amendment 65 and the Act, under the terms and provisions of that Trust Indenture dated as of May 1, 1999, as previously supplemented and amended, and as further supplemented and amended by a Fifth Supplemental Trust Indenture (the “Fifth Supplemental Trust

Indenture”) and a Sixth Supplemental Trust Indenture (the “Sixth Supplemental Trust Indenture”), to be entered into by and between the County and Regions Bank, as trustee (the “Trustee”) (as supplemented and amended, the “Trust Indenture”).

(b) The Series 2021 Bonds and the Series 2022 Bonds will not be general obligations of the County, but will be special obligations secured by payments to be made by the Corporation to the County pursuant to the terms of a Loan Agreement dated as of May 1, 1999, as previously amended and supplemented and as further supplemented and amended by the Fifth Supplemental Loan Agreement and the Sixth Supplemental Loan Agreement (as supplemented and amended, the “Loan Agreement”), and the County will not pay any costs or expenses incurred in connection with the authorization and issuance of the Series 2021 Bonds or the Series 2022 Bonds, and all such costs and expenses will be paid out of the proceeds of the Series 2021 Bonds or the Series 2022 Bonds or by the Corporation. The Series 2021 Bonds and the Series 2022 Bonds will not be secured by a lien on or security interest in the real and personal property comprising the Medical Center.

Section 3. (a) The Series 2021 Bonds shall be issued in such principal amount as shall be determined upon consultation with the Corporation, but not to exceed \$10,000,000 in aggregate face amount, and shall finally mature not later than May 1, 2033. In no event shall the true interest cost of the Series 2021 Bonds exceed 3.60%. Notwithstanding the series designation set forth herein, the Series 2021 Bonds may be issued in calendar year 2021 or in calendar year 2022. The Series 2021 Bonds shall be issued in the form 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 Trust Indenture, as amended and supplemented by the Fifth Supplemental Trust Indenture.

(b) The Series 2022 Bonds shall be issued in such principal amount as shall be determined upon consultation with the Corporation, but not to exceed \$8,250,000 in aggregate face amount, and shall finally mature not later than May 1, 2037. In no event shall the true interest cost of the Series 2021 Bonds exceed 4.00%. The Series 2022 Bonds shall be issued in the form 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 Trust Indenture, as amended and supplemented by the Sixth Supplemental Trust Indenture.

Section 4. (a) 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 Fifth Supplemental Trust Indenture, by and between the County and the Trustee, and the County Judge and County Clerk are hereby authorized and directed to cause the Fifth Supplemental Trust Indenture to be accepted, executed and acknowledged by the Trustee. The Fifth Supplemental Trust Indenture 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 Trustee, the Corporation, the Underwriter and Kutak Rock LLP (“Bond Counsel”) in order to complete the Fifth Supplemental Trust Indenture 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.

(b) To prescribe the terms and conditions upon which the Series 2022 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 Sixth Supplemental Trust Indenture, by and between the County and the Trustee, and the County Judge and County Clerk are hereby authorized and directed to cause the Sixth Supplemental Trust Indenture to be accepted, executed and acknowledged by the Trustee. The Sixth Supplemental Indenture 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 Trustee, the Corporation, the Underwriter and Bond Counsel in order to complete the Sixth Supplemental Trust Indenture 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 copies of the Fifth Supplemental Trust Indenture and the Sixth Supplemental Trust Indenture in substantially the forms authorized to be executed are on file with the County Clerk and are available for inspection by any interested person.)

Section 5. (a) To provide for the loan of the proceeds of the Series 2021 Bonds to the Corporation and to secure the payment of the principal of and the interest on the Series 2021 Bonds, the County Judge and the County Clerk are hereby authorized and directed to execute, acknowledge and deliver a Fifth Supplemental Loan Agreement (the "Fifth Supplemental Loan Agreement"), by and between the County and the Corporation, and the County Judge and County Clerk are hereby authorized and directed to cause the Fifth Supplemental Loan Agreement to be accepted, executed and acknowledged by the Corporation. The Fifth Supplemental Loan 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 Trustee, the Corporation, the Underwriter and Bond Counsel in order to complete the Fifth Supplemental Loan 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.

(b) To provide for the loan of the proceeds of the Series 2022 Bonds to the Corporation and to secure the payment of the principal of and the interest on the Series 2022 Bonds, the County Judge and the County Clerk are hereby authorized and directed to execute, acknowledge and deliver a Sixth Supplemental Loan Agreement (the "Sixth Supplemental Loan Agreement"), by and between the County and the Corporation, and the County Judge and County Clerk are hereby authorized and directed to cause the Sixth Supplemental Loan Agreement to be accepted, executed and acknowledged by the Corporation. The Sixth Supplemental Loan 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 Trustee, the Corporation, the Underwriter and Bond Counsel in order to complete the Sixth Supplemental Loan 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 copies of the Fifth Supplemental Loan Agreement and the Sixth Supplemental Loan Agreement in substantially the forms authorized to be executed are on file with the County Clerk and are available for inspection by any interested person.)

Section 6. (a) To prescribe the terms and conditions upon which the Series 2021 Bonds are to be sold to the Underwriter, the County Judge is hereby authorized and directed to execute, at the request of the Corporation, a Bond Purchase Agreement on behalf of the County, by and among the County, the Corporation and the Underwriter (the "2021 Bond Purchase Agreement"). The 2021 Bond Purchase 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 Underwriter, the Corporation and Bond Counsel in order to complete the 2021 Bond Purchase 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.

(b) To prescribe the terms and conditions upon which the Series 2022 Bonds are to be sold to the Underwriter, the County Judge is hereby authorized and directed to execute, at the request of the Corporation, a Bond Purchase Agreement on behalf of the County, by and among the County, the Corporation and the Underwriter (the "2022 Bond Purchase Agreement"). The 2022 Bond Purchase 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 Underwriter, the Corporation and Bond Counsel in order to complete the 2022 Bond Purchase 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 copies of the 2021 Bond Purchase Agreement and 2022 Bond Purchase Agreement in substantially the forms authorized to be executed are on file with the County Clerk and are available for inspection by any interested person.)

Section 7. (a) To provide for the offer and sale of the Series 2021 Bonds, there is hereby authorized the preparation and distribution to various prospective and actual purchasers of the Series 2021 Bonds of an Official Statement, including a Preliminary Official Statement (the “2021 Preliminary Official Statement” and the “2021 Official Statement”) in the name of the County, describing the Series 2021 Bonds, the County, the Corporation, the Medical Center, the Trust Indenture and the Loan Agreement, and setting forth such other information as may be determined to be necessary or desirable. The County Judge, for and on behalf of the County, is authorized to execute and deliver to the Underwriter, a certificate or certificates, when requested by the Underwriter, to the effect that the 2021 Preliminary Official Statement is “deemed final” within the meaning of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”). The County Judge, for and on behalf of the County, is also authorized, upon the advice of the County Attorney, to execute the 2021 Official Statement.

(b) To provide for the offer and sale of the Series 2022 Bonds, there is hereby authorized the preparation and distribution to various prospective and actual purchasers of the Series 2022 Bonds of an Official Statement, including a Preliminary Official Statement (the “2022 Preliminary Official Statement” and the “2022 Official Statement”) in the name of the County, describing the Series 2022 Bonds, the County, the Corporation, the Medical Center, the Trust Indenture and the Loan Agreement, and setting forth such other information as may be determined to be necessary or desirable. The County Judge, for and on behalf of the County, is authorized to execute and deliver to the Underwriter, a certificate or certificates, when requested by the Underwriter, to the effect that the 2022 Preliminary Official Statement is “deemed final” within the meaning of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”). The County Judge, for and on behalf of the County, is also authorized, upon the advice of the County Attorney, to execute the 2022 Official Statement.

(Advice is given that copies of the 2021 Preliminary Official Statement and the 2022 Preliminary Official Statement in substantially the form of the 2021 Official Statement and 2022 Official Statement authorized to be executed are on file with the County Clerk and are available for inspection by any interested person.)

Section 8. 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 and Series 2022 Bonds, including, without limitation, Tax Regulatory Agreements 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 9. (a) The County hereby declares its expectation and intention that tax-exempt bonds issued and to be issued by the County during calendar year 2021 (taking into account \$66,539.51 in principal amount of the County’s Nursing Home Revenue Refunding Bonds (Hillcrest Home Project), Series 2021) will not in the aggregate exceed \$10,000,000 in principal amount, and the County hereby declares the Series 2021 Bonds to be “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

(b) The County hereby declares its expectation and intention that tax-exempt bonds issued and to be issued by the County during calendar year 2022 will not in the aggregate exceed \$10,000,000 in principal amount, and the County hereby declares the Series 2022 Bonds to be "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

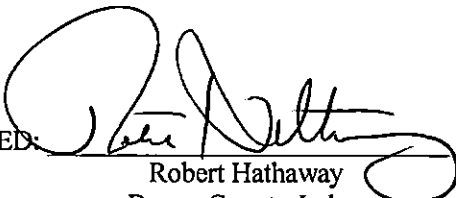
Section 10. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held invalid or illegal, such holding shall not affect the validity of the remainder of this Ordinance.

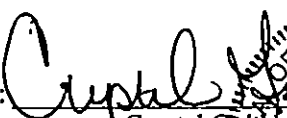
Section 11. All ordinances and parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

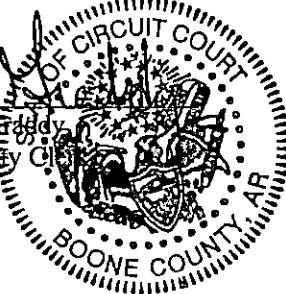
DATE PASSED: Oct 12, 2021

SUBMITTED BY: Justice David Thompson

DATE APPROVED: Oct 12, 2021

APPROVED: 
Robert Hathaway
Boone County Judge

ATTEST: 
Crystal Graddy
Boone County Clerk



RECORDED IN

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NARMC Bond Ordinance (3)