

Carol Rose
County Clerk

EXHIBIT A
TO
RESOLUTION NO. 85-07-02-(1)

ORDINANCE NO. 85-07-18

BOND ORDINANCE OF GRANT COUNTY, NEW MEXICO PROVIDING FOR REFUNDING OF ITS HOSPITAL FACILITY REVENUE BONDS (HILLCREST GENERAL HOSPITAL PROJECT) SERIES 1982, IN THE ORIGINAL PRINCIPAL AMOUNT OF \$7,500,000; AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$11,000,000 PRINCIPAL AMOUNT OF GRANT COUNTY, NEW MEXICO HOSPITAL FACILITY REFUNDING REVENUE BONDS (GILA REGIONAL MEDICAL CENTER PROJECT) SERIES 1985, DATED AUGUST 1, 1985, FOR SUCH PURPOSE; SUCH BONDS TO BE PAYABLE SOLELY FROM NET REVENUES DERIVED FROM THE FACILITY; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST AND SECURITY AGREEMENT; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH SUCH BONDS ARE TO BE ISSUED; AND PROVIDING FOR THE PRIVATE SALE OF SUCH BONDS ON A NEGOTIATED BASIS.

WHEREAS, to finance a portion of the cost of acquisition, construction and equipping a new 88-bed general acute care hospital (the "Hospital"), Grant County (the "County") issued its Hospital Facility Revenue Bonds (Hillcrest General Hospital Project) Series 1982, dated April 1, 1982, in the original principal amount of \$7,500,000 (the "Series 1982 Bonds"); and

WHEREAS, the County is empowered by provisions of New Mexico law, including Sections 4-37-1, 4-62-1 et seq., and 3-31-1 et seq. of New Mexico Statutes Annotated, to issue its revenue bonds for the purpose of refunding previously issued revenue bonds the proceeds of which were used to finance a county hospital; and

WHEREAS, the County wishes to refund, refinance, pay, and discharge the Series 1982 Bonds for the purpose of reducing interest costs thereby enabling the County to provide appropriate and adequate hospital facilities for the residents of the County at a lower cost; and

WHEREAS, in order to obtain funds to refund the Series 1982 Bonds, including necessary expenses incidental thereto, the County will issue its Hospital Facility Refunding Revenue Bonds (Gila Regional Medical Center Project), Series 1985, dated August 1, 1985, in an aggregate principal amount not to exceed \$11,000,000 (hereinafter referred to as the "Series 1985 Bonds"); and

WHEREAS, in order to defease the lien on Net Revenues (as defined in the hereinafter described Indenture) securing the 1982 Bonds, certain proceeds of the Series 1985 Bonds will be placed in the Escrow Fund created under an Escrow Agreement dated as of August 1, 1985 (the "Escrow Agreement") among the County, the Hospital, and the First National Bank in

Albuquerque (the "Escrow Agent"), trustee under the Indenture of Trust and Security Agreement pursuant to which the Series 1982 Bonds were issued; and

WHEREAS, the Series 1985 Bonds will be issued by the County under an Indenture of Trust and Security Agreement dated as of August 1, 1985 (the "Indenture") among the County, Gila Regional Medical Center (the "Hospital") and _____, Albuquerque, New Mexico, as trustee (the "Trustee"), under the terms of which the Net Revenues (as defined in the Indenture) derived from the Facility shall be assigned and pledged to the Trustee as security for the payment of the Series 1985 Bonds and any Additional Bonds, hereinafter defined, of the County issued thereunder (the Series 1985 Bonds and any such Additional Bonds herein referred to as the "Bonds"); and

WHEREAS, it is anticipated that additional amounts may be necessary to improve the Facility or to refund the Series 1985 Bonds, and as a result provisions should be made for the issuance of additional parity bonds (the "Additional Bonds") from time to time as specified in Article II of the Indenture; and

WHEREAS, the Board of County Commissioners has determined that entering into the Indenture is in the best interests of the County and of the inhabitants of the County, and the Board of County Commissioners has found and does hereby declare that said undertaking is for a lawful and valid public purpose which will provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort, and convenience of the County and of the inhabitants of the County, and that said undertaking is necessary to enable the County to provide appropriate and adequate hospital facilities for the sick of the County; and

WHEREAS, the Board of County Commissioners has decided to sell the Series 1985 Bonds privately on a negotiated basis; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the County and are attached hereto as Exhibits:

- EXHIBIT A. Indenture of Trust and Security Agreement by and among the County, the Hospital and the Trustee dated as of August 1, 1985 (the "Indenture");
- EXHIBIT B. Bond Purchase Agreement by and among the County, the Hospital, Newman and Associates, Inc., and Prudential-Bache Securities, Inc. (the "Underwriters") for the sale of the Series 1985 Bonds (the "Bond Purchase Agreement");
- EXHIBIT C. Escrow Agreement by and among the County, the Hospital and the Escrow Agent dated as of August 1, 1985 (the "Escrow Agreement"); and

EXHIBIT D. Draft of Official Statement to be delivered with the Bonds (the "Official Statement")

WHEREAS, pursuant to the direction of the Board of County Commissioners of the County, a Notice of Proposed Ordinance containing the title and a general summary of the subject matter of this Bond Ordinance was published in THE SILVER CITY DAILY PRESS, a newspaper of general circulation within the County, at least two weeks prior to the meeting at which this Bond Ordinance is proposed for final passage, in accordance with law;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF GRANT COUNTY, NEW MEXICO AS FOLLOWS:

1. In order to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the County and of the inhabitants of the County and to enable the County to provide appropriate and adequate hospital facilities for the sick of the County, the County is hereby authorized to refund the Series 1982 Bonds.

2. For the purpose of refunding the Series 1982 Bonds and, to the extent proceeds are available therefor, of paying financing costs and other costs of issuance, as permitted by the Indenture, the issuance of revenue bonds of the County to be known as "Grant County, New Mexico Hospital Facility Refunding Revenue Bonds (Gila Regional Medical Center) Series 1985" (the "Series 1985 Bonds") is hereby authorized pursuant to the provisions of the Act.

3. The Series 1985 Bonds will be issued in an aggregate principal amount not to exceed \$11,000,000, will be issued as fully registered bonds without coupons in the denominations of \$5,000, or any integral multiple thereof, will be dated August 1, 1985, will bear interest from that date at different rates for different maturities, provided none of such rates will exceed twelve per centum (12%) per annum, first interest payable on February 1, 1986, and semiannually thereafter on August 1 and February 1 of each year until fully paid, will be numbered from R-1 upward, in order of maturity, and will mature in principal installments on August 1 with the final maturity August 1, 2012. The payment of principal at maturity and by mandatory redemption requirements shall result in approximately equal annual payments of principal and interest on the Bonds. The principal amount of the Bonds, interest rates thereon, and the years, and amounts of, the maturities thereof shall be approved in writing by the Chairman.

The form of the Series 1985 Bonds and the provisions for signatures, authentication, payment, registration and redemption shall be as set forth in the Indenture hereinafter authorized. The Series 1985 Bonds shall never constitute an indebtedness or general obligation of the State of New Mexico,

Grant County, or any other political subdivision of the State of New Mexico and shall not be payable out of any source of funds of the County other than the Net Revenues derived from the Facility.

4. The Net Revenues derived from the Facility by the County are determined to be sufficient to pay the principal of, premium, if any, and interest on the Series 1985 Bonds as the same become due and payable, and all of said Net Revenues and other payments received under the Indenture are hereby pledged for that purpose and in addition for such other purposes as are more fully set forth and provided for in the Indenture hereinafter authorized.

5. The execution, delivery and performance of the Indenture, Bond Purchase Agreement, and Escrow Agreement, attached hereto as Exhibits A, B, and C, respectively, are hereby authorized. The Indenture, the Bond Purchase Agreement, and Escrow Agreement, shall be in substantially the forms submitted to the Board of County Commissioners with such minor changes, insertions or omissions as may be approved by the Chairman whose approval thereof shall be conclusively evidenced by the execution of each such instrument.

6. The information set forth in the Official Statement attached hereto as Exhibit D under the caption "THE COUNTY" is hereby approved. The County finds nothing objectionable in the Official Statement and does not object to the distribution of the Official Statement. The execution and delivery of the Official Statement by the chairman is hereby authorized. The Official Statement shall be in substantially the form submitted to the Board of County Commissioners with such minor changes, insertions or omissions as may be approved by the Chairman whose approval thereof shall be conclusively evidenced by his execution of the Official Statement.

7. The execution and delivery of the Bonds to the Trustee for authentication, the acceptance and redelivery of the authenticated Bonds, and the delivery of the Bonds to or upon the order of the Underwriters, or their duly authorized attorney-in-fact, against receipt by the Trustee hereinafter appointed of the purchase price of not less than 96.25% of the principal amount thereof (plus accrued interest) in payment therefor, are hereby authorized. The Bond Purchase Agreement provides that the Bonds be sold at private sale upon a negotiated basis pursuant to the Act.

If the Series 1985 Bonds have a maximum net effective interest rate greater than twelve percentum (12%) per annum, then prior to the execution and delivery of the Series 1985 Bonds, the written approval of the New Mexico State Board of Finance must be obtained by the County. In the event such written approval is necessary and is not obtained from the New Mexico State Board of Finance within sixty (60) days following

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the adoption of this Bond Ordinance, the execution and delivery of the Series 1985 Bonds cannot occur and the Underwriter shall be under no obligation to purchase the same. In accordance with law, "net effective interest rate" means the interest rate based on the actual price paid to the County for the Series 1985 Bonds calculated to maturity according to standard tables of bond values.

8. _____ (the "Trustee") is hereby designated Trustee under the Indenture and paying agent for the Series 1985 Bonds.

9. The Chairman is hereby authorized to execute on behalf of the County the Indenture, the Bond Purchase Agreement, the Escrow Agreement, and the Bonds and the County Clerk is hereby authorized to affix thereto and attest the seal of the County, provided that in no event shall any such attestation or affixation of the seal of the County be required as a prerequisite to the effectiveness thereof; and the Chairman and County Clerk are hereby authorized to deliver such instruments and documents on behalf of the County and to execute and deliver all such instruments, documents or certificates, and to do and perform all such things and acts, as each shall deem necessary or appropriate in furtherance of the issuance of the Bonds and the carrying out of the transactions authorized by this Bond Ordinance or contemplated by the instruments referred to in this Bond Ordinance. The Bonds shall be executed on behalf of the County by its Chairman by his manual signature and attested by the facsimile signature of the County Clerk, and the official seal of the County shall be impressed or reproduced thereon. All such facsimile signatures and the reproduction of the official seal of the County on the Bonds shall have the same force and effect as if said officials had manually signed the Bonds and the official seal of the County had been impressed on the Bonds; provided that no Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication contained in the form of the Bond shall have been duly executed by the manual signature of an authorized signer of the Trustee, as required by the terms of the Indenture.

10. The Chairman is authorized on behalf of the County to execute and deliver a certificate as to the reasonable expectations of the County regarding the amount and use of the proceeds of the Bonds, such certificate to be based on representations of the Hospital.

11. The Indenture, Bond Purchase Agreement, the Escrow Agreement, and Official Statement as approved by this Bond Ordinance, all of which are hereby incorporated in this Bond Ordinance by reference thereto, shall be placed on file at the office of the County Clerk of the County in Grant County, New Mexico, and made available for public inspection by any interested party immediately following the passage and approval of this Bond Ordinance.

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12. Except to the extent the same are in conflict with this Bond Ordinance, all prior resolutions and ordinances of the County relating to the Facility are hereby ratified. All motions, orders, resolutions, ordinances, and parts thereof, in conflict herewith, are hereby repealed.

13. This Bond Ordinance shall be immediately authenticated by the signature of the County Clerk and shall be recorded in the book kept by the County for recording of ordinances.

14. The Notice of Adoption of Ordinance relating to the adoption of this Bond Ordinance in the form attached hereto as Exhibit E is hereby approved, and the Chairman is hereby authorized and directed to cause same to be published once in THE SILVER CITY DAILY PRESS, a newspaper of general circulation in the County, following the recording of this Bond Ordinance in the book kept by the County for the recording of ordinances.

15. This Bond Ordinance shall become effective thirty (30) days after it has been recorded in the book kept by the County for recording of ordinances. If any section, paragraph, clause or provision hereof shall be held invalid, the invalidity thereof shall not affect the remaining provisions.

Adopted this 18th day of July, 1995.

BOARD OF COUNTY COMMISSIONERS

BY: [Signature]
Chairman

(SEAL)

ATTEST:
[Signature]
County Clerk

STATE OF NEW MEXICO
County of Grant
I hereby certify that this instrument
was filed for record on the 18
day of July A.D., 1995
at 2:59 o'clock P. M. and duly
recorded in book 204 of the records
of Ordinance 2
at page 530-535
Witness my hand and Seal of office
[Signature]
County Clerk, Grant Co., N.M.

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