

ORDINANCE NO. 86-06-27

BOND ORDINANCE OF GRANT COUNTY, NEW MEXICO PROVIDING FOR REFUNDING ITS \$7,500,000 IN ORIGINAL PRINCIPAL AMOUNT GRANT COUNTY, NEW MEXICO HOSPITAL FACILITY REVENUE BONDS (HILLCREST GENERAL HOSPITAL PROJECT) SERIES 1982, ISSUED TO FINANCE AN 88-BED ACUTE CARE HOSPITAL FACILITY IN GRANT COUNTY, NEW MEXICO; AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$9,990,000 GRANT COUNTY, NEW MEXICO HOSPITAL FACILITY REFUNDING REVENUE BONDS (GILA REGIONAL MEDICAL CENTER PROJECT) SERIES 1986, DATED JULY 1, 1986, 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 PLEDGE; 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, Gila Regional Medical Center, a county hospital (the "Hospital"), is owned, maintained, and operated by Grant County, New Mexico, a political subdivision of the State of New Mexico ("the County"), pursuant to Section 4-48B-5 of New Mexico Statutes Annotated 1978, granting the County the power to construct, purchase, own, maintain, and operate hospitals and to purchase the necessary land therefor, and the Board of County Commissioners of the County has appointed the Board of Trustees of the Hospital to govern the Hospital pursuant to Sections 4-48B-5 and 4-48B-10 of the New Mexico Statutes Annotated 1978, and the Board of Trustees of the Hospital has the authority under said Sections to exercise all powers that the County is granted by the Hospital Funding Act, Article 48B of Chapter 4 of New Mexico Statutes Annotated 1978 for the operation of the Hospital except, among other things, the power to issue bonds; and

WHEREAS, the County issued its Hospital Facility Revenue Bonds (Hillcrest General Hospital Project), Series 1982, dated April 1, 1982, in the aggregate principal amount of \$7,500,000 (the "Refunded Bonds"), to pay part of the cost of acquiring, constructing, installing, and equipping the land, buildings, and equipment constituting the Hospital (the "Facility") pursuant to the provisions of the Hospital Funding Act, Chapter 4, Article 48B, New Mexico Statutes Annotated 1978, as amended, an Ordinance of the Board of County Commissioners of the County, and a Resolution of the Board of Trustees of the Hospital; and

WHEREAS, the Refunded Bonds are secured by an Indenture of Trust and Security Agreement, dated April 1, 1982 (the "Series 1982 Indenture"), between the County and Hillcrest General Hospital, predecessor of the Hospital, and First National Bank In Albuquerque, as trustee (the "Series 1982 Trustee"); and

WHEREAS, the County is empowered by the provisions of New Mexico Statutes Annotated 1978, as amended, including Sections 4-37-1, 4-62-1, 4-62-2, 3-31-8, and 4-48B-5 thereof, to issue refunding revenue bonds for the purpose of refinancing, paying, and discharging all or any part of outstanding revenue bonds authorized by Sections 3-31-1 to 3-31-7, inclusive, of the New Mexico Statutes Annotated 1978, as amended, or by any other law (including Section 4-48B-5 of New Mexico Statutes Annotated 1978) for the purpose of reducing interest costs or effecting other economies, minimizing the costs of maintaining adequate hospital facilities within the County, and enabling the County to provide appropriate and adequate hospital facilities for the sick of the County; and

WHEREAS, in order to obtain funds to refund, refinance, pay, and discharge the Refunded Bonds for the purpose of reducing the interest costs thereon and to pay the necessary expenses incidental thereto, the County will issue its Hospital Facility Refunding Revenue Bonds (Gila Regional Medical Center Project) Series 1986, dated July 1, 1986, in the aggregate principal amount of \$9,990,000 (hereinafter referred to as the "Series 1986 Bonds"); and

WHEREAS, the lien of the Series 1982 Indenture on the security for the Refunded Bonds may be discharged pursuant to Article XIV of the Series 1982 Indenture so that the security for the Refunded Bonds may serve as security for the Series 1986 Bonds, and the County and the Hospital will enter into an Escrow Agreement and Release, dated the date of its issuance and delivery (the "Escrow Agreement"), with the Series 1982 Trustee (a) pursuant to which they (i) will deposit moneys and direct obligations of the United States of America not redeemable by the issuer which shall be sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Refunded Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and an amount equal to the Series 1982 Trustee's and paying agents' fees and expenses under the Series 1982 Indenture accrued and to accrue until such redemption date or date of maturity and (ii) will give the Series 1982 Trustee in form satisfactory to it irrevocable written instructions to publish as soon as practicable under the Series 1982 Indenture notice of redemption of the Refunded Bonds and (b) pursuant to which the Series 1982 Trustee will release all property serving as security for the Refunded Bonds, except the property deposited with the Series 1982 Trustee pursuant to the Escrow Agreement, from the lien and security interest of the Series 1982 Indenture, all in accordance with Article XIV of the

Series 1982 Indenture, so that the lien of the Series 1982 Indenture will be fully and completely discharged and cancelled; and

WHEREAS, the Series 1986 Bonds will be issued by the County under an Indenture of Trust and Pledge, dated as of July 1, 1986 (the "Indenture"), between the County and the Hospital and a trustee to be named by the Hospital, 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 and a security interest shall be granted in the accounts, documents, chattel paper, instruments, and general intangibles derived from the Facility, as security for the payment of the Series 1986 Bonds and any Additional Bonds, hereinafter defined, of the County issued thereunder (the Series 1986 Bonds and any such Additional Bonds hereinafter 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 1986 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 III of the Indenture; and

WHEREAS, the Board of County Commissioners of the County 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 of the County has found and does hereby declare that said undertaking is for a lawful, valid, and necessary public purpose which will reduce interest costs to the County and which will minimize the costs of maintaining adequate hospital facilities within the County and 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 of the County has decided to sell the Series 1986 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 Pledge by and between the County and the Hospital and the Trustee, dated as of July 1, 1986 (the "Indenture");

EXHIBIT B. Escrow Agreement and Release by and between the County and the Hospital and the Series 1982 Trustee,

dated as of the date of its issuance and delivery (the "Escrow Agreement");

EXHIBIT C. Bond Purchase Agreement by and between the County and the Hospital and Newman and Associates, Inc. and Prudential-Bache Securities, Inc. (the "Underwriters") for the sale of the Series 1986 Bonds (the "Bond Purchase Agreement"); and

EXHIBIT D. Draft of Official Statement to be delivered with the Series 1986 Bonds (the "Official Statement"); and

WHEREAS, pursuant to the direction of a majority 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 reduce interest costs to the County, minimize the cost of maintaining adequate hospital facilities within the County, and 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 refinance, pay, and discharge the Refunded Bonds, and all such assistance previously provided is hereby ratified and approved.

2. For the purpose of refinancing, paying, and discharging the Refunded Bonds and, to the extent proceeds are available therefor, of paying expenses incidental to the refunding and the issuance of the Series 1986 Bonds and of establishing and maintaining reserve funds for the Series 1986 Bonds, as permitted by the Indenture, the issuance of refunding revenue bonds of the County to be known as "Grant County, New Mexico Hospital Facility Refunding Revenue Bonds (Gila Regional Medical Center Project) Series 1986" (the "Series 1986 Bonds") is hereby authorized pursuant to the provisions of Sections 4-37-1, 4-62-1, 4-62-2, 3-31-8, and 4-48B-5 of the New Mexico Statutes Annotated 1978.

3. The Series 1986 Bonds shall be issued in the aggregate principal amount of \$9,990,000 as fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof and shall be dated July 1, 1986. The Series 1986 Bonds shall bear interest from July 1, 1986 at a rate of 10.00% per annum, computed on the basis of a 360-day

year consisting of twelve 30-day months and actual days elapsed, payable on February 1, 1987 and semiannually thereafter on August 1 and February 1 of each year, and shall mature on February 1, 2012.

4. The form of the Series 1986 Bonds and the provisions for signatures, authentication, payment, exchange, transfer, registration, and redemption shall be as set forth in the Indenture hereinafter authorized. The Bonds shall never constitute an indebtedness or general obligation of Grant County, the State of New Mexico, or any other political subdivision of the State of New Mexico, within the meaning of any state constitutional provision or statutory limitation, and shall never constitute nor give rise to a pecuniary liability of the foregoing or a charge against the general credit or taxing powers of said County, State, or political subdivision. The Bonds shall be payable solely from the proper revenues pledged to the payment thereof by this Bond Ordinance, and the holders of the Bonds may not look to any other fund of the County for the payment of the principal of, premium, if any, or interest on the Bonds. Neither the members of the Board of County Commissioners of the County or of the Board of Trustees of the Hospital nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

5. The Net Revenues derived from the Facility shall be designated and collected as provided in the Indenture, the Facility shall be maintained and insured as provided in the Indenture, special funds derived from said Net Revenues shall be created and maintained as provided in the Indenture, and the rights and remedies available to the Trustee and the holders of the Bonds upon an event of default in payment of the principal of or the interest on the Bonds or in the performance of any agreement shall be as provided in the Indenture all Facilities and equipment described in the Indenture as constituting part of the Facility (including all additions or alterations (as defined in the Indenture)) are hereby determined to be reasonably related to and shall constitute a part of the Facility.

6. The rates for services rendered in connection with the Facility shall be established as provided in the Indenture and are determined to produce Net Revenues sufficient to pay all reasonable expenses of operating the Facility, to pay all interest on the Series 1986 Bonds, and to provide a sinking fund adequate to discharge the Series 1986 Bonds as they mature, and all of said Net Revenues and other payments to be received under the Indenture are hereby irrevocably pledged to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and in addition for such other purposes as are more fully set forth and provided for in the Indenture hereinafter authorized. All facilities and equipment described in the Indenture as constituting part

of the Facility (including all additions or alterations (as defined in the Indenture)) are hereby determined to be reasonably related to and shall constitute a part of the Facility.

7. The execution, delivery, and performance of the Indenture, the Escrow Agreement, and the Bond Purchase Agreement, attached hereto as Exhibits A, B, and C, respectively, are hereby authorized. The Indenture, the Escrow Agreement, and the Bond Purchase 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.

8. The information set forth in the Official Statement 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 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 in writing by the Chairman.

9. The execution and delivery of the Series 1986 Bonds to the Trustee for authentication, the acceptance and redelivery of the authenticated Series 1986 Bonds, and the delivery of the Series 1986 Bonds to or upon the order of the Underwriters, or their duly authorized attorneys-in-fact, against receipt by the Trustee hereinafter appointed of a purchase price approved by the Chairman of the Board of Trustees of the Hospital (whose approval shall be evidenced by said Chairman's execution of the Bond Purchase Agreement) (plus accrued interest) in payment therefor, are hereby authorized. The Bond Purchase Agreement provides that the Series 1986 Bonds be sold at a private or negotiated sale pursuant to Sections 3-31-10 and 4-48B-20 of New Mexico Statutes Annotated 1978.

10. The Board of Trustees of the Hospital is hereby authorized to designate a trustee, paying agent, and bond registrar under the Indenture for the Bonds. Any bond registrar so designated is hereby authorized to perform such duties with respect to the registration, custody, conversion, exchange, and transfer of the Bonds as are set forth in the Indenture. Registration records with respect to the Bonds shall be maintained by the bond registrar so designated in the manner provided in the Indenture at the principal corporate trust office of said bond registrar.

11. The Chairman is hereby authorized to execute on behalf of the County the Indenture, the Escrow Agreement, the Bond Purchase 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 or facsimile signature and attested by the manual or 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.

12. 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.

13. The Indenture, the Escrow Agreement, the Bond Purchase Agreement, and the 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.

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

15. 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 the recording of ordinances.

16. 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 the 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.

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

Adopted this 26 day of June, 1986.

BOARD OF COUNTY COMMISSIONERS
OF GRANT COUNTY, NEW MEXICO

BY: Angel Alvarado
Chairman

ATTEST:

Carol Bass
County Clerk

