

GRANT COUNTY, NEW MEXICO
RESOLUTION NO. R-18-19

A RESOLUTION DETERMINING THAT THE GRANT COUNTY, NEW MEXICO STATE OF NEW MEXICO DEPARTMENT OF HEALTH LEASE APPROPRIATION BONDS (FT. BAYARD PROJECT) SERIES 2008 MATURING ON AND AFTER JULY 1, 2019 (THE "BONDS") BE CALLED FOR REDEMPTION, BASED UPON THE DEPARTMENT OF HEALTH'S EXERCISE OF ITS OPTION TO PURCHASE THE FORT BAYARD MEDICAL CENTER FACILITY; DECLARING THAT THE COUNTY IS EXERCISING ITS OPTION TO REDEEM THE BONDS; APPROVING A FORM OF AGREEMENT BETWEEN THE COUNTY AND THE DEPARTMENT OF HEALTH REGARDING NOTICE OF REDEMPTION OF THE BONDS AND PROVIDING FOR THE DEPARTMENT OF HEALTH TO ENGAGE CONSULTANTS TO COMPLETE AN APPRAISAL, SURVEY, TITLE COMMITMENT AND PHASE 1 ENVIRONMENTAL REPORT IN CONNECTION WITH THE EXERCISE OF THE OPTION TO PURCHASE THE FACILITY; DELEGATING AUTHORITY IN CONNECTION WITH THE AGREEMENT; AND TAKING RELATED ACTION.

WHEREAS, pursuant to NMSA 1978, Sections 9-7-6.5(D) and 15-3-35, the Legislature of the State ratified and approved a Lease Purchase Agreement by and between NMDOH and the County, subject to approval thereof by the State Board of Finance, which approval was provided on February 19, 2008; and

WHEREAS, Article IX of the Lease Purchase Agreement provides NMDOH, as Lessee, an option (the "Option") to purchase the Project (as defined in the Lease Purchase Agreement) for a purchase price (the "Purchase Price") equal to the amount necessary to defease the Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Revenue Bonds (Ft. Bayard Project), Series 2008 (the "2008 Bonds"), plus the appraised value of the land underlying the Facility in an unimproved condition (i.e., minus the value of the improvements of which the Facility is comprised) (the "Unimproved Land Value"); and

WHEREAS, Section 9.2 of the Lease Purchase Agreement provides that the exercise of the Option shall require the approval of the Property Control Division (which is now the Facilities Management Division, or "FMD") of GSD; and

WHEREAS, Section 9.3 of the Lease Purchase Agreement requires that the State Board of Finance approve the purchase of the Facility pursuant to the Option; and

WHEREAS, NMDOH has notified the County that (i) it intends to exercise the Option, and that (ii) FMD has approved exercise of the Option by NMDOH;

WHEREAS, NMDOH has delivered to the County notice of NMDOH's exercise of the Option, with the purchase of the Project conditioned upon the approval of the State Board of Finance; and

WHEREAS, under Section 9.4 of the Lease Purchase Agreement, the County is required to provide, at its expense and within 45 days after receiving notice of exercise of the Option, an appraisal determining the Unimproved Land Value, a survey, a title commitment and an Phase 1 Environmental Study (together, the "County Deliverables"); and

WHEREAS, for the purpose of expediting the preparation, completion and delivery of the County Deliverables, it is appropriate and convenient for NMDOH to engage an appraiser, surveyor, title company and environmental consultant to prepare the corresponding County Deliverables on behalf of the County, at the expense of NMDOH, and for NMDOH to be reimbursed for such expense as an off-set to the amount to be paid to the County as the Unimproved Land Value upon transfer of title to the Facility to FMD, all pursuant to the provisions of an agreement by and between the County and NMDOH, the form of which is attached as Exhibit B hereto (the "Deliverables Agreement"); and

WHEREAS, the County authorized the issuance and sale the 2008 Bonds in County Ordinance No. O-08-01, as supplemented by County Resolution R-08-28 (together, the "Bond Ordinance"), which provides that the 2008 Bonds maturing on and after July 1, 2019 may be redeemed at the option of the County at any time on or after July 1, 2018 by giving written instructions regarding redemption to U.S. Bank, National Association, as trustee for the 2008 Bonds (the "Trustee"), at least 40 days prior to the date selected by the County for redemption of the 2008 Bonds; and

WHEREAS, NMDOH has notified the County that it anticipates that the 2008 Bonds can be redeemed on or about November 8, 2018 from a portion of the purchase price, and has requested that the County provide written instructions to the Trustee directing that the Trustee give a conditional notice that the 2008 Bonds maturing on and after July 1, 2019 will be redeemed on November 8, 2018, in substantially the form attached hereto as Exhibit A.

THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF GRANT COUNTY AS FOLLOWS:

1. Election to Exercise Option to Redeem 2008 Bonds.

A. The County hereby elects to exercise its option to redeem the 2008 Bonds maturing on and after July 1, 2019, at a redemption price of \$50,255,000 (being the aggregate principal amount of such 2008 Bonds) plus interest accrued to the redemption date.

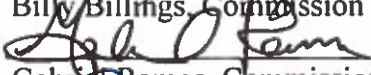
B. The County Manager is hereby directed to provide written instructions to the Trustee directing that the Trustee give a conditional notice of the redemption of the 2008 Bonds maturing on and after July 1, 2019 in substantially the form of the Conditional Notice of Redemption attached hereto as Exhibit A. The Conditional Notice of Redemption shall provide that the redemption date for the 2008 Bonds shall be November 8, 2018, or such other date determined to be necessary or convenient by the County Manager, in consultation with NMDOH and its bond counsel.

2. Approval of Deliverables Agreement. The form of Deliverables Agreement attached to this Resolution as Exhibit B is hereby authorized and approved. The County Manager is hereby authorized to execute and deliver the Deliverables Agreement on behalf of the County, and to cause the County to perform its obligations thereunder.

[Signature pages follow]

PASSED AND ADOPTED THIS 19 DAY OF JULY, 2018 BY A VOTE OF 5 FOR AND 0 AGAINST.


Billy Billings, Commission Chairman


Gabriel Ramos, Commissioner


Brett Kasten, Commissioner

Alicia Edwards, Commissioner


Harry Browne, Commissioner

ATTEST:


Marisa Castillo, County Clerk



AGREEMENT REGARDING EXERCISE OF OPTION TO PURCHASE
THE FORT BAYARD MEDICAL CENTER PURSUANT TO THE LEASE-
PURCHASE AGREEMENT BY AND BETWEEN GRANT COUNTY, NEW MEXICO, AS
LESSOR-SELLER, AND THE NEW MEXICO DEPARTMENT OF HEALTH,
AS LESSEE-PURCHASER

This Agreement Regarding Exercise of Option to Purchase the Fort Bayard Medical Center (this "Agreement") is made by and between GRANT COUNTY, NEW MEXICO (the "County"), as Lessor-Seller, and the NEW MEXICO DEPARTMENT OF HEALTH ("NMDOH"), as Lessee-Purchaser (each a "Party" and together, the "Parties"), in connection with the Lease Purchase Agreement between the Parties dated as of August 26, 2008, as amended (the "Lease Purchase Agreement").

RECITALS

WHEREAS, pursuant to NMSA 1978, Sections 9-7-6.5(D) and 15-3-35, the Legislature of the State ratified and approved a Lease Purchase Agreement by and between NMDOH and the County, subject to approval thereof by the State Board of Finance, which approval was provided on February 19, 2008; and

WHEREAS, Article IX of the Lease Purchase Agreement provides NMDOH, as Lessee, an option (the "Option") to purchase the Project (as defined in the Lease Purchase Agreement) for a purchase price (the "Purchase Price") equal to the amount necessary to defease the Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Revenue Bonds (Ft. Bayard Project), Series 2008 (the "2008 Bonds"), plus the appraised value of the Land excluding the Improvements (as such terms are defined in the Lease Purchase Agreement) (the "Unimproved Land Value"); and

WHEREAS, Section 9.2 of the Lease Purchase Agreement provides that the exercise of the Option shall require the approval of the Property Control Division (which is now the Facilities Management Division, or "FMD") of GSD; and

WHEREAS, Section 9.3 of the Lease Purchase Agreement requires that the State Board of Finance approve the purchase of the Project pursuant to the Option; and

WHEREAS, NMDOH has notified the County that (i) it intends to exercise the Option, and that (ii) FMD has approved exercise of the Option by NMDOH;

WHEREAS, NMDOH has delivered to the County notice of NMDOH's exercise of the Option, with the purchase of the Project conditioned upon the approval of the State Board of Finance; and

WHEREAS, under Section 9.4 of the Lease Purchase Agreement, the County is required to provide, at its expense, an appraisal of the Land excluding the Improvements, a survey, a title commitment and a Phase 1 Environmental Study (together, the "County Deliverables") within 45 days after receiving notice of exercise of the Option; and

WHEREAS, for the purpose of expediting the preparation, completion and delivery of the County Deliverables, it is appropriate and convenient for NMDOH to engage an appraiser, surveyor, title company and environmental consultant to prepare the corresponding County Deliverables on behalf of the County, at the expense of NMDOH, and for NMDOH to be reimbursed for such expense as an off-set to the amount of the Purchase Price to be paid to the County for the Unimproved Land Value upon transfer of title to the Project to FMD, pursuant to the provisions of this Agreement; and

WHEREAS, the County authorized the issuance and sale of the 2008 Bonds in County Ordinance No. O-08-01, as supplemented by County Resolution R-08-28 (together, the "Bond Ordinance"), which provides that the 2008 Bonds maturing on and after July 1, 2019 may be redeemed at the option of the County at any time on or after July 1, 2018 by giving written instructions regarding redemption to U.S. Bank, National Association, as trustee for the 2008 Bonds (the "Trustee"), at least 40 days prior to the date selected by the County for redemption of the 2008 Bonds; and

WHEREAS, NMDOH has notified the County that it anticipates that the 2008 Bonds can be redeemed on or about November 8, 2018, and has requested that the County provide written instructions to the Trustee directing that the Trustee give a conditional notice of redemption of the 2008 Bonds maturing on and after July 1, 2019, in substantially the form attached as Exhibit A (the "Redemption Notice") to the Resolution of the County Commission approving the form of this Agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1. NMDOH to Engage Consultants to Prepare County Deliverables; Advance of Costs. NMDOH shall engage the services of appropriate professionals to provide the County Deliverables, each as required pursuant to Section 9.4 of the Lease Purchase Agreement. NMDOH shall provide copies of the proposed agreements for the County Deliverables to the County Manager for review, and the County Manager shall provide any comments to NMDOH within 3 business days.

Section 2. Costs Advanced to be Deducted from Payment to County for Unimproved Land Value. NMDOH shall be reimbursed for all costs advanced in connection with the County Deliverables as provided in Section 1 hereof by deducting such costs from the amount payable to the County as the Unimproved Land Value under the Option.

Section 3. County to Direct Trustee to Give Conditional Notice of Redemption of 2008 Bonds. The County shall, not later than forty (40) days prior to redemption of the 2008 Bonds, provide written instructions to the Trustee directing that the Trustee give a conditional notice of redemption of the 2008 Bonds maturing on and after July 1, 2019, in substantially the form of the Redemption Notice.

Section 4. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute a single agreement.

Section 5. Severability. In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 6. Effective Date. This Agreement shall be effective as of the date approved by official action taken by the Board of County Commissioners of the County (the “Effective Date”).

Section 7. Governing Law. This Agreement shall be construed under the laws of the State of New Mexico.

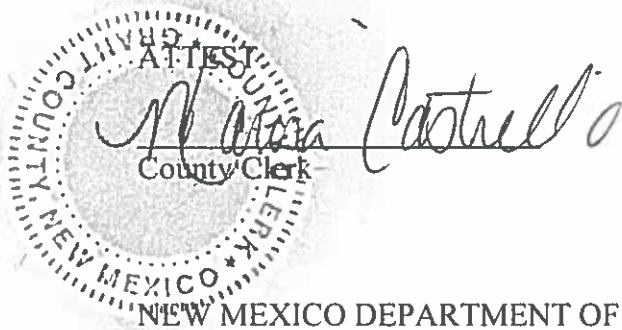
Section 8. Whole Agreement; Amendment. This Agreement contains all of the agreements of the parties with respect to the subject matter hereof. This Agreement may only be amended by a written instrument executed by both parties.

[Signature pages follow]

IN WITNESS WHEREOF, Grant County has executed this Agreement in its official name by its duly authorized officer; and the New Mexico Department of Health has caused this Agreement to be executed in its official name and attested by its duly authorized officers. All of the above are effective as of the Effective Date as set forth in Section 6 hereof.

GRANT COUNTY, NEW MEXICO

By: Chauvin Murr
Title: County Manager



NEW MEXICO DEPARTMENT OF HEALTH

By: Roy G. McDonald
Name: Roy G. McDonald
Title: ASD Director

Approved for Legal Sufficiency

[Signature] 7/13/18
Assistant General Counsel Date

ATTEST:

By: Antoinette Grieco
Title: Executive Administrator

Expires: 7/11/21



EXHIBIT A

Form of Notice of Conditional Redemption of 2008 Bonds

**CONDITIONAL NOTICE OF REDEMPTION OF
GRANT COUNTY, NEW MEXICO
STATE OF NEW MEXICO DEPARTMENT OF HEALTH
LEASE APPROPRIATION BONDS (FT. BAYARD PROJECT)
SERIES 2008**

MATURING ON AND AFTER JULY 1, 2019

NOTICE IS HEREBY GIVEN that Grant County, New Mexico (the "County") has irrevocably (but subject to the conditions herein) exercised its option to redeem on November 8, 2018, all of the outstanding Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008, maturing on and after July 1, 2019 in the aggregate principal amount of \$50,255,000 (the "Called Bonds"), and more completely described as follows:

Series 2008 Bonds

Original Maturity Date			
<u>July 1</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2019	\$1,490,000	5.000%	38778DAJ0
2020	1,565,000	5.500%	38778DAK7
2021	1,655,000	5.500%	38778DAL5
2022	1,745,000	5.500%	38778DAM3
2023	1,840,000	5.500%	38778DAN1
2024	1,940,000	5.500%	38778DAP6
2025	2,045,000	4.750%	38778DAQ4
2026	2,145,000	4.750%	38778DAR2
2027	2,245,000	4.750%	38778DAS0
2028	2,355,000	4.875%	38778DAT8
2031*	7,805,000	5.250%	38778DAW1
2033*	5,900,000	5.000%	38778DAY1
2038*	17,525,000	5.000%	38778DBD2

*Term Bonds.

On November 8, 2018 there will become due and payable the principal amount of the Called Bonds and accrued interest to the redemption date.

Owners of the Called Bonds should present their bonds to U.S. Bank, National Association, acting as the Trustee, on or after November 8, 2018, at the following address for payment:

US Bank National Association
60 Livingston Avenue
St. Paul, Minnesota 55107

Payment will be made upon presentation and surrender of the Called Bonds to be redeemed at the address stated above on or after November 8, 2018. From and after November 8, 2018, interest on the Called Bonds will cease to accrue.

This notice is a conditional redemption notice insofar as (i) the funds available to redeem the Called Bonds are not yet on deposit with the Trustee to pay the redemption price of the Called Bonds on November 8, 2018, and (ii) the redemption is contingent upon the approval of the New Mexico State Board of Finance (the "SBOF"). SBOF approval is anticipated to be timely, and the redemption funds are expected to be available from the proceeds from a loan scheduled to close on or before November 8, 2018. However, if the full amount of the optional redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Called Bonds for which the optional redemption price is on deposit with the Trustee. If all Called Bonds called for optional redemption cannot be redeemed, the Called Bonds to be redeemed shall be selected by lot in the manner deemed reasonable and fair by the Trustee and the Trustee shall give notice, in the manner in which the original notice or optional redemption was given, that such money was not received. In that event, the Trustee shall promptly return to the owners thereof the Called Bonds or certificates which it has received evidencing the part thereof which have not been optionally redeemed.

No representation is made as to the correctness of the CUSIP numbers either as printed on the Called Bonds or as contained herein.

Federal tax law requires individual holders of municipal bonds to submit their tax identification number (Social Security number) with each bond presented for payment (whether upon sale, maturity or redemption). Please submit a Form W-9 at the time the Called Bonds are presented for payment. Forms W-9 are available at your local bank or broker. FAILURE to comply with the tax law will subject payment of principal to the backup withholding provisions of the tax law which requires the withholding a portion of the principal payment as tax.

THIS NOTICE IS GIVEN as of the ___ day of _____, 2018.

US BANK, NATIONAL ASSOCIATION,
as Trustee for the Called Bonds

Publication Requirements: None.

Notice Requirements: No earlier than September 9, 2018 and no later than October 9, 2018 to all registered owners of the Called Bonds at the address shown on the registration books maintained by the Trustee.

Call Notification Department
The Depository Trust Company
55 Water Street, 50th Floor
New York, New York 10041-0099
(212) 855-4349
redemptionnotification@dtcc.com

Municipal Securities Rulemaking Board
Electronic Municipal Market Access
<http://emma.msrb.org>

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EXHIBIT B

Form of Deliverables Agreement

(to be attached)