RESOLUTION NO. 1568

A RESOLUTION APPROVING AND AUTHORIZING THE ISSUANCE OF HOSPITAL REVENUE BONDS (NORTHERN ARIZONA HEALTHCARE SYSTEM) SERIES 2005 AUCTION RATE CERTIFICATES (ARCs(SM)) OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF YAVAPAI AND DECLARING AN EMERGENCY.

WHEREAS, the Board of Supervisors of the County of Yavapai, Arizona (the "County") has heretofore approved the incorporation of The Industrial Development Authority of the County of Yavapai (the "Issuer"); and

WHEREAS, the Issuer has approved the issuance and sale of its Hospital Revenue Bonds (Northern Arizona Healthcare System) Series 2005 Auction Rate Certificates (ARCs(SM)) (the "Bonds"), in one or more series and in the aggregate principal amount of not to exceed $49,000,000 to provide funds (1) to pay costs of the acquisition, construction, improvement, renovation and equipment of hospital and other health care and support facilities operated and owned by Verde Valley Medical Center or Flagstaff Medical Center, Inc., both Arizona nonprofit corporations (collectively, the "Obligated Group"), that constitute a "project" within the meaning of Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act"), (2) to fund debt service reserve fund and capitalized interest, if any, and (3) to pay certain costs associated with the issuance of the Bonds, including fees for credit enhancement and liquidity facility, if any (collectively, the "Project"); and

WHEREAS, Section 35-721B of the Act requires the approval by the Board of Supervisors of the County of the issuance of the Bonds; and

WHEREAS, the facilities to be financed with the proceeds of the Bonds are owned and operated by the Verde Valley Medical Center or Flagstaff Medical Center, Inc.; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that the "applicable elected representative" of the County approve issuance of the Bonds after a public hearing following reasonable public notice published in advance of said hearing; and

WHEREAS, said public hearing was held by a representative of the Issuer in accordance with the requirements of the Code on December 16, 2004 with respect to the financing and the results thereof have been reported by the Issuer to the Board of Supervisors of the County; and

WHEREAS, the Obligated Group wishes to proceed with financing of the Project promptly and it is necessary for the immediate preservation of the peace, health and safety of the County that this resolution become immediately effective.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF YAVAPAI, AS FOLLOWS:

Section 1. The Board of Supervisors of the County hereby approves the issuance of the Bonds, in one or more series and in an aggregate principal amount not to exceed $49,000,000, by the Issuer as provided in the Resolution of the Issuer adopted on December 16, 2004, in accordance with the requirements of the Act and of Section 147(f) of the Code, as the applicable elected representative.

Section 2. The various County officers and employees are authorized and directed to take all actions necessary to effectuate the purposes of this resolution.

Section 3. All resolutions or ordinances, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 4. It is necessary for the preservation of the public peace, health and safety of the County of Yavapai, Arizona that this resolution become immediately effective, thus, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage, adoption and approval and it is hereby exempt from the referendum provisions of the Constitution and the laws of the State of Arizona.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of the County of Yavapai, Arizona, this 20th day of December, 2004.

Chairman, Board of Supervisors
Yavapai County, Arizona

ATTEST:

Clerk, Board of Supervisors
Yavapai County, Arizona