

RESOLUTION NO. 1698

A RESOLUTION APPROVING THE ISSUANCE OF HOSPITAL REVENUE BONDS (NORTHERN ARIZONA HEALTHCARE SYSTEM) SERIES 2008B OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF YAVAPAI.

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 “Authority”); and

WHEREAS, at the request of Verde Valley Medical Center (“VVMC”) and Flagstaff Medical Center, Inc. (“FMC” and, together with VVMC, the “Hospitals”), each an Arizona nonprofit corporation, the Authority in 2005 issued its Hospital Revenue Bonds (Northern Arizona Healthcare System) Series 2005 Auction Rate Certificates (the “Prior Bonds”) to fund loans to the Hospitals to finance and refinance costs of acquiring, constructing, improving, renovating and equipping hospital and other health care and support facilities operated by the Hospitals in Cottonwood, Sedona and Flagstaff, Arizona (the “Prior Projects”); and

WHEREAS, the Authority has approved the issuance and sale of its Hospital Revenue Bonds (Northern Arizona Healthcare System), Series 2008B (the “Bonds”), in one or more series and in the aggregate principal amount of not to exceed \$55,000,000 (1) to pay costs of acquiring, constructing, improving, renovating and equipping hospital and other health care and support facilities operated by the Hospitals in Cottonwood and Flagstaff, Arizona which constitute a “project” within the meaning of Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “Act”), (2) to redeem and pay all or a portion of the Prior Bonds and thereby refinance the costs of acquiring, constructing, improving, renovating and equipping the Prior Projects, and (3) to pay certain costs associated with the issuance of the bonds, including fees for credit enhancement and a liquidity facility; and

WHEREAS, Section 35-721(B) of the Act requires that the proceedings of the Authority pursuant to which it proposes to issue bonds include a requirement for the approval by the Board of Supervisors of the County of the issuance of bonds; 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 Authority in accordance with the requirements of the Code on September 30, 2008, 2008 with respect to the Project and the Bonds and the results thereof have been reported by the Authority to the Board of Supervisors of the County.

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 \$55,000,000 by the Authority as provided in the Resolution of the Authority adopted on December 10, 2008, 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. All resolutions or ordinances, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of the County of Yavapai, Arizona, this 15th day of December, 2008.

/s/ Carol Springer
Chairman, Board of Supervisors
Yavapai County, Arizona

ATTEST:

/s/ Julie Ayers
Clerk, Board of Supervisors
Yavapai County, Arizona