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2009-011367 RESL Page: 1 of 6
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RESOLUTION NO. 09-09-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA, STATING ITS INTENTION TO INCUR A LONG TERM OBLIGATION; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT, A TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AN OBLIGATION PURCHASE CONTRACT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; APPROVING THE SALE AND EXECUTION AND DELIVERY OF NOT TO EXCEED $8,000,000 AGGREGATE PRINCIPAL AMOUNT OF PLEDGED REVENUE AND/OR PLEDGED REVENUE REFUNDING OBLIGATIONS, SERIES 2009, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN THE PURCHASE AGREEMENT; DELEGATING AUTHORITY TO THE COUNTY MANAGER OR FINANCE DIRECTOR OF THE COUNTY TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION

WHEREAS, the Board of Supervisors (the "Board") of Gila County, Arizona (the "County"), has determined to (A) finance the costs of the following: (1) improvements to each of the following - (a) administration building (Globe), (b) warehouse, (c) loft, (d) sign shop, (e) road yard, (f) auto shop, (g) women's jail, (h) exercise yard and (i) miscellaneous other buildings; (2) purchase of building (Payson); (3) relocation of shop and (4) site preparation and (B) refinance the costs of the following (1) improvements to each of the following - (a) administrative building (Globe), (b) courthouse (Globe), (c) building (Payson), (d) fairgrounds and (e) juvenile detention facility; (2) construct new facility (Payson); (3) engineering and design for administration building (Globe) and (4) [use of proceeds from Series 1991B] (collectively, the "Projects"), by entering into a long-term obligation that is not secured by the full faith and credit of the County in the form of a Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligations (the "Purchase Agreement"), with U.S. Bank, National Association, as trustee (the "Trustee"), in its separate capacity as "Seller"; and

WHEREAS, because the County has a current population of less than five hundred thousand (500,000) persons, prior to incurring such long-term obligation, the Board must hold a hearing as required by A.R.S. § 11-391; and

WHEREAS, a hearing on the Purchase Agreement was held at 10:00 a.m., Mountain Standard Time, on August 25, 2009, at the chambers of the Board located at 1400 East Ash Street, Globe, Arizona 85501, after notice thereof pursuant to applicable law; and

WHEREAS, pursuant to A.R.S. § 11-391, at least fifteen days after such hearing, the Board must hold the public meeting at which this Resolution was considered to adopt findings and, following the public comments received at and after such hearing, by roll call vote, adopt and enter this Resolution to incur the Purchase Agreement to finance the Projects, stating the public need for the Projects, the estimated cost and the amount of the Purchase Agreement; and

WHEREAS, in connection with the Purchase Agreement, the Board hereby deems it necessary and desirable to provide for the sale and execution and delivery of Pledged Revenue and/or Pledged Revenue Refunding Obligations, Series 2009 (collectively, the "Obligations"), evidencing a proportionate interest of the owners of the Obligations in payments to be made by the County to the Trustee, provided for by this Resolution pursuant to the Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations established as provided herein (the "Trust Agreement"), between the Trustee and the County, such payments to be made pursuant to the Purchase Agreement; and

WHEREAS, the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the County will pledge (i) revenues from all unrestricted transaction privilege (sales) taxes that the County now or hereafter levies, except for any taxes hereafter levied for an inconsistent purpose (the "County-Imposed Excise Taxes Revenues") and (ii) any revenues from excise taxes and transaction privilege (sales) taxes imposed and collected by the State, or any agency thereof, and returned, allocated or apportioned to the County, except the County's share of any such taxes which by State law, rule or regulation must be expended for other purposes (together with the County-Imposed Excise Taxes, the "Excise Taxes Revenues"); and

WHEREAS, there have been presented to the Board at the meeting at which this Resolution is being adopted (1) the proposed form of the Purchase Agreement; (2) the proposed form of the Trust Agreement; (3) the proposed form of a Continuing Disclosure Undertaking, to be dated the date of delivery of the Obligations (the "Undertaking"), from the County necessary for purposes of Securities and Exchange Commission Rule 15c2-12; (4) the proposed form of the Obligation Purchase Contract, to be dated the date of the sale of the Obligations (the "Purchase Contract"), by and between the County and Stone & Youngberg LLC (the "Underwriter"), for the purchase of the Obligations and (5) the proposed form of the Preliminary Official Statement, to be dated the date of the mailing thereof (the "Preliminary Official Statement"), relating to the Obligations, which, as to be revised after the sale of the Obligations, shall constitute the Official Statement, to be dated the date of sale of the Obligations (the "Official Statement"), relating to the Obligations; and

WHEREAS, the financing and refinancing the costs of the Projects pursuant to the Purchase Agreement is in furtherance of the purposes of the County and in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA, THAT:

Section 1. (a) It is intended that the County incur the Purchase Agreement to finance the Projects. The Projects are needed to satisfy a public need, namely to finance the Projects on the most economic financial terms available and the Purchase Agreement is estimated to be in the principal amount of not to exceed $8,000,000 and, with total estimated interest of $7,800,000, to have a total financing cost of $15,800,000.

(b) The County Manager or Finance Director of the County are each hereby authorized to determine on behalf of the County the series and series designation of the Obligations; the date the Obligations are to be sold to the Underwriter; the total aggregate principal amount of the Obligations which are to be executed and delivered but not to exceed the principal amount of $8,000,000; the date the Obligations are to be dated; the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear; the dates the Obligations are to mature but not later than twenty-five (25) years from the date of the execution and delivery of the Obligations, the principal amounts to mature on such dates and the provisions for redemption thereof in advance of such dates and the terms upon which the Obligations are to be sold to the Underwriter (including determinations of price, original issue discount and premium and underwriting compensation); provided, however, that the foregoing determinations shall not result in the yield on the Obligations, as calculated in accordance with Section 148 of the Internal Revenue Code of 1986, as amended, exceeding seven percent (7%). If, and to the extent, the Obligations meet the requirements therefor pursuant to the Internal Revenue Code of 1986, as amended, the Obligations may be qualified and sold as "Build America Bonds" with the federal tax credits paid directly to the County. The County Manager or Finance Director of the County are hereby authorized and directed to determine such matters on behalf of the County and then to take any action, make any modifications to the documents described in Section 3 hereof, enter into any agreements, make any elections or certifications and pay any costs necessary to provide for or facilitate the sale and issuance of the Obligations in such manner and to comply with the requirements of such Code and the terms of the Obligations and any agreement related thereto.

(c) The County Manager or Finance Director of the County are further each hereby authorized to determine on behalf of the County whether the purchase of an insurance policy securing payment of the Obligations or a surety bond or other reserve fund guaranty would be advantageous to the County or the terms of the financing represented by the Obligations. Any officer, agent or employee of the County is hereby authorized to negotiate with and secure, with proceeds of the Obligations or otherwise, such an insurance policy or a reserve fund guaranty, or both, from one or more institutions, the claims-paying ability of which are then assigned one of the two highest rating categories by a nationally recognized credit rating agency. The County Manager or Finance Director of the County are each hereby further authorized to execute and deliver any instruments or documents necessary in connection with the

purchase of any such insurance policy and/or reserve fund guaranty, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy and/or reserve fund guaranty.

(d) The forms and other terms of the Obligations, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement and are hereby approved.

Section 2. The Obligations are to be sold to the Underwriter pursuant to the terms of the Purchase Contract as such terms are to be determined as provided hereinabove.

Section 3. The form, terms and provisions of the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking, in substantially the forms of such documents (including the Obligations and other exhibits thereto) presented at the meeting of the Board at which this Resolution is being adopted are hereby approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove and shall be approved by the Chairman of the Board, any other member of the Board, and, in the case of the Purchase Contact, the County Manager, the execution of each such document being conclusive evidence of such approval, and the Chairman of the Board or any other member of the Board and, in the case of the Purchase Contact, the County Manager, or the Clerk, where applicable, are hereby authorized and directed, for and on behalf of the County, to execute and deliver and attest or approve the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking and to take all action to carry out and comply with the terms of such documents.

Section 4. The distribution of the Preliminary Official Statement by the Underwriter is hereby approved, and the Official Statement in substantially the form of the Preliminary Official Statement, with such changes or revisions therein from the form of the Preliminary Official Statement as may be approved by the Chairman of the Board or any other member of the Board executing the same, is hereby approved, and the Chairman of the Board or any other member of the Board is hereby, authorized, empowered and directed, in the name and on behalf of the County, to execute and deliver the same to the Underwriter and to execute and deliver instruments confirming that the Preliminary Official Statement is "deemed final" in accordance with Securities and Exchange Commission Rule 15(c)2-12.

Section 5. The Trustee (including in its capacity as Seller) is hereby requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking and the sale and execution and delivery of the Obligations and is further authorized and directed to enter into such agreements as may be reasonable for the administration of the trusts so held by it.

Section 6. The covenants and agreements contained the Purchase Agreement as to the pledge of and the lien on the Excise Taxes Revenues and the restriction on the issuance of further parity obligations secured by the Excise Taxes Revenues are hereby approved and confirmed.

Section 7. The County Manager, the Finance Director and the other officers of the County, on behalf of the County, are each hereby authorized and directed, without further

order of the Board, to do all such acts and things and to execute and deliver all such certificates, proceedings, agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the County, to evidence compliance with, or further the purposes of, all the terms and conditions of this Resolution and the consummation of the transactions contemplated by the Preliminary Official Statement and the Official Statement and as may be necessary to carry out the terms and intent of this Resolution.

Section 8. All actions of the officers and agents of the County which conform to the purposes and intent of this Resolution and which further the sale and execution and delivery of the Obligations as contemplated by this Resolution whether heretofore or hereafter taken are hereby ratified, confirmed and approved.

Section 9. If any section, paragraph, clause or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 10. After any of the Obligations are delivered by the Trustee to the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Obligations and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

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PASSED, ADOPTED AND APPROVED, by the Board of Supervisors of Gila County, Arizona, on September 15, 2009.

GILA COUNTY, ARIZONA

By. Shirley L. Dawson
Chairman, Board of Supervisors

ATTEST:

By. Marian Sheppard, Chief Deputy
Clerk, Board of Supervisors

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