AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Resolution; Regarding Gunnison Valley Hospital, an

Action Requested:

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Please see attached documentation regarding the GVH bond request.

Fiscal Impact:

Submitted by: Josh Ost **Submitter's Email Address:** jost@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No fiscal impact to Gunnison County, doesn't constitute a general obligation debt, rather the Bonds are secured by the net revenues of GVH as detailed in the Resolution document.

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 8/9/2017

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 8/10/17 EXCEPT: The packet includes a Resolution for the BOCC. Content of the Resolution is ok, but format is not. We will prepare this document in the proper format. db

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 8/10/2017 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 8/10/2017

( ) Consent Agenda (●) Regular Agenda ( ) Worksession Time Allotted: 10

Agenda Date: 8/15/2017

Revised April 2015

NOTICE OF INTENT TO ISSUE REVENUE REFUNDING BONDS

To: Gunnison County, Board of County Commissioners

From: Board of Trustees for the Gunnison Valley Hospital

Date: August 9, 2017

Pursuant to and in accordance with Section 25-3-304(4)(b), Colorado Revised Statutes, notice is hereby given to the Board of County Commissioner (the "BOCC") of a pending revenue refunding and improvement bond issue (the "Bonds") by the Board of Trustees (the "Trustees") for the Gunnison Valley Hospital (the "Hospital"). The Bond is to be privately placed with BBVA Compass and to be issued in the principal amount of not to exceed $22,500,000, and are for the purpose of refunding the Hospital's Revenue Bonds, Series 2010, and providing financing for additional capital improvements of the Hospital. Concurrently with the delivery of this Notice, the Hospital has provided the BOCC with the relevant authorizing documents and other materials concerning the authorization, issuance, terms and sale of the Bond.

Accordingly, the Trustees hereby respectfully request that the County adopt a resolution, the form of which has been previously provided to the County, approving the Bond. We appreciate your consideration of this matter, and of course will make ourselves available for any questions the County may have concerning the Bond.

BOARD OF TRUSTEES FOR THE
GUNNISON VALLEY HOSPITAL

Chief Executive Officer

BBVA Compass

Gunnison Valley Health
Summary of Indicative Terms and Conditions
for the Proposed Tax Exempt Financing (Private Placement)
July 3, 2017

This summary of indicative terms and conditions is not a commitment to lend, purchase, or to provide any other service related to a financing. This summary of indicative terms and conditions is intended as an outline of certain of the material terms of a proposed financing and is not intended to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive documents, and is subject to, among other things, completion of due diligence.

Borrower: Gunnison Valley Health, a Gunnison County entity (hereafter referred to as "GVH").

Lender: Compass Bank and Compass Mortgage Corporation (the "Lender" or the "Bank").

Jay McKeown, Senior Vice President
Commercial Banking
102 S. Tejon St., Ste. 340
Colorado Springs, CO 80903
Ph: (719) 329-3254
jay.mckeown@bbva.com

Obligation Type: Tax Exempt Net Revenue Obligation

Obligation Amounts:
1. Up to $5,925,000 (the "Refunding")
2. Up to $16,981,866 (the "Construction Financing")

The Obligations, collectively and individually, hereinafter referred to as the "Obligations" or the "Financings".

Purpose:
1. To refund existing indebtedness of the Series 2010 Bonds
2. To construct 50-bed skilled nursing facility adjacent to the hospital grounds, within Gunnison County Colorado

Construction Period: Construction Financing proceeds will be made available to draw either:

Option 1: upfront and placed in a Construction Account, for a period of up to 12 months from Closing. or ;
Option 2: monthly advances subject to receipt of a) qualified Invoice(s) from the construction contractor and b) review of work completed, for a period of up to 12 months from Closing.

In either Option, work progress will be monitored by a qualified construction monitoring firm, mutually determined by GVH and the Lender.

Maturity: The Obligations will mature up to 12 years from closing.

Repayment: After the Construction Phase, and at the option of the Borrower, the Obligations will amortize over either 20 years or 25 years, calling for semiannual interest payments due on each January 1 and July 1 over the Obligation's tenor and annual principal payments on each July 1. Principal payment terms are on the basis of the request contained in the RFP.

Interest Rate:	**Option 1:** Outstanding amounts under this Option will bear interest at a Tax Exempt Fixed Rate equal of 2.62% for a 20-year amortization or 2.63% for a 25-year amortization. This rate is indicative and subject to change daily depending on market conditions. **Option 2:** Outstanding amounts under this Option will bear interest at a Tax Exempt Fixed Rate equal of 2.85% for a 20-year amortization or 2.87% for a 25-year amortization. This rate is indicative and subject to change daily depending on market conditions.
Upfront Origination Fee:	$15,000
Targeted Closing:	July 31, 2017 or as requested by GVH.
Prepayment:	Obligations are not subject to optional redemption prior to the 5rd anniversary of the loan closing, after which time GVH may prepay the loan without penalty.
Security:	Net Revenue Pledge, pari passu with all other debts of GVH
Covenants:	• Minimum of 90 Days Cash on Hand to be measured annually on 12/31; • Debt Service Coverage Covenant of 1.25x on the Obligation and other parity debt; and • No additional debt without Lender's consent.
Representations/ Warranties/ Covenants:	The documents will contain those representations and warranties and covenants customarily found in transactions of this nature, and others appropriate to the transaction, including but not limited to: • Standard representations including but not limited to: no adverse litigation and Borrower has not defaulted or non-appropriated on past obligations. • Default rate of 5.00% over the Obligation's proposed rate. Default rate to apply if payment is not made within 10 days of due date in addition to other events of default. • No material adverse change in financial condition since fiscal year ended 12/31/16. • Notices of (i) any default on any obligation, (ii) material litigation, (iii) material governmental proceedings and (iv) material adverse effect. • Designation as bank-qualified, if applicable. • Bank will sign a traveling "Big Boy" letter in form acceptable to Bank's counsel. Bank will agree that any future transferee of the Obligation signs a "Big Boy" letter in the substantially the same form that the Bank signed prior to any transfer. • Additional representations and warranties, and other affirmative and negative covenants that Bank considers customary and reasonably appropriate for the Credit Facility. This Obligation is being purchased by BBVA Compass under the following conditions: (i) not being registered or otherwise qualified for sale under the "Blue Sky" laws; (ii) the Lender will hold as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Obligation; (iv) no official Statement or similar offering document has been prepared in connection with the private placement of this Obligation; (v) the Obligation will not close through the DTC or any similar repository and will not be in book entry form. Obligation must be able to be classified as a loan or held-to-maturity security in order to be acceptable to the Lender. **Note, all of the foregoing are subject to Lender's receipt and satisfactory review.*

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Financial Reporting:

- Annual audited financial statements due within 210 days of fiscal year end.
- Annual approved operating budget due within 30 days of fiscal year end.
- Annual Certification of GVH due within 210 days of FYE that GVH has met the 1.25x rate coverage covenant.
- GVH shall furnish at Lender's request such additional information that Lender may from time to time reasonably request.

Closing Costs: GVH will pay all reasonable, out-of-pocket costs and expenses incurred by Lender in connection with due diligence and the preparation of documentation, regardless of whether or not the Obligation is closed, including but not limited to, financial advisory fees if applicable, bond counsel and Lender's counsel fees. Lender would engage Erich Kennedy of Dinsmore & Scholl LLP (Denver) as its legal counsel. Lender counsel's cost would be limited to $12,500.

Tax Exempt Status : The tax exempt interest on the credit facilities will be subject to "gross up" requirements upon the occurrence of an Event of Taxability (see below definition) caused by the actions or inactions of Montecito. No increase in the interest rate of the credit facilities will occur due to a change in the corporate tax rate. The lender will require receipt of an unqualified written opinion of counsel acceptable to the lender in all respects which shall include, without limitation, an opinion that the interest of the credit facilities is excludable from gross income for federal income tax purposes.

Event of Taxability: "Event of Taxability" means that the Borrower has violated its tax covenants in the bond documents or tax agreement and, as a result thereof, there has been rendered a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest payable on the obligation is includable in the gross income for federal income tax purposes of the Initial Purchaser or its assignees pursuant to Section 103(b) of the Internal Revenue Code and the rules and regulations promulgated thereunder. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such appeal or action has expired." An Event of Taxability will not result due to changes that occur in the federal tax code.

Capital Adequacy The interest rate on the credit facility will not be subject to increase in the event of the adoption or taking effect or change of, any laws, regulations, rules, guidelines, directives or treaties (including without limitation any promulgated under the Dodd Frank Wall Street Reform Act and Consumer Protection Act of 2010 or by the Basel Committee on Banking Supervision. Whether or not having the force of law adversely affecting the Lender's after-tax yield regardless of the date adopted, enacted or issued.

Cost of Funds: The rate on the obligation will not be subject to adjustment by the Initial Purchaser or its assignees pursuant to a Cost of Funds adjustment or similar provision.

Conditions Precedent: Prior to the consummation of the Credit Facility, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Lender and its counsel.

- Opinion addressed to the Bank, from counsel to Borrower reasonably acceptable to the Bank, setting forth such opinions as the Bank may require, including opinions concerning

the legal status of Borrower, the due authorization, execution and delivery of the Obligation documents, the enforceability of the private placement documents, no conflict with law, no litigation, and the receipt of all necessary governmental approvals.

- Tax Opinion addressed to the Bank from counsel reasonably acceptable to the Bank that interest payable with respect to the debt service payments is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Service Code and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for purposes of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings.
- Properly executed documents in form and substance satisfactory to Bank and/or Bank's counsel evidencing or supporting the Obligation. In terms of service level commitment, Lender's counsel will respond with initial comments within 7 business days of receiving draft legal documents from bond counsel, and within 5 business days of receiving any subsequent iteration of the legal documents.

Ancillary Business: The structure, pricing, and terms contained herein are conditioned upon the establishment of a banking relationship that includes the opportunity to reasonably bid on ancillary financial services in good faith.

Governing Law: This transaction shall be governed by and construed in accordance with the laws of the State of Colorado.

Expiration: This Term Sheet shall expire by 5:00pm (MDT) on 8/15/17 unless previously accepted.

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This Term Sheet is issued in reliance on the accuracy of all information, representations, schedules, and other data and materials submitted by Borrower, all of which are deemed material. This Term Sheet does not contain all of the terms and conditions or other provisions that may be included in the final documents evidencing the Obligation, and is issued at a time before Lender has undertaken a full business, credit, and legal analysis of Borrower and the Obligation.

The terms and provisions of this correspondence are confidential and may not be disclosed by Borrower to any other person or entity. However, the foregoing restrictions on disclosure shall not apply to disclosure(s): (i) to Borrower's legal counsel or financial advisor for purposes of advising Borrower with respect hereto and provided, however, that such counsel and financial advisor agree to preserve the confidentiality of this correspondence; or (ii) in response to any properly issued subpoena from any court or other governmental authority with jurisdiction over Borrower, provided that Lender has been furnished reasonable advance notice of the intended disclosure and the opportunity to prevent or limit the scope of any such disclosure. This Term Sheet is intended for the sole and exclusive benefit of Borrower and Lender and may not be relied upon by third parties.

It is the Bank's understanding that the terms and conditions presented here will be binding upon acceptance from Gunnison Valley Health for a period of up to 60 days upon acceptance.

Sincerely,
BBVA COMPASS

Jay McKeown, Relationship Manager

Agreed and Accepted:

_____, _____

_____

By:
Its:

Date: _____

Break-Funding Fee Calculation

If Borrower elects to not go through with the Financing after rate lock other than due to a Force Majeure Event (as defined below), Borrower shall pay to Bank a break-funding fee equal to the Annual Yield Differential (as defined below) multiplied by the Percent Being Prepaid (as defined below), multiplied by the Average Remaining Outstanding Principal Amount (as defined below) multiplied by the number of days the Financing was to be outstanding (the "Maturity Date"), divided by 360.

The "Annual Yield Differential" is the difference (but not less than zero) between the U.S. Treasury yield (from the Federal Reserve daily H.15 report) on the maturity closest to the final maturity of the note at time of rate lock, and the U.S Treasury yield (from the Federal Reserve daily H.15 report) on the maturity closest to the final maturity of the note at the date of notification of election to not enter into the Financing. The Average Remaining Outstanding Principal Amount of the loan is defined as the simple average of the original principal loan balance and the loan balance due at the maturity date. The Percent Being Prepaid shall be determined by dividing the principal amount being prepaid by the existing principal loan amount.

If treasury rates are equal or higher, the customer will incur no charge. The Federal Reserve H.15 report for treasury rates can be accessed from the Fed's website currently @
<http://www.federalreserve.gov/releases/h15/current/default.htm>.

Loan amount at origination: $5.0 million
Final maturity: 15 years
Amount Remaining at Maturity: $0.0
15-year US Treasury Rate at time of rate lock: 2.50%

Scenario: 15 days prior to closing and funding, the customer elects to not enter into the financing after previously locking the rate. 15-year Treasury rate at the time of notification is 2.45%.

Prepayment Fee Calculation:
Annual Yield Differential = 5 bps (2.50% - 2.45%)
Percent Being Prepaid = 100%
Average Remaining Outstanding Principal Amount = $2.5 million (average of existing $5.0 million and $0 at maturity)
Days to Maturity / 360 = 15.21 ((15 x 365)/360)
Break Funding Fee = .05% * 100% * $2.5 million * 15.21 = $19,010.42

"Force Majeure Event" means acts of God; acts of public enemies; orders of any kind of the government of the United States of America or the State of California or any political subdivision thereof, or any of their departments, agencies or officials; any outbreak of civil or military insurrections, riots or epidemics; landslides; lightning; earthquake; fire; hurricanes; tornadoes; floods; or any other cause or event not insurable or reasonably within the control of Borrower which makes Borrower unable to consummate the Financing or perform its obligations thereunder.

RESOLUTION

A RESOLUTION OF BOARD OF TRUSTEES FOR THE GUNNISON VALLEY HOSPITAL, GUNNISON COUNTY COLORADO, AUTHORIZING THE ISSUANCE AND SALE OF ITS HOSPITAL REVENUE REFUNDING AND IMPROVEMENT BOND, SERIES 2017, PROVIDING FOR THE SOURCES OF PAYMENT OF THE SERIES 2017 BOND, AND PROVIDING OTHER DETAILS CONCERNING THE 2017 BOND AND THE FACILITIES.

WHEREAS, the Board of Trustees for the Gunnison Valley Hospital (the "Issuer") is a duly and regularly created, established, organized, and existing public hospital board created by Gunnison County, Colorado (the "County") pursuant to Title 25, Article 3, Part 3, C.R.S. (the "Hospital Act"), and existing as such under and pursuant to the constitution and laws of the State of Colorado; and

WHEREAS, pursuant to the Hospital Act, the Issuer operates certain hospital facilities and properties currently known as the Gunnison Valley Hospital and Gunnison Valley Health Senior Care Center (collectively, and as further defined herein, the "Facilities"); and

WHEREAS, the Issuer has heretofore determined that the Facilities constitute an enterprise for purposes of Article X, Section 20 of the Colorado Constitution ("TABOR"); and

WHEREAS, for the purpose of financing the costs of capital improvements to the Facilities, funding a reserve fund, and paying costs in connection therewith, the Issuer previously obtained a loan from Wells Fargo Bank, National Association ("Wells Fargo"), with the prior consent of the County, in the original principal amount of $7,535,000 and currently outstanding in the aggregate principal amount of $5,515,000 (as more particularly defined hereafter, the "2010 Loan") which 2010 Loan is evidenced by a revenue bond (the "2010 Bond"); and

WHEREAS, the terms and conditions of the Loan are set forth in that certain Loan Agreement dated as of August 27, 2010, as amended (the "2010 Loan Agreement"); and

WHEREAS, for the purpose of synthetically fixing the variable rate element of the interest on the 2010 Loan (i.e., the 65% of LIBOR component of the Index and not the Base Margin, as such terms are defined in the 2010 Loan Agreement), the Issuer entered into an interest rate exchange agreement with Wells Fargo, as counterparty thereto (the "Interest Rate Exchange Agreement"); and

WHEREAS, the Issuer has previously executed and delivered, with the prior consent of the County, its "Board of Trustees for the Gunnison Valley Hospital, Gunnison County, Colorado, Hospital Revenue Refunding Bonds, Series 2012," originally issued in the aggregate principal amount of $5,720,000, and currently outstanding in the aggregate principal amount of $3,850,000 (the "2012 Bonds"); and

WHEREAS, the Issuer is not delinquent in the payment of the principal of and interest on the 2010 Bond, the Interest Rate Exchange Agreement or the 2012 Bonds; and

WHEREAS, the 2010 Bonds and the 2010 Loan are subject to prepayment, in whole or in part, on any date, upon the payment of the principal amount of the 2010 Loan so prepaid plus accrued interest to the prepayment date, and in connection with any prepayment, and as a condition thereof, the Issuer shall also simultaneously terminate a notional amount of the Interest Rate Exchange Agreement; and

WHEREAS, the Issuer has determined, and hereby determines, that it is necessary and in the best interest of the County, the Hospital and its residents and taxpayers that the Issuer exercise its option to prepay the 2010 Bonds on the first date at which such optional prepayment is available, and to terminate the Interest Rate Exchange Agreement (the "Refunding Project"); and

WHEREAS, the Board also hereby determines that there is a need for equipping, furnishing, remodeling and renovating certain of its facilities (the "Improvement Project"); and

WHEREAS, the Issuer intends to issue its Hospital Revenue Refunding and Improvement Bonds, Series 2017 (the "2017 Bond" or the "Bonds") to defray in part the cost of the Refunding Project and Improvement Project; and

WHEREAS, after soliciting a request for proposals for a private placement purchaser, the Issuer has determined to privately place the Bonds with Compass Mortgage Corporation, an affiliate of Compass Bank (the "Purchaser"); and

WHEREAS, the Purchaser is (a) an Accredited Investor or (b) a "qualified institutional buyer," as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (a "Qualified Institutional Buyer"); and

WHEREAS, amounts payable under the 2010 Bond, the 2012 Bonds and the Interest Rate Exchange Agreement (excluding Termination Payments) are secured by a pledge of the Net Revenues (as herein defined) of the Facilities; and

WHEREAS, except for the 2010 Bond, the 2012 Bonds, and the Interest Rate Exchange Agreement, the Issuer has not pledged nor in any way hypothecated revenues derived and to be derived directly or indirectly from the operation of the Facilities to the payment of any securities or for any other purpose (excluding securities which have heretofore been redeemed in full, as to all principal, premium, if any, and interest, or are otherwise not outstanding) and with the result that the Net Revenues may now be pledged lawfully and irrevocably for the payment of the 2017 Bond on a parity with the 2012 Bond, and the 2017 Bonds and 2012 Bonds may be made payable from the Net Revenues; and

WHEREAS, the Issuer is authorized by Title 11, Article 56, C.R.S., (the "Refunding Act") to issue revenue refunding bonds to refund, pay or discharge all or any part of its outstanding revenue bonds for the purpose of reducing interest costs, effecting a change in any particular year or years in the principal and interest payable thereon or in the related utility rates to be charged, effecting other economies, or modifying or eliminating restrictive contractual

limitations appertaining to the issuance of additional bonds [or to any municipal water facilities or sewerage facility or both; and

WHEREAS, the Issuer deems it necessary and advisable to issue the 2017 Bonds to provide funds to finance the Refunding Project and the Improvement Project; and

WHEREAS, pursuant to Article X, Section 20 of the Colorado Constitution, the 2017 Bonds may be issued without voter approval since the Facilities constitute an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Issuer is authorized by Article X, Section 20 of the Colorado Constitution, and the Refunding Act to issue bonds without an election; and

WHEREAS, the Issuer has determined, and does hereby determine, that the limitations of the Hospital Act and the Refunding Act imposed upon the issuance of the 2017 Bonds for the Refunding Project and the Improvement Project have been met and that the Refunding Project and the Improvement Project both serve a valid governmental purpose and are necessary, expedient and in the best interests of the Issuer and its customers and constituents, and the residents and taxpayers; and

WHEREAS, the Issuer expects to negotiate a proposal with the Purchaser, concerning the purchase of the 2017 Bonds; and

WHEREAS, pursuant to Section 11-57-203, Colorado Revised Statutes, as amended, the Issuer desires to delegate to any of the Chair of the Board of Trustees, the Chief Executive Officer or the Chief Financial Officer the independent power to accept the proposal to purchase the 2017 Bonds and to determine the rate of interest on the 2017 Bonds, the redemption provisions of the 2017 Bonds, the price at which the 2017 Bonds will be sold, the aggregate principal amount of the 2017 Bonds to be issued and the amount of principal maturing, or subject to mandatory redemption, in any particular year; and

WHEREAS, there are on file with the Issuer the forms of the following documents: (i) the proposal from the Purchaser; and (ii) form of Paying Agent Agreement; and

WHEREAS, it is necessary to provide for the form of the Bonds, the Bond details, the payment of the Bonds, and other provisions relating to the authorization, issuance, and sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES FOR THE GUNNISON VALLEY HOSPITAL, IN THE COUNTY OF GUNNISON, STATE OF COLORADO:

Section 1. Definitions. The terms in this section defined for all purposes of this Resolution and of any resolution amendatory hereof or supplemental hereto, or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication herein otherwise requires, shall have meanings herein specified:

"Accredited Investor" means any Person who or which is an "accredited investor", as that term is defined under Rule 501 of Regulation D of the federal "Securities Act of 1933" by regulation adopted thereunder by the securities and exchange commission.

"Advance Procedures" means those conditions precedent and other terms and provisions as set forth in that certain Construction Monitoring and Disbursement Agreement, dated the Closing Date, by and between the Issuer and the Purchaser, providing for the terms, provisions, and conditions upon which the Issuer may request and receive advances from the Construction Fund to fund the Improvement Project.

"Bonds" or "2017 Bonds" means the Issuer's "Hospital Revenue Refunding and Improvement Bonds, Series 2017" authorized by this Resolution.

"Bond Fund" or "2017 Bond Fund" means the "2017 Bond Fund" which is created in Section 20B hereof.

"Business Day" means a day of the year, other than a Saturday or Sunday, other than a day on which commercial banks located in the city in which the principal corporate trust office of the Paying Agent is located are required or authorized to remain closed and other than a day on which the New York Stock Exchange is closed.

"Capital Leases" means leases used to finance equipment for or additions, extensions or improvements to the Facilities which are determined to be a capital lease pursuant to generally accepted accounting principles.

"Closing Date" means the date of delivery of and payment for the Bonds.

"Combined Maximum Annual Principal and Interest Requirements" shall be the largest sum of principal and interest coming due on the Bond and all other Parity Obligations then Outstanding and on the proposed Parity Obligations in any Fiscal Year during the period extending from the date of the proposed Parity Obligations to the final principal payment date of the Bonds.

"Commercial Bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation (or any successors thereto) and of the Federal Reserve System, which has a capital and surplus of $10,000,000 or more, and which is located within the United States of America.

"Construction Fund" shall mean the account by that name established by Section 20H hereof.

"Construction Period" means the period from the Closing Date through and including the date that is 17 months after the Closing Date.

"County" means Gunnison County, Colorado.

"Default Rate" has the meaning ascribed in the Sale Certificate.

"Events of Default" means the events stated in Section 28 hereof.

"Event of Taxability" means that the Issuer has violated its tax covenants in this Resolution or the Tax Certificate and, as a result thereof, there has been rendered a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest payable on the Bonds is includable in the gross income for federal income tax purposes of the initial Purchaser (or any successor of the initial Purchaser in its capacity as purchaser of the Bond) pursuant to Section 103(b) of the Tax Code and the rules and regulations promulgated thereunder. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such appeal or action has expired.

An Event of Taxability does not include (i) changes to the regulatory environment or required regulatory capital applicable to the Bank; or (ii) changes to the Initial Purchaser's marginal corporate tax rate.

"Facilities" means all of presently existing real and personal property used by the Issuer for hospital or health care purposes, the enlargement, other improvement and equipment thereof (including the Project) and all other real and: personal property acquired hereafter for use by the Issuer for hospital or health care purposes.

"Federal Securities" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Fiscal Year" for the purposes of this Resolution means the twelve months commencing on the first day of January of any calendar year and ending on the last day of December of such calendar year; but it may mean any other 12-month period which any appropriate authority hereafter may establish for the Facilities.

"Hospital Act" means the Hospital Act, being Title 25, Article 3, Part 3, C.R.S., as amended from time to time.

"Improvement Project" means the constructing, equipping, and furnishing of certain Facilities of the Issuer; more specifically being an approximately 50-bed skilled nursing facility.

"Income Fund" means the "Gross Income Fund" which was created in 1998 Resolution and continued pursuant to Section 19 hereof.

"Independent Accountant" means any registered or certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State of Colorado, appointed and paid by the Issuer, who (1) is, in fact, independent and not under the domination of the Issuer, (2) does not have any substantial interest, direct or indirect, with the Issuer, and (3) is not connected with the Issuer as an officer or employee of the Issuer, but who may be regularly retained to make annual or similar audits of the books or records of the Issuer.

"Insured Bank" means a bank which is a member of the Federal Deposit Insurance Corporation.

"Issuer" means the Board of Trustees for the Gunnison Valley Hospital, a body corporate located in the County of Gunnison and State of Colorado.

"Net Revenues" means the Revenues less the Operation and Maintenance Expenses.

"Operation and Maintenance Expense" means all reasonable and necessary current expenses of the Issuer and the Facilities, paid or accrued, of operating, maintaining and repairing the Facilities and includes, at the option of the Issuer, except as limited by law, without limitation:

(a) engineering, auditing, reporting, legal and other overhead expenses of the Issuer directly related and reasonably allocable to the administration, operation and maintenance of the Facilities;

(b) fidelity bonds and property and liability insurance premiums relating to the Facilities, or a reasonably allocable share of a premium of any blanket bonds or policy relating to the Facilities;

(c) payments to pension, retirement, health and hospitalization funds, and other insurance, and to any self-insurance fund as insurance premiums not in excess of the premiums which would otherwise be required for such insurance;

(d) any general taxes, assessments, excise taxes or other charges which may be lawfully imposed on the Issuer, the Facilities, the Revenues, or any privilege in connection with the Facilities or their operation;

(e) the reasonable charges of any paying agent or depositary bank relating to the Bond, the Parity Obligations, and any other securities payable from the Net Revenues or otherwise relating to the Facilities;

(f) contractual services, professional services, salaries, other administrative expenses, and costs of materials, supplies, repairs and labor, relating to the Facilities or to the issuance of the Bond or any other securities relating to the Facilities;

(g) the costs incurred by the Issuer in the collection and any refunds of all or any part of the Net Revenues;

(h) any lawful refunds of any Revenues;

(i) all other administrative, general and commercial expenses of the Issuer or the Facilities; but

(i) excluding any allowance for depreciation;

(ii) excluding any costs of extensions, enlargements, betterments and other improvements (or any combination thereof);

(iii) excluding any reserves for major capital replacements (other than normal repairs);

(iv) excluding any reserves for operation, maintenance or repair of the Facilities;

(v) excluding any allowance for the redemption of the Series 1998 Bonds, the Bond, or other security evidencing a loan or other obligation, or the payment of any interest thereon, or any prior redemption premium due in connection therewith;

(vi) excluding Capital Leases;

(vii) excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any facilities (or any combination thereof) relating to the Facilities, or otherwise; and

(viii) excluding any liabilities incurred by the Issuer as the result of its negligence in the operation of the Facilities or any other ground of legal liability not based on contract.

"Outstanding" when used with reference to the Bonds or any other designated securities and as of any particular date means all the Bonds or any such other securities payable from the Net Revenues or otherwise relating to the Facilities, as the case may be, in any manner theretofore and thereupon being executed and delivered:

(a) Except any Bond or other security canceled by the Issuer, by the Paying Agent or otherwise on the Issuer's behalf, at or before such date;

(b) Except any Bond or other security the payment of which is then due or past due and moneys fully sufficient to pay which are on deposit with the Paying Agent;

(c) Except any Bond or other security for the payment or the redemption of which moneys at least equal to the principal, interest and redemption premium, if any due on the date of maturity or to any redemption date, shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 26 hereof; and

(d) Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to Section 9 hereof.

"Parity Obligations" means the 2012 Bonds and any bonds or other obligations hereafter issued with a lien on the Net Revenues on a parity with the lien thereon of the Bonds issued in accordance with the provisions of Section 23 or 24 hereof.

"Paying Agent" means the paying agent as set forth in the Sale Certificate, which paying agent shall be a Commercial Bank, and any successor Commercial Bank as paying agent.

"Paying Agent Agreement" means the agreement between the Issuer and the Paying Agent.

"Person" means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State of Colorado, or any other body corporate and politic other than the Issuer), partnership, limited liability company, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

"Project" means the Improvement Project and the Refunding Project.

"Purchaser" means BBVA Compass, the initial purchaser of the Bonds.

"Purchase Contract" means any bond purchase agreement or other contract between the Issuer and the Purchaser concerning the purchase of the Bonds.

"Redemption Date" means the first date or dates on which the 2010 Bonds may be prepaid as specified in the Sale Certificate.

"Refunded Bonds" means all of the outstanding 2010 Bonds.

"Refunded Bond Requirements" means the payment of (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same become due on and after the date of delivery of the Bonds and on and before maturity, prior redemption or prepayment on the Redemption Date; (ii) principal of the Refunded Bonds upon maturity, prior redemption or prepayment on the Redemption Date; and (ii) the payment of any amounts required to terminate the Interest Rate Exchange Agreement.

"Refunding Act" means the Public Securities Refunding Act, being Title 11, Article 56, Colorado Revised Statutes, as amended from time to time.

"Refunding Project" the payment of the Refunded Bond Requirements and the payment of the costs of issuing the Refunding Bonds.

"Regular Record Date" means the 15th day of the calendar month (whether or not a Business Day) next preceding each regularly scheduled principal and interest payment date of the Bonds.

"Reserve Fund" means the "2017 Reserve Fund" created in Section 20C hereof.

"Reserve Fund Requirement" means as of any date on which it is calculated, the least of (a) 10% of the principal amount of the Bonds, (b) the maximum annual debt service in any calendar year on the Bonds, or (c) 125% of the average annual debt service on the Bonds; provided, however, that the Reserve Account Requirement may be reduced if, in the opinion of Bond Counsel, the funding or maintenance of it at the level otherwise determined pursuant to this

definition will adversely affect the exclusion from gross income tax for federal income tax purposes of interest on any of the Bonds, or such other amount as set forth in the Sale Certificate and such amount may be zero.

"Revenues" means the patient fees (whether paid by the patient or by any other party) and other charges payable by or on behalf of the patients of the Facilities and all revenue, rents and income derived by the Issuer from the ordinary operation of the Facilities including all gifts, donations, pledges, grants, legacies, bequests, demises and contributions heretofore or hereafter made and the income derived therefrom except as excluded under clause (i) below, and proceeds of business interruption insurance, but excluding (i) gifts, donations, pledges, grants, legacies, bequests, demises and contributions heretofore or hereafter made and designated or specified by the donor or maker thereof as being for a specific purpose (other than for the purpose of paying the debt service on indebtedness or operation and maintenance expenses, determined in accordance with generally accepted accounting principles), and the income derived therefrom to the extent restricted by such designation or specification. "Revenues" shall not include any revenues received by the Issuer which are attributable to ad valorem taxes.

"Sale Certificate" means a certificate executed by any of the Chair, the Chief Executive Officer or the Chief Financial Officer dated on or before the date of delivery of the Bonds, setting forth (i) the rate or rates of interest on the Bonds; (ii) the conditions on which and the prices at which the Bonds may be called for redemption; (iii) the existence and amount of any capitalized interest or reserve fund; (iv) the price at which the Bonds will be sold; (v) the aggregate principal amount of the Bonds; (vi) the amount of sinking fund/principal of the Bonds maturing on each year; and (vii) the dates on which principal and interest will be paid and the first interest payment date; all subject to the parameters and restrictions contained in this Resolution. The Sale Certificate shall also set forth the Paying Agent.

"Special Record Date" means a special date fixed to determine the names and addresses of registered owners of the Bonds for purposes of paying principal and interest on a special principal and interest payment date, all as further provided in Section 5B hereof.

"Subordinate Obligations" means bonds or obligations which have a lien on the Net Revenues that is subordinate and junior to the lien thereon of the Bonds and any Parity Obligations.

"Supplemental Act" means the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S., as amended from time to time.

"Tax Code" means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and the regulations promulgated thereunder.

"Taxable Rate" means the taxable rate to be borne by the Bonds upon the occurrence of an Event of Taxability as set forth in the Sale Certificate.

"2010 Bond" means "Board of Trustees for the Gunnison Valley Hospital, Gunnison County, Colorado, Hospital Revenue Bond, Series 2010," which 2010 Bond was privately purchased by Wells Fargo Bank, National Association.

"2012 Bond" means "Board of Trustees for the Gunnison Valley Hospital, Gunnison County, Colorado, Hospital Revenue Refunding Bonds, Series 2012, which 2012 Bond was privately purchased by CoBiz Bank.

Definitions of other terms appear throughout this Resolution.

Section 2. Ratification. All action heretofore taken (not inconsistent with the express provisions of this Resolution) by the Issuer and officers of the Issuer directed toward the Project and toward the authorization, sale and issuance of the Bonds to the Purchaser as herein authorized be, and the same hereby is, ratified, approved and confirmed.

Section 3. Necessity of Project and Bonds. It is necessary and for the best interests of the Issuer and the inhabitants thereof that the Issuer effect the Project and defray the cost thereof by issuing the Bonds therefor; and it is hereby so determined and declared.

Section 4. Authorization of Project and Bonds.

A. In accordance with the Constitution and laws of the State of Colorado, the Hospital Act, the Refunding Act, and the provisions of this Resolution, and for the purpose of protecting the public health, conserving the property and advancing the general welfare of the inhabitants of the Issuer, and for the purpose of defraying the cost of the Project, the Issuer shall issue its fully registered revenue Bonds to be designated "Board of Trustees for the Gunnison Valley Hospital (Gunnison County, Colorado) Hospital Revenue Refunding and Improvement Bonds, Series 2017" in the aggregate principal amount provided in the Sale Certificate, subject to the parameters and restrictions contained in this Resolution. The Bonds shall constitute the special obligation of the Issuer, payable solely from the Net Revenues.

B. Section 11-57-204 of the Supplemental Act provides that a public entity, including the Issuer, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Issuer hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

C. Section 11-57-205 of the Supplemental Act provides that a public entity may delegate to any member of the issuing authority, chief executive officer, or chief financial officer of the public entity the authority to sign a contract for the purchase of the securities or to accept a binding bid for the securities, such delegation to be effective for one year after adoption of the act of issuance. The Issuer hereby delegates and authorizes any of the Chair, the Chief Executive Officer or the Chief Financial Officer to execute and deliver the proposal and the Sale Certificate and to make and approve the final determinations contained therein for the Bonds, subject to the parameters and restrictions of this Resolution.

Section 5. Bonds Details.

A. The Bonds shall be issued in fully registered form (*i.e.* registered as to payment of both principal and interest), initially registered in the name of the Purchaser. The Bonds shall be dated as of the date of delivery, and shall be issued in denominations of $5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the

principal coming due on any maturity date and no individual Bond may be issued for more than one maturity or interest rate).

B. The Bonds shall mature, be payable, bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable to the registered owners of the Bond from their date to maturity or prior redemption, be subject to redemption and be sold, all as provided in the Sale Certificate; provided that:

(i) the Bonds shall mature no later than July 1, 2030;

(ii) the Bonds shall be subject to redemption prior to maturity, whether optional or mandatory, pursuant to the terms of the Sale Certificate;

(iii) the net effective interest rate on the Bonds shall not exceed 8.25%;

(iv) the aggregate principal amount of the Bonds shall not exceed $22,500,000; and

(v) the maximum annual and total repayment cost of the Bonds shall not exceed $22,100,000 and $44,100,000 respectively.

Interest on the Bonds shall be payable semiannually on each January 1 and July 1, commencing on the date provided in the Sale Certificate.

Additionally, the Chair, the Chief Executive Officer and the Chief Financial Officer are individually granted the authority, as set for the in the Sale Certificate, to determine the amount of any Reserve Fund, which amount may be zero.

C. The principal on any Bond shall be payable to the registered owner thereof as shown on the registration books kept by the Registrar, upon maturity or prior redemption of the Bonds and, except as otherwise set forth herein, upon presentation and surrender at the Principal Office. If any Bond shall not be paid upon such presentation and surrender at maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full.

Payment of interest on any Bond shall be made to the registered owner thereof by check, draft or wire, sent by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the registered owner thereof at its address as it last appears on the registration books kept by the Registrar on the Record Date; but, any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner thereof on the Record Date and shall be payable to the Person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of such defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such registered owner as shown on the Registrar's

registration books on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent (provided, however, that the Issuer shall not be required to make funds available to the Paying Agent prior to the dates specified in the Paying Agent Agreement). All such payments shall be made in lawful money of the United States of America, without deduction for services of the Registrar or Paying Agent.

Section 6. Prior Redemption.

A. Optional Redemption. The Bonds are subject to redemption prior to maturity at the option of the Issuer as set forth in the Sale Certificate.

B. Mandatory Sinking Fund Redemption. The Bonds shall be subject to mandatory sinking fund redemption at the times, in the amounts, and at the prices set forth in the Sale Certificate.

If there is more than one registered owner of the Bonds, on or before the thirtieth day prior to each sinking fund payment date, the Registrar will proceed to call the Bonds (or any Bond issued to replace such Bond) for redemption from the sinking fund on the next July 1, and give notice of such call without further instruction or notice from the Issuer.

If there is more than one registered owner of the Bonds, at its option, to be exercised on or before the sixtieth day next preceding each sinking fund redemption date, the Issuer may (a) deliver to the Registrar for cancellation Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Bonds subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the Issuer on such sinking fund redemption date and the principal amount of Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The Issuer will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) above are to be availed with respect to such sinking fund payment. Failure of the Issuer to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this Section.

C. Notice of Redemption. The Issuer shall give written instructions concerning any optional prior redemption of Bonds to the Registrar at least 60 days prior to the redemption date; provided, however, that the Registrar may waive this requirement if instructions are given in time for notice to be given to the registered owners of the Bonds. Notice identifying the Bonds or portions thereof to be redeemed shall be given by the Registrar by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than 60 nor less than 30 days

prior to the date fixed for redemption, to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration records maintained by the Registrar. Failure to give such notice by mailing to any registered owner of any Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Actual receipt of mailed notice by the registered owner of any Bond shall not be a condition precedent to the redemption of such Bond or any other Bond. The principal amount so redeemed will be payable upon presentation and surrender of the Bond at the Paying Agent, and accrued interest to the redemption date will be paid by check or draft mailed to the registered owner (or by alternative means if so agreed to by the registered owner and the Paying Agent). All Bonds so called for redemption will cease to bear interest after the specified redemption date.

In addition to the foregoing notice, further notice may be given by the Paying Agent in order to comply with the requirements of any securities depository holding the Bonds but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Notwithstanding the provisions of this Section, any notice of optional redemption shall either (a) contain a statement that the redemption is conditioned upon the receipt by the Paying Agent on or before the redemption date of funds sufficient to pay the redemption price of the Bonds so called for optional redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Purchaser of the Bonds called for redemption in the same manner as the original redemption notice was mailed, or (b) be given only if funds sufficient to pay the redemption price of the Bonds so called for optional redemption are on deposit with the Paying Agent in the applicable fund or account.

So long as the Purchaser is the sole owner of 100% of the Bonds, the Purchaser shall not be required to present or surrender the Bonds to the Paying Agent to receive payment in connection with a mandatory sinking fund redemption, but shall be required to surrender such Bond on the final maturity date thereof to receive payment of the final principal payment thereof.

D. Redemption in Part. In the event a Bond is of a denomination larger than $5,000, a portion of such Bond may be optionally redeemed, but only in the principal amount of $5,000 or integral multiples thereof, and the Registrar shall, without charge to the registered owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

Section 7. Uniform Commercial Code. Subject to the provisions made or necessarily implied herein, the Bonds shall be fully negotiable, and shall have all the qualities of negotiable paper, and the registered owner thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 8. Execution.

A. Method of Execution. The Bonds shall be signed and executed by the manual or facsimile signature of the Chair of the Issuer and sealed with a facsimile or manual impression the seal of the Issuer and countersigned and attested by the manual or facsimile

signature of the Secretary-Treasurer. The Bonds shall be authenticated by the manual signature of the Registrar as hereafter provided. The Bonds bearing the manual or facsimile signatures of the officers in office at the time of the authorization thereof shall be the valid and binding obligations of the Issuer (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery thereof and payment therefor, or before the issuance thereof upon transfer, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices.

B. Certificate of Authentication. The Bonds shall not be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar.

Section 9. Provisions Relating to Registration, Transfer, Replacement and Cancellation of and Registration Records for the Bonds.

A. Registration Records - Transfer - Authentication. Records for the registration and transfer of the Bonds shall be kept by the Registrar, which is hereby appointed by the Issuer as registrar (i.e., transfer agent) for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Bonds may be exchanged at the principal office of the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such exchanges and transfers of Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the registered owner requesting such exchange or transfer.

B. Times When Transfer Not Required. The Registrar shall not be required to transfer or exchange (i) all or any portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days before the day of the mailing by the Registrar of notice calling any Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing, or (ii) all or any portion of a Bond after the mailing of notice calling such Bond or any portion thereof for prior redemption.

C. Payment - Registered Owner. The person in whose name the Bonds shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided in Section 9B hereof; and payment of or on account of either principal or interest on the Bonds shall be made only to or upon the written order of the registered owner thereof or his or her legal representative, but such registration may be changed upon transfer of the Bonds in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon the Bonds to the extent of the sum or sums so paid.

D. Replacement Bonds. If the Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it may reasonably require, authenticate and deliver a replacement Bond of a like aggregate principal amount and of the same tenor. If the Bonds shall have matured, the Registrar may direct the Paying Agent to pay such Bonds in lieu of replacement.

E. Cancellation of Bonds. When the Bonds shall be surrendered to the Registrar upon payment thereof, or to the Registrar for transfer or replacement as provided herein, the Bonds shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the Issuer.

Section 10. Successor Registrar or Paying Agent. The Registrar or Paying Agent may resign at any time on 30 days' prior written notice to the Issuer. The Issuer may remove said Registrar or Paying Agent upon 30 days' prior written notice to the Registrar and/or Paying Agent, as the case may be. No resignation or removal of the Registrar or Paying Agent shall take effect until a successor has been appointed; provided, that if no successor is appointed by the end of 90 days, the Paying Agent or Registrar may petition a court of competent jurisdiction to appoint a successor. If the Registrar or Paying Agent initially appointed shall resign, or if the Issuer shall remove said Registrar or Paying Agent, the Issuer may, upon notice mailed to each Registered Owner of any Bond, at the address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareowners' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than $50,000,000 or shall be an officer of the Issuer. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the Issuer shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder. So long as the initial Purchaser is the sole owner of the Bonds, it shall have the right to approve of any successor Paying Agent it is reasonable discretion.

Any company or national banking association into which the Registrar or Paying Agent may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Registrar or Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible, shall be the successor to such Registrar or Paying Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 11. Special Obligation. The Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of the Net Revenues and the Bond Fund and the Reserve Fund, which are irrevocably so pledged; the registered owner thereof may not look to any general or other fund for the payment of the principal of or interest on the Bonds, except the designated special funds pledged therefor; and the Bonds shall not constitute an indebtedness or be considered or held to be a general obligation of the Issuer.

Section 12. Forms of Bonds. Certificate of Authentication. Assignment and Prepayment Panel. The Bonds, Registrar's Certificate of Authentication, Form of Assignment and

the Prepayment Panel shall be in substantially the following forms (provided that any of the text on the face of the Bonds may, with appropriate reference, be printed on the back of the Bonds):

(FORM OF BOND)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF GUNNISON

No. R- _____ $_____

BOARD OF TRUSTEES FOR THE GUNNISON VALLEY HOSPITAL
HOSPITAL REVENUE REFUNDING AND IMPROVEMENT BONDS
SERIES 2017

INTEREST RATE	MATURITY DATE	DATED AS OF
		[_____], 2017

REGISTERED OWNER: [_____]

PRINCIPAL AMOUNT: DOLLARS

The Board of Trustees for the Gunnison Valley Hospital (the "Issuer") in Gunnison County and the State of Colorado for value received, hereby promises to pay from the special funds and accounts hereafter designated, but not otherwise, to the Registered Owner named above, or registered assigns, on the maturity date specified above, the principal amount specified above, and in like manner to pay interest on such principal amount at the interest rate per annum specified above, payable semiannually on January 1 and July 1 each year, commencing on [_____], 2017, until such principal amount is paid, unless this Bond shall have been previously called for redemption (including by mandatory sinking fund redemption) and payment shall have been duly made. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond. This Bond is one of an authorized series issued pursuant to a resolution of the Issuer adopted on [_____], 2017 (the "Bond Resolution"). This Bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Bond Resolution and Sale Certificate. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Bond Resolution. Except as otherwise provided in the Bond Resolution, the principal of this Bond is payable upon presentation and surrender hereof to the principal office of the Paying Agent. Interest on this Bond will be paid on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), by check or draft mailed to the person in whose name this bond is registered in the registration records of the Issuer maintained by the Registrar at the principal office and at the address appearing thereon at the close of business on the Regular Record Date (or by such other means as may be permitted by the Bond Resolution).

The Bonds of which this Bond is one are all of like date, tenor, and effect except as to number, principal amount, interest rate, date of maturity, and optional prior redemption, and are issued by the Issuer, for the purpose of financing the Project, under the authority of and in full conformity with the Constitution and laws of the State of Colorado, and pursuant to the duly adopted Bond Resolution.

THE BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF COLORADO, THE HOSPITAL ACT, THE REFUNDING ACT, THE SUPPLEMENTAL PUBLIC SECURITIES ACT AND PURSUANT TO THE BOND RESOLUTION. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, SECURED BY THE NET REVENUES. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THE ISSUER, THE COUNTY, THE STATE OF COLORADO OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE ISSUER, THE COUNTY, THE STATE OF COLORADO NOR ANY OF THE POLITICAL SUBDIVISIONS THEREOF IS LIABLE THEREFOR. NEITHER THE MEMBERS OF THE ISSUER NOR ANY PERSONS EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE FOR THIS BOND.

It is certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the Issuer in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution of the State of Colorado, and with the Bond Resolution and any resolutions supplemental thereto; and that this Bond does not contravene any Constitutional or statutory limitation.

It is also certified, recited, and warranted that the Bonds are issued under the authority of Title 11, Article 56, C.R.S., Title 11, Article 57, C.R.S., and the Bond Resolution. It is the intention of the Issuer, as expressed in the Bond Resolution, that pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Reference is made to the Bond Resolution for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds, the receipt and disposition of the Net Revenues, the nature and extent of the security, the terms and conditions under which additional bonds payable from the Net Revenues may be issued, the rights, duties and obligations of the Issuer, the rights of the owners of the Bonds, the events of default and remedies, the circumstances under which any Bond is no longer Outstanding, and the ability to amend the Bond Resolution; and by the acceptance of this Bond the owner hereof assents to all provisions of the Bond Resolution. The principal of and the interest on this Bond shall be paid, and this Bond is transferable, free from and without regard to any equities between the Issuer and the original or any intermediate owner hereof or any setoffs or cross-claims.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the certificate of authentication hereon shall have been manually signed by the Registrar.

IN TESTIMONY WHEREOF, the Board of Trustees for the Gunnison Valley Hospital has caused this Bond to be signed by the manual or facsimile signature of the Chair of

the Board, sealed with a manual or facsimile impression of the seal of the Board, and attested by the manual or facsimile signature of the Secretary, all as of date specified above.

BOARD OF TRUSTEES FOR THE
GUNNISON VALLEY HOSPITAL

(Manual or Facsimile Signature)
Chair, Board of Trustees

(SEAL OR FACSIMILE)

COUNTERSIGNED AND ATTESTED:

(Manual or Facsimile Signature)
Secretary

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication)

REGISTRAR'S CERTIFICATE OF

AUTHENTICATION

Date of Authentication: _____

This is the Bond described in the within-mentioned Resolution, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

[PAYING AGENT], as Registrar

_____

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Registrar, with full power of substitution in the premises.

_____
Signature

Dated: _____

Signature Guaranteed:

_____
Signature must be guaranteed by a member
of a Medallion Signature Program

Address of Transferee:

_____

_____

_____

Social Security or other tax
identification number of transferee:

_____

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

(End of Form of Assignment)

Section 13. Reserved.

Section 14. Period of Refunding Project's Usefulness. It is hereby determined and recited that the period of usefulness of the facilities to be acquired with the proceeds of the Bonds (i.e. the Refunding Project) is not less than twenty-five years from the date of the Bonds.

Section 15. Sale and Delivery of Bonds and Initial Registration. The Issuer hereby agrees to sell the Bonds to the Purchaser. The Registrar shall register the Bonds in the name of the Purchaser or Cede and Co., as appropriate. When the Bonds has been duly executed, authenticated, registered and sold, the Issuer shall deliver or cause to be delivered the Bonds to the Purchaser on receipt of the agreed purchase price.

Section 16. Disposition of Bond Proceeds. An amount shall be credited from the proceeds of the Bonds to Wells Fargo Bank, National Association, as initial purchaser of the Refunded Bonds, and to Wells Fargo Bank, National Association, as the provider of the Interest Rate Exchange Agreement, which is sufficient to fully pay, discharge and defease all obligations of the Issuer under the Refunded Bonds, and the Interest Rate Exchange Agreement and effect the Refunding Project.

The remainder of the proceeds of the Bonds shall be deposited into the Construction Fund and disbursed from time to time upon requisition and in accordance with the Advance Procedures for use to pay the costs of the Improvement Project and the costs of issuance of the Bonds.

Section 17. Use of Proceeds. Except as herein otherwise specifically provided, the proceeds derived from the sale of the Bonds shall be used and paid solely for the purpose of the Refunding Project and the Improvement Project.

Section 18. Purchaser Not Responsible. The validity of the Bonds is not dependent on nor affected by the validity or regularity of any proceedings related to the completion of the Project. The Purchaser of the Bonds, and any subsequent owner of any Bonds, shall in no manner be responsible for the application or disposal by the Issuer or by any officer or any employee or other agent of the Issuer of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 19. Income Fund. So long as the Bonds and any Parity Obligations shall be Outstanding, either as to principal or interest, or both, the Revenues shall be set aside and deposited monthly into a separate account hereby continued and which is known as the "Gross Income Fund" (but referred to herein as the Income Fund).

Section 20. Administration of Income Fund. So long as the Bonds and any Parity Obligations shall be Outstanding, either as to principal or interest or both, the following payments shall be made monthly from the Income Fund:

A. Operation and Maintenance Expenses. First, as a first charge thereon, there shall be held therein moneys sufficient to pay Operation and Maintenance Expenses as they become due and payable, and thereupon they shall be promptly paid.

B. Bond Fund. Second, the aforesaid provisions from any moneys remaining in the Income Fund, i.e., from the Net Revenues, there shall be credited to a separate account hereby created and held by the Paying Agent known as the "2017 Bond Fund", concurrently and on a *pari passu* basis with amounts required to meet the payment of principal and interest with respect to any Outstanding Parity Obligations, the following amounts:

(1) Monthly, concurrently and on a *pari passu* basis with amounts required to meet the payment of interest with respect to any Outstanding Parity Obligations, commencing on the first Business Day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the next maturing installment of interest on the Bonds, and monthly thereafter commencing on said interest payment date one-sixth of the amount necessary to pay the next maturing installment of interest on the Bonds; and

(2) Monthly, concurrently and on a *pari passu* basis with amounts required to meet the payment of principal with respect to any Outstanding Parity Obligations, commencing on the first Business Day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the next maturing installment of principal of the Bonds and monthly thereafter commencing on such principal installment payment date one-twelfth of the amount necessary to pay the next maturing installment of principal of the Bonds.

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subparagraphs (1) or (2) (whichever is applicable) of this paragraph may be appropriately reduced; and the required monthly amounts again shall be so credited to such account commencing on such interest payment date or principal installment payment date (whichever is applicable).

C. Reserve Fund. Third, and if such a fund is required as provided in the Sale Certificate, after making the transfers required to be made to the Bond Fund and any similar fund established for Outstanding Parity Obligations, there shall be credited monthly from the remaining Net Revenues, concurrently and on a *pari passu* basis with any reserve fund established for any Parity Obligations, to a separate account hereby created and to be known as the "2017 Reserve Fund", such amount as shall be necessary, together with the moneys credited thereto, to accumulate (and reaccumulate if necessary), in the Reserve Fund a continuing reserve in an amount not less than the Reserve Fund Requirement. The moneys in the Reserve Fund shall continue to be accumulated and maintained as a continuing reserve to be used, except as provided in this Resolution, only to prevent deficiencies in the payment of the principal of and the interest on the Outstanding Bonds resulting from the failure to deposit in the Bond Fund sufficient funds to pay such principal and interest as the same accrue. No payment need be made into the Reserve Fund at any time so long as the moneys therein equal not less than the Reserve Fund Requirement.

The Reserve Fund may be funded from cash, investments, or a reserve fund surety bond, or a combination of cash, investments and a reserve fund surety bond. In addition, a reserve fund surety bond can be substituted for all or any part of the cash or investments at any

time on deposit in the Reserve Fund, or cash or investments can be substituted for all or any part of a reserve fund surety bond. Any reserve fund surety bond on deposit in the Reserve Fund shall be valued at the amount available to be drawn on it. Repayments to the provider of any reserve fund surety bond shall have the same priority as payments into the Reserve Fund.

D. Termination Upon Deposits to Maturity. No payment need be made into the Bond Fund and the Reserve Fund if the amount in the Bond Fund and the Reserve Fund totals a sum at least equal to the entire amount of the Outstanding Bonds, both as to principal and interest to its final maturity, and both accrued and not accrued, in which case, moneys in said fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such amounts as the same accrue and any moneys in excess thereof in said fund shall be used in any lawful manner determined by the Issuer.

E. Payment for Additional Obligations. Fourth, any balance remaining in the Income Fund shall be used by the Issuer for the payment of interest on and the principal of Subordinate Obligations, if any, heretofore or hereafter authorized to be issued and payable from the Net Revenues as the same accrue or for any payments with respect to any reserve fund for such additional Subordinate Obligations, including payments relating to reimbursements (including but not limited to drawdowns, interest and costs) of any credit facilities utilized with respect to any such reserve fund e.g., a debt service reserve surety bonds.

F. Rebate Fund. Fifth, from amounts remaining in the Income Fund after making the payments hereinabove provided shall be credited, on a *pari passu* basis, to any rebate fund established with respect to Outstanding Parity Obligations, and to a separate account created hereby created and to be known as the "2017 Rebate Fund," if necessary to comply with Section 148 of the Tax Code and the regulations promulgated thereunder. The Issuer shall apply such funds, if any, in the Rebate Fund to the extent necessary to comply with the Issuer's covenants under Section 25Q hereof to make payments to the United States. Payments into similar rebate accounts for Parity Obligations shall be made concurrently (but not necessarily simultaneously) with payments into the Rebate Fund.

G. Use of Surplus Revenues. After making the payments hereinabove required to be made by paragraphs A through F of this Section and after any payments which may be required by any resolution hereafter adopted relating to the payment of Subordinate Obligations, the remaining Revenues derived from the operation of the Facilities, if any, may be applied to any other lawful purpose or purposes authorized by the Constitution and laws of the State of Colorado as the Issuer may direct.

H. Construction Fund.

(a) A special fund is hereby created and established with the Purchaser to be designated as the "Gunnison Valley Hospital, Hospital Revenue Refunding Improvement Bonds, Series 2017, Construction Fund." The Construction Fund will be a restricted depository account, such that the Issuer shall not commingle or deposit any other funds with the monies deposited in the Construction Fund and withdrawals may be made only upon requisition in accordance herewith and with the Advance Procedures.

(b) Proceeds of the Bonds in the amount designated in the Sale Certificate shall be deposited with the Purchaser in the Construction Fund and utilized for the Improvement Project. Moneys on deposit in the Construction Fund shall be disbursed to the Issuer by the Purchaser during the Construction Period, upon receipt of and pursuant to the form of requisition (the "Requisition") attached hereto as **Exhibit A**, and otherwise in accordance with the Advance Procedures. The Purchaser shall pay such Requisition within 5 Business Days of receipt.

(c) All income earned from the investment of moneys in the Construction Fund shall be transferred to the Base Rentals Fund; provided, however, income from the Construction Fund may be transferred to the Rebate Fund if required by Section 20F hereof.

(d) Any moneys held in the Construction Fund shall be invested by the Purchaser at the direction of the Issuer and as provided in Section 21 below.

Section 21. General Administration of Funds. The funds and accounts designated in Sections 16, 19 and 20 of this Resolution shall be administered as follows (other than the Construction Fund, which shall be administered in accordance with the provisions of Section 20):

A. Investment of Money. Any moneys in the Income Fund, Bond Fund, Reserve Fund, and Rebate Fund and not needed for immediate use shall be invested or reinvested by the Issuer in permitted investments. All such investments shall (a) either be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or (b) mature not later than the estimated date or respective dates on which the proceeds are to be expended as estimated by the Chief Financial Officer at the time of such investment or reinvestment; provided that (1) Investment Securities credited to the Reserve Fund shall not mature later than ten years from the date of such investment or reinvestment and (2) collateral securities of any Investment Securities may have a maturity of more than five years from the date of purchase thereof. For the purpose of any such investment or reinvestment, Investment Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

B. Deposits of Moneys. The moneys and investments comprising each of the funds hereinabove designated in Sections 16, 19 and 20 of this Resolution shall be maintained and kept separate from all other funds and accounts in an Insured Bank or Insured Banks. Each payment shall be made into the proper bank account and credited to the proper fund not later than the last day designated; provided that when the designated date is a Saturday, Sunday or a legal holiday, then such payment shall be made on the next preceding secular day. Nothing herein shall prevent the establishment of one such bank account or more (or consolidation with any existing bank account), for all of the funds and accounts in Sections 16, 19 and 20 of this Resolution.

Section 22. Lien on Net Revenues; Equality of Bonds. The Bonds constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the Net Revenues on a parity with the lien thereon of the Parity Obligations.

The Bonds and any Parity Obligations heretofore or hereafter authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bonds and any other such Parity Obligations, it being the intention of the Issuer that there shall be no priority among the Bonds and any such Parity Obligations regardless of the fact that they may be actually issued and delivered at different times, except that (a) moneys in the Bond Fund and Reserve Fund shall secure only the Bonds and the moneys in any acquisition, bond, reserve or similar funds established for Parity Obligations shall secure only such Parity Obligations and (b) Parity Obligations may have a lien on Net Revenues on a parity with the lien thereon of the Bonds even if no reserve fund is established for such Parity Obligations or a reserve fund is established but with a different requirement as to the amount of moneys (or the value of a reserve fund insurance policy with respect to such Parity Obligations) required to be on deposit therein or the manner in which such reserve fund is funded or the period of time over which such reserve fund is funded or additional or separate revenues are also pledged to such Parity Obligations.

Section 23. Additional Bonds and Other Obligations.

A. Limitations Upon Issuance of Parity Obligations. Except as provided in Section 24 relating to the consent right of the Purchaser, nothing herein prevents the issuance by the Issuer of additional securities payable from the Net Revenues and constituting a lien thereon on a parity with, but not prior nor superior to, the lien thereon of the Bonds; but before any such additional Parity Obligations, except as provided in Section 24 hereof, are authorized or actually issued:

(1) Absence of Default. At the time of the adoption of the resolution authorizing the issuance of the additional securities, the Issuer shall not be in default in making any payments of principal of or interest on Parity Obligations.

(2) Historic Earnings Test. The Net Revenues derived in any consecutive twelve month period within the eighteen months immediately preceding the date of issuance of the additional Parity Bonds shall be not less than 110% of the Combined Maximum Annual Principal and Interest Requirements of the Outstanding Bonds, any Outstanding Parity Obligations and the Parity Obligations proposed to be issued, except as hereinafter otherwise expressly provided.

(3) Reduction of Annual Requirements. The respective annual bond requirements (including as such the amount of any prior redemption premiums due on any redemption date) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any commercial trust bank, including the known minimum yield from any investment in Federal Securities and any bank deposits, including any certificate of deposit.

B. Adjustment of Expenses and Revenues. In determining whether or not the additional Parity Obligations may be issued as aforesaid, the Issuer may, but shall not be required to do both of the following:

(1) Adjust Operation and Maintenance Expenses to reflect any probable increase or reduction in Operation and Maintenance Expenses that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional Parity Obligations; and

(2) Adjust the Revenues if, during said Fiscal Year, any schedule of fees, rates and other service charges with respect to the Facilities shall have been adopted and shall have become effective, by an amount estimated by the Issuer to equal the difference between the Revenues actually received by the Issuer and the Revenues which the Issuer probably would have received during said Fiscal Year if the last of any such schedule of fees, rates and other service charges had been in effect during said entire Fiscal Year.

C. Certification or Opinion of Earnings. A written certification by the Chief Financial Officer of the Issuer, that such Net Revenues are sufficient to pay the specified amounts shall be conclusively presumed to be accurate in determining the right of the Issuer to authorize, issue, sell and deliver said additional bonds or other obligations on a parity with the Bonds. Notwithstanding the foregoing, if the Issuer elects to apply paragraph B of this Section an Independent Accountant shall certify such adjustments.

D. Subordinate Obligations Permitted. Nothing in this Resolution contained shall be construed in such a manner as to prevent the issuance by the Issuer of additional bonds or other obligations payable from the Net Revenues and constituting a lien upon the Net Revenues subordinate, inferior and junior to the lien of the Bonds.

E. Superior Obligations Prohibited. Nothing herein contained shall be construed so as. to permit the Issuer to issue bonds or other obligations payable from the Net Revenues having a lien thereon prior and superior to the lien of the Bonds.

Section 24. Refunding Bonds. The provisions of Section 23 hereof are subject to the following exceptions:

A. Privilege of Issuing Refunding Obligations. If at any time after any of the Bonds shall have been issued and remains Outstanding, the Issuer shall find it desirable to refund any Outstanding bonds or other Outstanding obligations payable from the Net Revenues, said bonds or other obligations, or any part thereof, may be refunded (but only with the consent of the registered owner or owners thereof, unless the bonds or other obligations at the time of their required surrender for payment (i) shall then mature or (ii) shall then be callable for prior prepayment or redemption at the Issuer's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Net Revenues is changed (except as provided in paragraph E of Section 23 and in paragraphs B, C and D of this Section).

B. Limitations Upon Issuance of Parity Refunding Obligations. The Issuer may issue any refunding securities payable from Net Revenues to refund any Outstanding Bonds, Parity Obligations or any subordinate securities hereafter issued, with such details as the Issuer may by resolution provide so long as there is no impairment of any contractual obligation imposed upon the Issuer by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding securities of any one or more issues; but so long as the Bonds, or any part

thereof, are Outstanding, refunding securities payable from Net Revenues may be issued on a parity with the unrefunded Bonds only if:

(1) Prior Consent. The Issuer first receives the consent of the Owner or Owners of the unrefunded portion of the Bonds; or

(2) Requirements Not Increased. The Combined Maximum Annual Principal and Interest Requirements for the Bonds and Parity Obligations Outstanding immediately after the issuance of the refunding securities is not greater than the Combined Maximum Annual Principal and Interest Requirements for all Bonds and Parity Obligations Outstanding immediately prior to the issuance of the refunding securities and the lien of any refunding Parity Bonds on the Net Revenues is not raised to a higher priority than the lien thereon of any securities thereby refunded; or

(3) Earnings Test. The refunding securities are issued in compliance with Section 23 hereof.

C. Refunding Part of an Issue. The refunding bonds or other obligations so issued shall enjoy complete equality of lien with the portion of any bonds or other obligations of the same issue which is not refunded, if any there be; and the registered owner or owners of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the registered owner or owners of the bonds or other obligations of the same issue refunded thereby.

D. Consent of Purchaser. Notwithstanding the provisions in this Resolution relating to the issuance of additional bonds and other obligations, including Refunding Bonds, so long as the Purchaser is the 100% owner of all of the Bonds then Outstanding, the Issuer shall obtain the written consent of the Purchaser prior to the issuance of any additional bonds or other obligations payable from or secured by the Net Revenues; except that the Issuer may incur Capital Leases less than or equal to $500,000 annually without the Purchaser's prior consent.

Section 25. Protective Covenants. The Issuer hereby covenants and agrees with the registered owners of the Bonds that:

A. Payment of Bonds. The Issuer will promptly pay the principal of and the interest on the Bonds at the place, on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof. Such principal and interest are payable solely from the Net Revenues, and nothing in the Bonds or in this Resolution shall be construed as obligating the Issuer to pay the principal or interest of the Bonds from, and the registered owner thereof may not look to, any general or other fund except the income which is pledged under the provisions of this Resolution.

B. Use Charges. Rates, fees and other charges for all services rendered by the Facilities shall be reasonable and just, taking into account and consideration the cost and value of the Facilities and the proper and necessary allowances for the depreciation thereof and the amounts necessary for the retirement of all bonds and other securities or obligations payable from the Revenues, accruing interest thereon, and reserves therefor. There shall be charged such rates,

fees and other charges as shall be adequate to meet the requirement of this and the preceding Sections hereof, and which shall be sufficient, to produce Revenues in each Fiscal Year to pay the Operation and Maintenance Expenses (including for purposes of this paragraph payments on Subordinate Obligations and Capital Leases) for such Fiscal Year and at least one hundred twenty-five percent (125%) of both the principal of and interest on the Bonds and any other Parity Obligations payable during such Fiscal Year from the Net Revenues (excluding the reserves therefor), all of which Revenues shall be subject to distribution to the payment of the Operation and Maintenance Expenses and the payment of principal of and interest on all obligations payable from the Revenues of the Facilities, including reasonable reserves therefor.

C. Cash on Hand. The Issuer shall maintain minimum liquidity, measured as of the conclusion of each Fiscal Year, equal to 90 Days Cash on Hand. *"Days Cash on Hand"* means the quotient equal to (i) total unrestricted cash and cash equivalents of the enterprise constituting the Facilities as of the conclusion of such Fiscal Year *divided by* (ii) the quotient equal to the Operation and Maintenance Expenses for such Fiscal Year divided by the number of days in such Fiscal Year.

D. Levy of Charges. The Issuer will forthwith and in any event prior to the delivery of the Bonds fix, establish and levy the rates, fees and other charges which are required by paragraph B of this Section, if such action is necessary.

E. Records. Proper books of record and account will be kept by the Issuer showing complete and correct entries of all transactions relating to the Facilities. Such books shall include (but not necessarily be limited to) monthly records showing:

(1) the Revenues received from the Facilities; and

(2) a detailed statement of the expenses of the Facilities.

F. Right to Inspect. The registered owner of the Bonds, or any duly authorized agent or agents of such registered owner, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the Facilities and all properties comprising the Facilities, and the Issuer shall provide to the Purchaser from time to time such information as the Purchaser may reasonably request regarding the Facilities and the operation thereof.

G. Audits, Budgets and Monthly Financial Statements. The Issuer further agrees that it will have the Issuer's books and records relating to the Facilities (including the operations of Gunnison Valley Hospital and Gunnison Valley Health Senior Care Center), on a consolidated and consolidating basis, audited annually by an Independent Accountant as soon as practicable after the close of each Fiscal Year of the Issuer, and shall furnish within 210 days after the end of each Fiscal Year of the Issuer to the Purchaser of the Bonds, a copy of the audit report certified by such Independent Accountant. All expenses incurred in the making of the audits and reports required by this Section shall be regarded and paid as an Operation and Maintenance Expense. The Issuer agrees that it will furnish to the Purchaser of the Bonds, monthly unaudited financial statements of the Issuer for the first three quarters of each Fiscal Year of the Issuer within 30 days after the close of such quarter including a statement of income,

in each case in comparative form with the financial figures from the corresponding period in the preceding Fiscal Year. The Issuer shall also provide the Purchaser a copy of the Issuer's annually adopted consolidated budget within two weeks of completion, but not later than 30 days following the immediately preceding Fiscal Year end, and monthly internally prepared financial statements as soon as practicable after the end of each calendar month. With the delivery of the audited financial statements as required hereby, the Issuer shall deliver to the Purchaser a compliance certificate, in form reasonably acceptable to the Purchaser, executed by the Chief Financial Officer of the Issuer, in his or her capacity as such, and not individually, certifying as to the Issuer's compliance with the provisions of the Section 25.B. and 25.C., and providing in reasonable detail calculations of the debt service and liquidity requirements from information as set forth in such audited financial statements.

H. Charges and Liens upon Facilities. The Issuer will not create or suffer to be created any lien or charge upon the Facilities or upon the Revenues therefrom except as permitted by this Resolution, or it will make adequate provisions to satisfy and discharge within sixty days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Facilities or upon the Revenues therefrom; provided, however, that nothing herein shall require the Issuer to pay or cause to be discharged, or make provision for any such tax, assessment, lien or charge before the time when payment thereof shall be due or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

I. Insurance. The Issuer will carry fire and extended coverage insurance, loss of use insurance, worker's compensation insurance, public liability insurance, medical malpractice insurance and other types of insurance with respect to the Facilities in such amounts and to such extent as is normally carried with respect to facilities of like character and size. The cost of such insurance shall be considered as an Operation and Maintenance Expense. In the event of property loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged, any remainder shall be treated as Net Revenues and subject to distribution in the manner provided hereinabove in Section 20 hereof for Net Revenues derived from the operation of the Facilities.

J. Alienating Facilities. The Issuer will not sell, lease, mortgage, pledge, or otherwise encumber, or in any manner dispose of, or otherwise alienate, its interest in the Facilities, or any part thereof, including any and all extensions and additions that may be made thereto, until the Bonds shall have been paid in full, both principal and interest, or there has been defeasance as provided in Section 26 hereof or unless provision has been made therefor, except that the Issuer may sell any portion of said property which shall have been replaced by other property of at least equal value, or which shall cease to be necessary for the efficient operation of the Facilities, but in no manner nor to such extent as might prejudice the security for the payment of the Bonds; provided, however, that in the event of any permitted sale as aforesaid, the proceeds of such sale shall be distributed as Net Revenues in accordance with the provisions of Section 20 hereof. The Issuer will not enter into any agreement prohibiting or limiting its ability to continually pledge the Net Revenues as provided in this Resolution.

K. Surety Bonds. Each official or other person having custody of any funds derived from operation of the Facilities, or responsible for their handling, shall be bonded at all

times, which bonds shall be conditioned upon the proper application of said funds. The cost of each such bonds shall be considered an Operation and Maintenance Expense.

L. Taxes. The Issuer will pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied, assessed upon or in respect to the Facilities, or any part thereof, when the same shall become due, and it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the Facilities.

M. Performing Duties. The Issuer will faithfully and punctually perform all duties with respect to the Facilities required by the Constitution and laws of the State of Colorado and resolutions of the Issuer, including but not limited to the making and collecting of reasonable and sufficient rates, fees and other charges for services rendered or furnished by the Facilities as hereinbefore provided, and the proper segregation of the Revenues and their application to the respective funds.

N. Other Liens. Other than as provided by this Resolution, on the date of issuance of the Bonds there are no liens or encumbrances of any nature whatsoever on or against the Facilities or the Revenues derived or to be derived from the operation of the same.

O. Issuer's Existence. The Issuer will maintain its corporate identity and existence unless another political subdivision by operation of law succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the Issuer and is obligated by law to receive and distribute the Net Revenues in place of the Issuer, without affecting to any substantial degree the privileges and rights of the registered owner of the Bonds.

P. Tax Covenant. The Issuer covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Issuer or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under Colorado laws in effect on the date of delivery of the Bonds. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the Issuer in fulfilling the above covenant under the Tax Code have been met.

Immediately upon the occurrence of an Event of Taxability the Bonds shall bear interest at a per annum rate equal to the Taxable Rate as defined in the Sale Certificate, until such date, if at all, as interest on the Bonds is again exempt from taxation for federal and State income tax purposes, as evidenced by an opinion of Bond Counsel to such effect.

Q. Investments. Any investments made by the Issuer from reserves generated by the Facilities will be made in accordance with prudent investment policies.

R. Improvement Project. The Issuer shall commence the Improvement Project within 30 days of the issuance of the Bonds and shall complete the Improvement Project within 17 months of the issuance of the Bonds.

Section 26. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this Resolution and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the Issuer shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 6 hereof, notice of redemption of such Bond on said Redemption Date, such notice to be given in accordance with the provisions of Section 6 hereof, (b) there shall have been deposited with the Paying Agent or a Trust Bank either moneys in an amount which shall be sufficient, and/or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the Issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or Trust Bank at the same time, shall be sufficient to pay when due the Bond Requirements due and to become due on said Bond on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the Issuer shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 6 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or Trust Bank and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Bond Requirements of said Bond. Neither such securities nor moneys deposited with the Paying Agent or Trust Bank pursuant to this Section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Requirements of said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other Trust Bank, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the Bond Requirements to become due on said Bond on or prior to such Redemption Date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Resolution, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other commercial bank with trust powers.

The release of the obligations of the Issuer under this Section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this Section with respect to all Bonds then Outstanding, this Resolution may be discharged in accordance with the provisions of this Section but the liability of the Issuer in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other Trust Bank as provided in this Section.

Section 27. Delegated Powers. The officers of the Issuer be, and they are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limiting the generality of the foregoing, the execution of such certificates as may reasonably be required by the Purchaser.

Section 28. Events of Default. Each of the following events is hereby an "Event of Default":

A. Nonpayment of Principal. If payment of any installment of the principal of the Bonds shall not be made when the same become due and payable, either at maturity, or by proceedings for prepayment or mandatory sinking fund redemption, or otherwise; or

B. Nonpayment of Interest. If payment of any installment of interest on the Bonds shall not be made when the same becomes due and payable; or

C. Incapable to Perform. If the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

D. Default of Any Other Provision. If the Issuer shall default in the due and punctual performance of its covenants, agreements and provisions contained in the Bonds or in this Resolution on its part to be performed other than with respect to payment of principal or interest on the Bonds and other than the covenant in Section 25P, and if such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the registered owner of the Bonds.

E. Default under the 2012 Bond. An Event of Default under the 2012 Bond or any other Parity Obligations shall constitute an Event of Default hereunder.

Section 29. Remedies of Defaults. Upon the happening and continuance of any of the Events of Default as provided in Section 28 of this Resolution, then and in every case the registered owner of the Bonds, or a trustee or trustees therefor, may proceed against the Issuer, the Issuer, and the agents, officers and employees of the Issuer to protect and enforce the rights of the registered owner of Bonds under this Resolution by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for specific performance of any covenant or agreement contained herein or for an award or execution of any power herein granted for the enforcement of any power, legal or equitable remedy as such registered owner may deem most effectual to protect and enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the registered owner, or to require the Issuer to act as if it were the trustee of an expressed trust, or any combination of such remedies. In addition, during the continuance of any Event of Default, the

Purchaser may withhold any further advances from the Construction Fund. The failure of such registered owner so to proceed shall not relieve the Issuer or any of its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege of such registered owner (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of the registered owner shall not be deemed a waiver of any other right or privilege thereof.

Upon the occurrence of an Event of Default hereunder, interest shall accrue on the outstanding principal amount of the Bonds (commencing on the date of the occurrence of such Event of Default) at the Default Rate. The Default Rate shall remain in effect until such time as the applicable Event of Default is cured to the satisfaction of the Purchaser. The Default Rate shall be applicable only for so long as the Purchaser is owner of 100% of all of the Bonds then Outstanding. Notwithstanding, if the Event of Default solely relates to and results in an Event of Taxability, only the Taxable Rate shall apply.

Section 30. Duties Upon Default. Upon the happening of any of the Events of Default as provided in Section 28 of this Resolution, the Issuer, in addition, will do and perform all proper acts on behalf of and for the registered owner of the Bonds to protect and preserve the security created for the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived from the Net Revenues, so long as the Bonds, either as to principal or interest, are Outstanding and unpaid, shall be paid into the Bond Fund and used for the purposes therein provided. In the event the Issuer fails or refuses to proceed as in this Section provided, the registered owner of the Bonds, after demand in writing, may proceed to protect and enforce the rights of the registered owner as hereinabove provided.

Section 31. Enforcement. The registered owner of the Bonds may, either at law or in equity, by suit, action, mandamus or other appropriate proceedings in any court of competent jurisdiction enforce the payment of the principal of and interest on the Bonds on or after the date on which such payment is due, and may by suit, action, mandamus or other appropriate proceeding enforce and compel the performance of such payment in accordance with the provisions of this Resolution.

Section 32. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 33. Repealer. All resolutions or parts of resolutions inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution or part of any resolution heretofore repealed.

Section 34. Amendment. This Resolution may be amended or supplemented by resolution adopted by the Issuer in accordance with the laws of the State of Colorado, as follows:

A. The Issuer without the consent of or notice to the registered owners of the Bonds, may adopt a resolution supplemental hereto (which supplemental resolution shall thereafter form a part hereof) for any one or more or all of the following purposes:

(1) To add to the covenants and agreements in this Resolution contained other covenants and agreements thereafter to be observed for the protection or benefit of the registered owner of the Bonds;

(2) To cure any ambiguity, to cure, correct or supplement any defect or inconsistent provision contained in this Resolution, or to make any provisions with respect to matters arising under this Resolution or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the owner of the Bonds;

(3) To subject to this Resolution additional revenues, properties or collateral;

(4) In connection with the issuance of Parity Obligations; or

(5) In connection with crediting a reserve fund surety bond to the Reserve Fund.

Notwithstanding, so long as the Purchaser is the 100% owner of the Bonds, the Purchaser shall have the right to consent to any supplement described in clauses (1) or (2).

B. Except as provided in paragraph A of this Section, this Resolution may be amended, without receipt by the Issuer of any additional consideration, but with the written consent of the registered owners of at least 66% of the Bonds then Outstanding (not including Bonds which may be held for the account of the Issuer). No resolution adopted without the written consent of the registered owners of all Outstanding Bonds adversely affected thereby shall have the effect of permitting:

(1) An extension of maturity of any Bond; or

(2) A reduction in the principal amount or interest rate of any Bond; or

(3) The creation of a lien upon Revenues ranking prior to the lien or pledge created by this Resolution; or

(4) A reduction of the principal amount of Bonds required for consent to such amendatory resolution; or

(5) The establishment of priorities as between the Bonds issued and Outstanding under the provisions of this Resolution; or

(6) The modification of or otherwise affecting the rights of the owners of less than all of the Outstanding Bonds.

Section 35. Approvals, Authorizations and Amendments. The form of the Paying Agent Agreement is hereby approved. The Issuer shall enter into and perform its obligations under the Paying Agent Agreement in the form as is on file with the Secretary with only such changes therein as are not inconsistent herewith or, with such changes as may be approved by the Chair, the Chief Executive Officer or the Chief Financial Officer subject to the

parameters and restrictions contained in the Resolution. The Chair is hereby authorized and directed to execute the Paying Agent Agreement. The Secretary is hereby authorized to execute and to affix the seal of the Issuer to the Paying Agent Agreement, and the Chair and Secretary are further authorized to execute and authenticate such other documents, instruments or certificates as are deemed necessary or desirable by bond counsel in order to issue and secure the Bonds. Such documents are to be executed in substantially the forms as are on file with the Secretary, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution. Copies of all of the documents shall be delivered, filed and recorded as provided therein.

The proper officers of the Issuer are hereby authorized and directed to prepare and furnish to bond counsel certified copies of all proceedings and records of the Issuer relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof as such facts appear from the books and records in such officers' custody and control or as otherwise known to them.

The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents. The execution of any instrument by the appropriate officers of the Issuer herein authorized shall be conclusive evidence of the approval by the Issuer of such instrument in accordance with the terms hereof.

Section 36. Resolution Irrepealable. After the Bonds are issued, this Resolution shall be and remain irrepealable until the Bonds and interest thereon shall be fully paid, canceled and discharged as therein provided, or there has been defeasance as provided in Section 26 hereof

Section 37. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or otherwise upon this Resolution against any individual member of the Issuer or any officer, employee or other agent of the Issuer, past, present or future, either directly or indirectly through the Issuer, or the Issuer, or otherwise, whether by virtue of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as part of the consideration of its issuance specially waived and released.

Section 38. Conclusive Recitals. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Bonds shall contain a recital that they are issued pursuant to the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 39. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the Issuer in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Resolution, shall be commenced more than thirty days after the authorization of the Bonds.

Section 40. Execution. This Resolution, immediately upon its final passage, shall be recorded in the resolution book of the Issuer kept for that purpose, and be there authenticated by the signatures of the Chair and the Secretary-Treasurer.

Section 41. Effective Date. This Resolution shall be in full force and effect upon its adoption.

Section 42. Most Favored Nations Clause. In the event that the Issuer enters into any agreement or instrument (or any amendment, supplement, or modification thereto) (each a "Relevant Agreement") under which the Issuer incurs or becomes liable for additional bonds or other obligations, and such Relevant Agreement includes a financial covenant that is more restrictive as to the Facilities than undertaken by the Issuer herein (a "Favored Covenant"), such Favored Covenant will automatically be deemed to be incorporated into this Resolution, and the holder(s) of the Bonds will have the benefit thereof, as if specifically set forth herein, for the duration of such Relevant Agreement. Notwithstanding, (a) no Favored Covenant will be deemed incorporated herein if such incorporation would cause the interest on any of the Bonds to be includable in the gross income of the owners thereof for federal tax purposes and (b) nothing in this Section will be deemed to modify the rate of interest borne by the Bonds.

PASSED AND ADOPTED August 8, 2017.

THE BOARD OF TRUSTEES FOR THE
GUNNISON VALLEY HOSPITAL

By _____
Chair

[SEAL]

Attest:

By _____
Secretary

EXHIBIT A
FORM OF REQUISITION

REQUISITION NO. _____

Date:_____
To: BBVA Compass
Attention: _____

The undersigned representative of the Gunnison Valley Hospital (the "Issuer Representative"), hereby requisitions the following sum from the Construction Fund established under the Resolution, dated as of [_____], 2017 (the "Resolution"), authorizing the Issuer's Hospital Revenue Refunding and Improvement Bonds, Series 2017, and in connection with such request, certifies as follows:

Amount: $_____

Name and Address of Payee:

Describe Nature of Obligation:

The Issuer Representative further certifies that:

(a) the obligation described above has been properly incurred, is a proper charge against the Construction Fund and has not been the basis of any previous withdrawal or requisition;

(b) the disbursement requested is due and payable and will be used for costs of the Project permitted under the Indenture; and

(c) this Requisition No. ___, and the invoices and other materials attached hereto are compliant with the Advance Procedures.

GUNNISON VALLEY HOSPITAL

Date:_____ By:_____
Issuer Representative

STATE OF COLORADO)
) SS.
COUNTY OF GUNNISON)
)
GUNNISON VALLEY HOSPITAL)

I, Bruce Alpern, the Secretary of the Board of Trustees (the "Issuer") of the Gunnison Valley Hospital, do hereby certify that:

B. The foregoing pages are a true and correct copy of a resolution (the "Resolution") passed and adopted by the Issuer at a special meeting held on August 8, 2017.

C. The Resolution was duly moved and seconded and the Resolution was adopted at the meeting of August 8, 2017, by an affirmative vote of not less than two-thirds of the entire membership of the Issuer as follows:

Name	"Yes"	"No"	Absent	Abstain
Ronda Connaway, Chair	X			
Don Haver, Vice Chair	X			
Bruce Alpern	X			
Marla Covey			X	
Polly Oberosler	X			
Chip Christian	X			
Dr. Kathleen Gentry			X	

D. The members of the Issuer were present at such meetings and voted on the passage of such Resolution as set forth above.

E. The Resolution was approved and authenticated by the signature of the Chair, sealed with the Issuer seal, attested by the Secretary of the Issuer and recorded in the minutes of the Issuer.

F. There are no bylaws, rules or regulations of the Issuer which might prohibit the adoption of said Resolution.

G. Notice of the special meeting of August 8, 2017, in the form attached hereto as Exhibit A, was posted not less than twenty-four hours prior to the meeting in accordance with law.

WITNESS my hand and the seal of said Issuer affixed August 8, 2017.

_____
Secretary

(SEAL)

Exhibit A

(Form of Notice of Meeting)

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

RESOLUTION NO: 2017-___

A RESOLUTION REGARDING GUNNISON VALLEY HOSPITAL, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND RESOLUTION AND DELIVERY OF THE NOTICE OF NO OBJECTION

WHEREAS, the Board of Trustees for the Gunnison Valley Hospital (the "Issuer") is a duly and regularly created, established, organized, and existing public hospital board created by Gunnison County, Colorado (the "County") pursuant to Title 25, Article 3, Part 3, C.R.S. (the "Hospital Act"), and existing as such under and pursuant to the constitution and laws of the State of Colorado; and

WHEREAS, pursuant to the Hospital Act, the Issuer operates certain hospital facilities and properties (the "Hospital"); and

WHEREAS, pursuant to Section 25-3-304 (4), C.R.S., the Issuer is authorized to issue revenue bonds, secured by any revenues of the Hospital other than property tax revenues, upon the approval of two-thirds of the entire membership of the Issuer, subject to a review of such bond issue by the Gunnison County Board of County Commissioners (the "Board"); and

WHEREAS, pursuant to Section 25-3-304 (4)(b), C.R.S., the Issuer has provided to the Board written notice (the "Notice") of a pending revenue refunding and improvement bond issue in the aggregate principal amount not to exceed $22,500,000 (the "2017 Bond"), and has further provided the Board with the Issuer's resolution (the "Bond Resolution") and all documents and other information requested in connection therewith; and

WHEREAS, also pursuant to such statute, and except as provided therein, the 2017 Bond may not become effective for a period of thirty days following the adoption of the Bond Resolution authorizing such issuance for the purpose of allowing the Board to review such pending 2017 Bond issue; during said thirty days, the Board may file a written notice with the Issuer stating that the Board has no objection to the pending 2017 Bond issue, and upon receipt of such notice of no objection, the issuance of such revenue bonds shall become effective prior to the expiration of the thirty day period; and

WHEREAS, it is the intent of the County to authorize the execution and delivery of the Bond Resolution and the and the delivery of the foregoing notice of no objection, and to further authorize such issuance and delivery prior to the thirty day period described above so as to facilitate

the issuance of the 2017 Bond in a timely fashion, and to that end this resolution shall constitute the notice of no objection referred to in Section 25-3-304 (4)(b), C.R.S.; and

WHERAS, Compass Bank and Compass Mortgage Corporation (the "Bank"), has submitted a written proposal to purchase the 2017 Bonds subject to terms and conditions set forth in its proposal (the "Proposal"); and

WHEREAS, there is on file with the County the form of Bond Resolution and Proposal.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY, COLORADO:

Section 1. Approval of the 2017 Bond. It is hereby found and determined by the Board that the execution and delivery of the Bond Resolution and the 2017 Bond as described in the Notice is necessary and appropriate and in the best interests of the County and the residents thereof, and the issuance of the 2017 Bond is hereby approved and authorized. The Board hereby determines that: (i) upon adoption this resolution shall constitute the notice of no objection provided for in Section 25-3-304 (4)(b), C.R.S.; (ii) the Issuer shall be entitled to rely upon executed or certified copies hereof as such notice; and (iii) the Bond Resolution and the 2017 Bond may be executed and delivered at any time after the adoption hereof without regard to the thirty day period referred to in such statute.

Section 2. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the Issuer and of the County, not inconsistent with the provisions of this resolution, relating to the authorization, execution, and delivery of the Bond Resolution, the 2017 Bond or other documents in connection with the Bond Resolution and 2017 Bond, are hereby ratified, approved, and confirmed.

Section 3. Repealer. All orders, bylaws, and resolutions of the Issuer, or parts thereof, inconsistent or in conflict with this resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 4. Severability. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution, the intent being that the same are severable.

Section 5. Effective Date. This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this August 15, 2017.

GUNNISON COUNTY, COLORADO

_____

Chairperson, Board of County
Commissioners, Gunnison County

(SEAL)

ATTEST:

_____

County Clerk

STATE OF COLORADO)
) SS. CERTIFICATE OF COUNTY CLERK
COUNTY OF GUNNISON)

I, Kathy Simillion, the Clerk and Recorder of Gunnison County, Colorado (the "County"), do hereby certify as follows:

1. The foregoing pages are a true and correct copy of a resolution (the "Resolution") passed and adopted by the Board of County Commissioners of the County (the "Board") at a regular meeting held on August 15, 2017.

2. The Resolution was duly moved and seconded and the Resolution was adopted at the regular meeting of August 15, 2017, by an affirmative vote of a majority of the members of the Board as follows:

Name	"Yes"	"No"	Absent	Abstain
Phil Chamberland, Chairperson				
John Messner				
Jonathan Houck				

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the Chair of the Board, sealed with the County seal, attested by the County Clerk and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

6. Attached hereto as Exhibit A is a copy of the notice of the regular meeting on August 15, 2017, which notice was posted at least 24 hours before such meeting as provided by law.

WITNESS my hand and the seal of the County affixed this 15th day of August, 2017.

(SEAL)

_____

Clerk and Recorder
Gunnison County, Colorado

Exhibit A

(Form of Notice of Meeting)

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