

At a Regular Meeting of the Commissioners' Court of Tom Green County, Texas, held in the Edd B. Keyes Office Building in San Angelo, Texas, on June 12, 2001, the following were present:

- Clayton Friend, Commissioner Precinct #1
- Karl Bookter, Commissioner Precinct #2
- Jodie R. Weeks, Commissioner Precinct #3
- Richard S. Easingwood, Jr., Commissioner Precinct #4
- Michael D. Brown, County Judge
- Karla Johnston, Deputy County Clerk and Ex-officio Clerk of the Commissioners' Court

The meeting was called to order at 9:31 a.m.

The Pledge of Allegiance was recited and invocation was delivered by Commissioner Weeks.

Motion was made by Commissioner Weeks, seconded by Commissioner Bookter, to approve the Consent Agenda as presented:

- A. Approve the Minutes of the June 5, 2001 Regular meeting and the June 6, 2001 Special Meeting.
- B. Accept the Minutes of Accounts Allowed, approve bills in the amount of \$321,191.90 and approve purchase orders in the amount of \$41,531.21.
- C. Approve the following salary expenditures:

<u>Name</u> <u>Salary</u>	<u>Department</u>	<u>Action</u>	<u>Eff.</u> <u>Date</u>	<u>Grade</u>	<u>& Step</u>
Cruz, Norma L.	District Clerk	Promotion	06/12/01	13/1	\$ 700.08 S/M
Roberts, Veloris A.	District Clerk	Promotion	06/12/01	10/1	\$ 603.73 S/M
Rodriguez, Penney J.	Juv. Detention	Rehire	06/12/01	STBY	\$ 5.50 HR
Grimaldo, Johnny S.	Purchasing	Promotion	06/05/01	21/1	\$1039.35 S/M

and acknowledge the following as a matter of record:

Wamer, Bobbie Jo	District Clerk	Resignation	06/04/01	13/2	\$ 717.50 S/M
Parra, Sarah H.	Library	Resignation	06/29/01	P/T	\$ 5.15 HR
Reyes, Fred G.	Library	Retirement	06/30/01	9/12	\$ 896.88 S/M
Reyes Jr., Federico	CSCD (255)	Salary Increase	06/01/01	N/A	\$1011.63 S/M
Shannon, Crystal R.	CSCD (271)	Resignation	06/29/01	P/T	\$ 8.30 HR

- D. Set June 25, 2001 at 2:30 p.m. as the opening date and time for RFB 01-023 "Mid-size vehicle."
- E. Approve the donation of time and materials by a probationer to install a lawn sprinkler system for the CSCD building at 318 N. Bell Street.

The County Judge and all commissioners voted in favor of the motion and it carried.

Herb Straach of Templeton Construction spoke to the Court concerning progress of the Tom Green County Justice Center Project & Roy K. Robb Post Adjudication Center. There was no action taken.

Mr. John Mark McLaughlin presented the resolution for issuance of bonds by the Tom Green County Health Facilities Development Corporation. Motion was made by Commissioner Bookter to approve the resolution approving the issuance of bonds by the Tom Green County Health Facilities Corporation to finance the cost of health facilities for Shannon Health Systems and Medical Center in the amount of \$25,000,000 (resolution

recorded with these minutes). Judge Brown seconded the motion. Judge Brown and all commissioners voted in favor of the motion and it carried.

There was no action on line item: "Consider issues relating to Tom Green County Subdivision & Manufactured Home Rental Community Development Regulations."

There were no line item transfers presented.

Future agenda items were discussed.

Announcements were made

There being no further business, the meeting was adjourned.

Michael D. Brown, County Judge

Karla Johnston, Deputy County Clerk
and Ex-officio Clerk of the
Commissioners' Court

CERTIFICATE FOR RESOLUTION

STATE OF TEXAS §
 §
COUNTY OF TOM GREEN §

We, the undersigned officers of the Commissioners Court of Tom Green County, Texas, hereby certify as follows:

1. The Commissioners Court of Tom Green County convened in regular meeting on the 12th day of June, 2001, at its regular meeting place in the County Courthouse in San Angelo, Texas, and the roll was called of the duly constituted officers and members of the Court, to-wit:

Mike Brown, County Judge
Clayton Friend, County Commissioner
Karl Bookter, County Commissioner
Jodie R. Weeks, County Commissioner
Richard Easingwood, County Commissioner

and all of these persons were present, except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting:

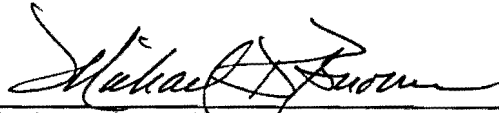
RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE TOM GREEN
COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO FINANCE
THE COST OF HEALTH FACILITIES FOR SHANNON HEALTH SYSTEM AND
SHANNON MEDICAL CENTER

was duly introduced for the consideration of the Court and read in full. After due discussion, it was then duly moved and seconded that the Resolution be adopted; and, the motion carried by a vote of 5 Ayes, 0 Noes and 0 Abstentions.

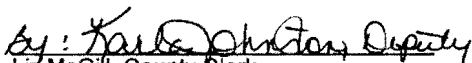
2. Written notice of the date, hour, place and subject of the meeting of the Governing Body, including notice of a public hearing and the subject matter thereof, was posted on a bulletin board located at a place convenient to the public in the Tom Green County Courthouse, for at least 72 hours preceding the scheduled time of such meeting; such place of posting was readily accessible to the general public at all times from such time of posting until the scheduled time of such meeting; and such meeting was open to the public as required by law at all times during which the Resolution and the subject matter thereof were discussed, considered and formally acted upon, all as required by the Open Meetings Law, Chapter 551, Texas Government Code, as amended.

SHA234-13000
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SIGNED AND SEALED this 12th day of June, 2001.



Mike Brown, County Judge
Tom Green County, Texas

By: 
Liz McGill, County Clerk
Tom Green County Texas

[SEAL]



Signature Page for Certificate for Resolution

RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE TOM GREEN COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO FINANCE HEALTH FACILITIES FOR SHANNON HEALTH SYSTEM AND SHANNON MEDICAL CENTER

WHEREAS, by resolution the Commissioners Court (the "Governing Body") of Tom Green County, Texas (the "Sponsoring Entity"), authorized and approved the creation of the Tom Green County Health Facilities Development Corporation (the "Issuer") as a nonprofit health facilities development corporation under the provisions of Chapter 221, Texas Health and Safety Code, as amended (the "Act"); and

WHEREAS, the Act authorizes and empowers the Issuer to issue revenue bonds on behalf of the Sponsoring Entity, to finance and/or refinance the cost of "health facilities" as defined in the Act; and

WHEREAS, Shannon Health System, a Texas nonprofit corporation (the "System") filed for review and consideration by the Board of Directors of the Issuer an Application for Financial Participation (the "Application") requesting the Issuer to issue one or more series of revenue bonds (collectively, the "Bonds"), the proceeds of which will be made available to the System and Shannon Medical Center, a Texas nonprofit corporation (together with the System, the "Borrower") to be used, among other things, to: (i) finance or refinance the Project described in Exhibit A (the "Project"); (ii) pay the costs of issuance of the Bonds; and (iii) to fund a debt service reserve fund; and

WHEREAS, after reviewing the System's Application for Financial Participation on January 10, 2001, the Board of Directors of the Issuer adopted a Resolution Directing Transmittal of Notice of Intent to Issue Bonds; Approving the Appointment of a Financing Team; Authorizing the Underwriters to Prepare and Distribute a Preliminary Official Statement in Connection Therewith; Authorizing Publication of the Notice of Public Hearing; and Providing an Effective Date (the "Intent Resolution") whereby the Issuer agreed to cooperate in providing financing for the Project; and

WHEREAS, in accordance with the provisions of Section 221.062 of the Act, on March 6, 2001, the Issuer filed with the Governing Body of the Sponsoring Entity a Notice of Intent to Issue Bonds and Providing Certain Information Relating Thereto (the "Notice of Intent"); and

WHEREAS, on March 15, 2001, the Board of Directors of the Issuer approved a certain resolution entitled "Resolution of the Board of Directors of the Tom Green County Health Facilities Development Corporation Authorizing Issuance of Bonds and Approving Documents in Connection Therewith; Authorizing Preparation and Use of Final Official Statement; Resolving Other Matters Pertaining to the Issuance and Sale of the Bonds and Providing an Effective Date" (the "Resolution"); and

WHEREAS, the Governing Body desires to approve the sale and issuance of the Bonds as finally approved by the above referenced Resolution; and

WHEREAS, the issuance of the Bonds will create no liability for Tom Green County, the Commissioners Court or its residents and is in the best interest of Tom Green County and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF TOM GREEN COUNTY, TEXAS, THAT:

Section 1. Approval of Sale and Issuance of Bonds. The sale and issuance of the Bonds, and the Resolution of the Issuer providing therefor, substantially in the form attached hereto as Exhibit B, are hereby approved.

Section 2. Recitals. The recitals of this Resolution are hereby adopted as findings of fact.

Section 3. Notice of Meeting Sufficient. The Governing Body has considered evidence of the posting of notice of this meeting and officially finds, determines, recites and declares that a sufficient written notice of the date, hour and place of this meeting and of the

subject of this Resolution was posted on a bulletin board at a place convenient to the public in the Tom Green County Courthouse for at least 72 hours preceding the convening of such meeting; such place of posting was readily accessible to the general public at all times from such time of posting until the convening of such meeting; and such meeting was open to the public as required by law at all times during which the Resolution and the subject matter thereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551 of the Texas Government Code, as amended.

Section 4. Providing an Effective Date. That this Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

PASSED AND APPROVED BY THE COMMISSIONERS COURT OF TOM GREEN COUNTY, TEXAS
THIS 12TH DAY OF JUNE, 2001.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOM GREEN COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION AUTHORIZING ISSUANCE OF BONDS AND APPROVING DOCUMENTS IN CONNECTION THEREWITH; AUTHORIZING PREPARATION AND USE OF FINAL OFFICIAL STATEMENT; RESOLVING OTHER MATTERS PERTAINING TO THE ISSUANCE AND SALE OF THE BONDS AND PROVIDING AN EFFECTIVE DATE

WHEREAS, by resolution the Commissioners Court of Tom Green County, Texas (the "Sponsoring Entity"), authorized and approved the creation of the Tom Green County Health Facilities Development Corporation (the "Issuer") as a nonprofit health facilities development corporation under the provisions of Chapter 221, Texas Health and Safety Code, as amended (the "Act"); and

WHEREAS, the Act authorizes and empowers the Issuer to issue revenue bonds on behalf of the Sponsoring Entity, to finance and refinance the cost of "health facilities" (as defined in the Act); and

WHEREAS, Shannon Health System (the "System") and the Issuer desire to issue an issue of tax-exempt revenue bonds (the "Bonds"), the proceeds of which would be made available to the System, such proceeds to be used, among other things: (a) to finance and refinance the acquisition, refurbishment, construction and/or equipping of health facilities of the System or its affiliates (the "Project"); (b) provide for a reserve fund; and (c) to pay the costs of issuance of the Bonds; and

WHEREAS, the Issuer has determined, based upon representation of the System, that the issuance of the Bonds for such purposes will be in furtherance of the public purposes of the Act and will assist in providing, expanding and improving health facilities which will improve the adequacy, cost and accessibility of health care, research and education within the State; and

WHEREAS, heretofore, the System requested the Issuer to issue the Bonds in order to finance the Project and the Board adopted a resolution entitled, "Resolution Directing Transmittal of Notice of Intent to Issue Bonds Approving the Appointment of a Financing Team, Authorizing the Underwriters to Prepare and Distribute a Preliminary Official Statement in Connection therewith; Authorizing the Publication of the Notice of Public Hearing; and Providing an Effective Date" whereby the Issuer agreed to cooperate in financing the Project; and

WHEREAS, in accordance with the provisions of Section 221.062 of the Act, on March 6, 2001, the Issuer filed with the Commissioners Court of the Sponsoring Entity a Notice to the Commissioners Court of Tom Green County, Texas, of Intent to Issue Bonds and Providing Certain Information Relating Thereto (the "Notice of Intent"); and

WHEREAS, the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provide that a public hearing in connection with the proposed issuance of the bonds and the use of the proceeds thereof to finance the Project be held, and that notice of such hearing (the "Notice of Public Hearing") be published no less than 14 days before the date of the public hearing in a newspaper of general circulation available to residents within the governmental unit wherein the Project is located; and

WHEREAS, on March 7, 2001, Vinson & Elkins L.L.P. ("Bond Counsel") published the Notice of Public Hearing in the San Angelo Standard-Times; and

WHEREAS, on March 21, 2001, a public hearing will be held at which time the public will have the opportunity to express their views with respect to the proposed financed to be authorized by this resolution; and

WHEREAS, Section 147(f) of the Code, requires that the Bonds and the financing of the Project be approved by the "applicable elected representative" (the "AER") after public hearing following reasonable public notice; and

WHEREAS, for purposes of providing funds required to finance the cost of the Project, the Issuer now desires to (i) authorize the issuance of the Bonds in a maximum aggregate principal amount not to exceed \$30,000,000, pursuant to the terms and provisions of a trust indenture; (ii) provide for the sale of the Bonds to the underwriter described herein, pursuant to the terms of a contract of purchase and to approve the execution and delivery of the contract of purchase; (iii) authorize the execution and distribution of an official statement; (iv) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the loan of proceeds of the sale of the Bonds, pursuant to the terms and provisions of a loan agreement, and (v) take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Board has been presented with and examined proposed forms of a trust indenture, a first supplemental trust indenture, a loan agreement, and a contract of purchase, and the Board finds that the form and substance of such documents are satisfactory and the recitals and findings contained therein are true, correct and complete, and hereby adopts and incorporates by reference such recitals and findings as set forth in full in this Resolution, and finds that it is in the best interest of the public and the Issuer and assists in carrying out the public purpose of the Issuer and of the Act to authorize the execution and delivery of such documents; and

WHEREAS, the Board understands that the underwriter named in the contract of purchase mentioned above intends to distribute a preliminary official statement and an official statement in connection with the offering and sale of the Bonds; and

WHEREAS, in connection with the preparation of such preliminary and final official statement, the Issuer has furnished the information to the underwriter set forth in the official statement concerning the Issuer under the captions "Introduction," "The Issuer" and "Absence of Litigation—The Issuer," and the Board now desires to authorize the use of such information in such official statement and to authorize the execution of such official statement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TOM GREEN COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION THAT:

1. Findings and Determinations. All of the above recitals are found and determined to be true and correct and are incorporated into the body of this Resolution as if copied in their entirety.

2. Notice of Intent. The Board hereby finds that at least 15 days before the issuance of the Bonds, the Notice of Intent was filed with the Sponsoring Entity, and that a description of the Project including an explanation of the necessity for, and name of the proposed users of, the Project was set forth in such notice.

3. Authorization of Issuance of Bonds; Approval of Bond Indenture. The Issuer hereby authorizes and directs the issuance of the Bonds in the maximum combined aggregate principal amount not to exceed \$30,000,000 in accordance with a trust indenture substantially in the form of the Trust Indenture and the First Supplemental Trust Indenture (collectively, the "Bond Indenture") each between the Issuer and Wells Fargo Bank Texas, N.A., a national banking association (the "Trustee"), a draft of which Bond Indenture was presented to the Board, the form, terms and provisions of such Bond Indenture and the Bonds being hereby authorized and approved, and the President or any Vice President of the Issuer are hereby severally authorized and directed to execute and deliver such Bond Indenture and the Bonds on behalf of the Issuer, and the Secretary or any Assistant Secretary of the Issuer are hereby severally authorized to attest and affix the Issuer's seal to the Bonds, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by such officer's execution thereof.

4. Approval of Loan and Loan Agreement. The loan of the proceeds of the sale of the Bonds by the Issuer to the System and to Shannon Medical Center (the "Medical Center" and together with the System, the "Obligors") in order to provide funds to finance the Project shall be effected pursuant to the terms and provisions of a loan agreement substantially in the form of the Loan Agreement (the "Loan Agreement") between the Issuer and the Obligors, a draft of which Loan

Agreement was presented to the Board, the form, terms and provisions of such Loan Agreement being hereby authorized and approved, and the President or any Vice President of the Issuer are hereby severally authorized and directed to execute and deliver the Loan Agreement on behalf of the Issuer, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by such officer's execution thereof.

5. Approval of Master Indenture. To provide security for the Bonds, the Issuer hereby approves the form and substance of the Master Trust Indenture, Mortgage and Security Agreement between Wells Fargo Bank Texas, N.A., a national banking association, (the "Master Trustee"), and the Obligors and the First Supplement to Master Trust Indenture Mortgage and Security Agreement (together with the Master Trust Indenture, Mortgage and Security Agreement, the "Master Indenture"), between the Master Trustee and the System, drafts of which were presented to it counsel, the form, terms and provision of such Master Indenture being hereby authorized and approved, with such changes to the same as counsel to the Issuer may approve.

6. Approval of Sale of Bonds to Underwriters; Approval of Contract of Purchase. The sale and delivery of the Bonds by the Issuer to Cain Brothers & Company, LLC (the "Underwriter"), at the price set forth in the contract of purchase referred to below, plus accrued interest, if any, to the date of delivery of the Bonds (the "Closing Date"), is hereby authorized and approved. Said sale and delivery shall be effected in accordance with the terms and provisions of a contract of purchase for the Bonds substantially in the form of a contract of purchase, to be dated as of the date of its execution and delivery (the "Contract of Purchase"), by and between the Issuer and the Underwriter, a draft of which was presented to the Board, the form, terms and provisions of such Contract of Purchase being hereby authorized and approved, and the President or any Vice President of the Issuer are hereby severally authorized and directed to execute and deliver such Contract of Purchase on behalf of the Issuer, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by such officer's execution thereof.

7. Terms of Bonds; Pricing Committee. The Underwriter is hereby authorized to complete the Contract of Purchase to set forth the principal amount, interest rate and price or yield for each maturity of the Bonds, subject to the limitations that: (i) the Contract of Purchase as completed shall be approved by the officers executing the Contract of Purchase, such approval to be conclusively evidenced by their execution thereof; (ii) the aggregate principal amount of the Bonds shall not exceed \$30,000,000; and (iii) the "net interest cost" with respect to the Bonds shall not exceed the "net interest cost" permitted by the Act. Any two directors are hereby designated to act as a committee of the Board (the "Pricing Committee") pursuant to the provisions of Section 221.028(a) of the Act and Section 2.6 of the Bylaws of the Issuer for the purposes of approving the purchase price, interest rates, maturities, redemption provisions and principal amounts of the Bonds, and the approval of the Pricing Committee of such items shall be conclusively evidenced by the execution of the Bond Indenture and the Contract of Purchase by the officers of the Issuer. The members of the Pricing Committee shall be evidenced by their execution of the Contract of Purchase.

8. Official Statement. The Board hereby authorizes the use and distribution of the information described in the last recital of this Resolution in the preliminary official statement and the official statement (the "Official Statement") and the President or any Vice President of the Issuer are severally hereby authorized and directed to execute such Official Statement, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by such execution thereof; provided that, in adopting this Resolution, the Issuer hereby disclaims any responsibility for the Official Statement except for the information described as having been provided by it in the last recital of this Resolution and expressly disclaims any responsibility for any other information included as part of the Official Statement.

9. Conditions Precedent. The actions and obligations authorized in this Resolution shall be subject to and conditioned upon the receipt by the Issuer, on the date of initial delivery of the Bonds against payment therefor (the "Closing Date"), of (i) a certificate of a duly authorized officer of the System substantially to the effect that each of the representations and warranties in the Contract of Purchase is true, accurate and complete on the Closing Date as if made on and as

of the Closing Date, and that all obligations of the System to be performed by it at or prior to the Closing Date have been duly performed; (ii) the purchase price for the Bonds; (iii) evidence satisfactory to Bond Counsel of AER approval of the Bonds and the Project; and (iv) such opinions, evidences, certificates, instruments or other documents as shall be requested by the Issuer's Counsel or by Bond Counsel, to evidence due performance or satisfaction by the System at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it.

10. Authorization to Perform Necessary Acts. The officers, employees and agents of the Issuer, and each of them, shall be and each is expressly authorized, empowered and directed from time to time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all certificates, financing statements, termination statements, instruments and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this resolution and of the Bonds to be issued hereunder, as well as the terms and provisions of the Contracts of Purchase hereby authorized and approved, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other paper.

11. Authorization to File Form 8038. The Board authorizes and directs that an officer of the Issuer submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued (or on such other date as shall be required in the opinion of Bond Counsel so that interest on the Bonds shall not be includable in gross income for federal income tax purposes), a statement or statements containing the information required by Section 149(e) of the Code.

12. Affirmative Findings. Based upon representations made by the System to the Board, the Board hereby affirmatively finds that:

a. the Project is required, necessary or convenient for health care, research and education, one or more, within the State of Texas, will aid in the provision, expansion and improvement of health facilities, and the issuance of the Bonds are in furtherance of the public purposes of the Act and will promote the health and welfare of the citizens of the State of Texas; and

b. all notices, approvals or consents required by the Act for the issuance of the Bonds have been given or obtained.

13. This Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE TOM GREEN COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION THIS 15TH DAY OF MARCH, 2001.

EXHIBIT A

DESCRIPTION OF PROJECT

The Project includes the financing and refinancing, the renovation and equipping of, and certain capital improvements to, the following health facilities: (i) Shannon Medical Center, Memorial Campus, 120 E. Harris, San Angelo, Texas; (ii) Shannon Medical Center, St. John's Campus, 2018 Pulliam, San Angelo, Texas; (iii) Shannon Clinic, 120 E. Beauregard, San Angelo, Texas; (iv) Medical Plaza Building, 102 N. Magdalen, San Angelo, Texas; (v) Shannon MRI Center, 3301 S. Bryant, San Angelo, Texas; (vi) Women's and Children's Hospital, 201 E. Harris, San Angelo, Texas; (vii) Shannon Business Office Center, 206 N. Main Street, San Angelo, Texas; (viii) Shannon Health System Office, 127 E. Beauregard, San Angelo, Texas; (ix) Shannon Medical Office Building, 3301 S. Bryant, San Angelo, Texas; (x) Dermatology Building, 215 E. College Avenue, San Angelo, Texas; (xi) Shannon Medical Office Building, 3016 Vista Del Arroyo, San Angelo, Texas; (xii) St. John's Campus - Medical Office Building, 2030 Pulliam, San Angelo, Texas; (xiii) Shannon Medical Office Building, 2239 N. Bryant Blvd., San Angelo, Texas; (xiv) SMC Materials Management, 115 Woodrow, San Angelo, Texas; (xv) Shannon Medical Office Building, 4208 S. College Hills Blvd., San Angelo, Texas; (xvi) SMC Human Resources, 126 E. College Avenue, San Angelo, Texas; (xvii) SMC Southwest Clubhouse, 4141 South College Hills Blvd., San Angelo, Texas; (xviii) Shannon Pharmacy, 119 E. Beauregard, San Angelo, Texas; and (xix) the construction of a medical office building to be located at one of the following locations, the construction of which may or may not include the demolition of buildings or structures currently located on the property: (a) 120 E. Beauregard, San Angelo, Texas, (b) 127 E. Beauregard, San Angelo, Texas, (c) 102 N. Magdalen, San Angelo, Texas, (d) 3301 S. Bryant, San Angelo, Texas, (e) 3016 Vista Del Arroyo, San Angelo, Texas, (f) 2239 N. Bryant Blvd., San Angelo, Texas, (g) 4208 S. College Hills Blvd., San Angelo, Texas, (h) the property bound on the north and northwest by the eastbound frontage road of Houston Harte Freeway (US 67) and on the south by Sherwood Way and on the east by a 100 foot strip of land owned by the City of San Angelo, in San Angelo, Texas, and (i) the property bound on the north and northwest by Drexel Drive, on the southwest by FM 2288 (Southland Blvd.) on the southeast by the frontage road of Houston Harte Freeway (as it runs parallel and alongside Sherwood Way) and on the northeast by Hunters Glen Road, in San Angelo, Texas.

CERTIFICATE FOR RESOLUTION

STATE OF TEXAS §
 §
COUNTY OF TOM GREEN §

We, the undersigned officers of the Commissioners Court of Tom Green County, Texas, hereby certify as follows:

1. The Commissioners Court of Tom Green County convened in regular meeting on the 12th day of June, 2001, at its regular meeting place in the County Courthouse in San Angelo, Texas, and the roll was called of the duly constituted officers and members of the Court, to-wit:

Mike Brown, County Judge
Clayton Friend, County Commissioner
Karl Bookter, County Commissioner
Jodie R. Weeks, County Commissioner
Richard Easingwood, County Commissioner

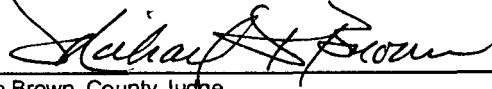
and all of these persons were present, except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting:

RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE TOM GREEN
COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO FINANCE
THE COST OF HEALTH FACILITIES FOR SHANNON HEALTH SYSTEM AND
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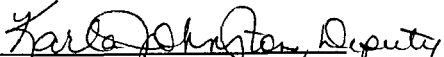
was duly introduced for the consideration of the Court and read in full. After due discussion, it was then duly moved and seconded that the Resolution be adopted; and, the motion carried by a vote of 5 Ayes, 0 Noes and 0 Abstentions.

2. Written notice of the date, hour, place and subject of the meeting of the Governing Body, including notice of a public hearing and the subject matter thereof, was posted on a bulletin board located at a place convenient to the public in the Tom Green County Courthouse, for at least 72 hours preceding the scheduled time of such meeting; such place of posting was readily accessible to the general public at all times from such time of posting until the scheduled time of such meeting; and such meeting was open to the public as required by law at all times during which the Resolution and the subject matter thereof were discussed, considered and formally acted upon, all as required by the Open Meetings Law, Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this 12th day of June, 2001.



Mike Brown, County Judge
Tom Green County, Texas

By: 
Liz McGill, County Clerk
Tom Green County Texas

[SEAL]



Signature Page for Certificate for Resolution

EXHIBIT A

DESCRIPTION OF PROJECT

The Project includes the financing and refinancing, the renovation and equipping of, and certain capital improvements to, the following health facilities: (i) Shannon Medical Center, Memorial Campus, 120 E. Harris, San Angelo, Texas; (ii) Shannon Medical Center, St. John's Campus, 2018 Pulliam, San Angelo, Texas; (iii) Shannon Clinic, 120 E. Beauregard, San Angelo, Texas; (iv) Medical Plaza Building, 102 N. Magdalen, San Angelo, Texas; (v) Shannon MRI Center, 3301 S. Bryant, San Angelo, Texas; (vi) Women's and Children's Hospital, 201 E. Harris, San Angelo, Texas; (vii) Shannon Business Office Center, 206 N. Main Street, San Angelo, Texas; (viii) Shannon Health System Office, 127 E. Beauregard, San Angelo, Texas; (ix) Shannon Medical Office Building, 3301 S. Bryant, San Angelo, Texas; (x) Dermatology Building, 215 E. College Avenue, San Angelo, Texas; (xi) Shannon Medical Office Building, 3016 Vista Del Arroyo, San Angelo, Texas; (xii) St. John's Campus - Medical Office Building, 2030 Pulliam, San Angelo, Texas; (xiii) Shannon Medical Office Building, 2239 N. Bryant Blvd., San Angelo, Texas; (xiv) SMC Materials Management, 115 Woodrow, San Angelo, Texas; (xv) Shannon Medical Office Building, 4208 S. College Hills Blvd., San Angelo, Texas; (xvi) SMC Human Resources, 126 E. College Avenue, San Angelo, Texas; (xvii) SMC Southwest Clubhouse, 4141 South College Hills Blvd., San Angelo, Texas; (xviii) Shannon Pharmacy, 119 E. Beauregard, San Angelo, Texas; and (xix) the construction of a medical office building to be located at one of the following locations, the construction of which may or may not include the demolition of buildings or structures currently located on the property: (a) 120 E. Beauregard, San Angelo, Texas, (b) 127 E. Beauregard, San Angelo, Texas, (c) 102 N. Magdalen, San Angelo, Texas, (d) 3301 S. Bryant, San Angelo, Texas, (e) 3016 Vista Del Arroyo, San Angelo, Texas, (f) 2239 N. Bryant Blvd., San Angelo, Texas, (g) 4208 S. College Hills Blvd., San Angelo, Texas, (h) the property bound on the north and northwest by the eastbound frontage road of Houston Harte Freeway (US 67) and on the south by Sherwood Way and on the east by a 100 foot strip of land owned by the City of San Angelo, in San Angelo, Texas, and (i) the property bound on the north and northwest by Drexel Drive, on the southwest by FM 2288 (Southland Blvd.) on the southeast by the frontage road of Houston Harte Freeway (as it runs parallel and alongside Sherwood Way) and on the northeast by Hunters Glen Road, in San Angelo, Texas.

RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE TOM GREEN COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION TO FINANCE HEALTH FACILITIES FOR SHANNON HEALTH SYSTEM AND SHANNON MEDICAL CENTER

WHEREAS, by resolution the Commissioners Court (the "Governing Body") of Tom Green County, Texas (the "Sponsoring Entity"), authorized and approved the creation of the Tom Green County Health Facilities Development Corporation (the "Issuer") as a nonprofit health facilities development corporation under the provisions of Chapter 221, Texas Health and Safety Code, as amended (the "Act"); and

WHEREAS, the Act authorizes and empowers the Issuer to issue revenue bonds on behalf of the Sponsoring Entity, to finance and/or refinance the cost of "health facilities" as defined in the Act; and

WHEREAS, Shannon Health System, a Texas nonprofit corporation (the "System") filed for review and consideration by the Board of Directors of the Issuer an Application for Financial Participation (the "Application") requesting the Issuer to issue one or more series of revenue bonds (collectively, the "Bonds"), the proceeds of which will be made available to the System and Shannon Medical Center, a Texas nonprofit corporation (together with the System, the "Borrower") to be used, among other things, to: (i) finance or refinance the Project described in Exhibit A (the "Project"); and (ii) pay the costs of issuance of the Bonds; and

WHEREAS, after reviewing the System's Application for Financial Participation on January 10, 2001, the Board of Directors of the Issuer adopted a Resolution Directing Transmittal of Notice of Intent to Issue Bonds; Approving the Appointment of a Financing Team; Authorizing the Underwriters to Prepare and Distribute a Preliminary Official Statement in Connection Therewith; Authorizing Publication of the Notice of Public Hearing; and Providing an Effective Date (the "Intent Resolution") whereby the Issuer agreed to cooperate in providing financing for the Project; and

WHEREAS, in accordance with the provisions of Section 221.062 of the Act, on March 6, 2001, the Issuer filed with the Governing Body of the Sponsoring Entity a Notice of Intent to Issue Bonds and Providing Certain Information Relating Thereto (the "Notice of Intent"); and

WHEREAS, on March 15, 2001, the Board of Directors of the Issuer approved a certain resolution entitled "Resolution of the Board of Directors of the Tom Green County Health Facilities Development Corporation Authorizing Issuance of Bonds and Approving Documents in Connection Therewith; Authorizing Preparation and Use of Final Official Statement; Resolving Other Matters Pertaining to the Issuance and Sale of the Bonds and Providing an Effective Date" (the "Resolution"); and

WHEREAS, the Governing Body desires to approve the sale and issuance of the Bonds as finally approved by the above referenced Resolution; and

WHEREAS, the issuance of the Bonds will create no liability for Tom Green County, the Commissioners Court or its residents and is in the best interest of Tom Green County and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF TOM GREEN COUNTY, TEXAS, THAT:

Section 1. Approval of Sale and Issuance of Bonds. The sale and issuance of the Bonds, and the Resolution of the Issuer providing therefor, substantially in the form attached hereto as Exhibit A, are hereby approved.

Section 2. Recitals. The recitals of this Resolution are hereby adopted as findings of fact.

Section 3. Notice of Meeting Sufficient. The Governing Body has considered evidence of the posting of notice of this meeting and officially finds, determines, recites and declares that a sufficient written notice of the date, hour and place of this meeting and of the subject of this Resolution was posted on a bulletin board at a place convenient to the public in the Tom Green County Courthouse for at least 72 hours preceding the convening of such meeting; such place of posting was readily accessible to the general public at all times from such time of posting until the convening of such meeting; and such meeting was open to the public as required by law at all times during which the Resolution and the subject matter thereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551 of the Texas Government Code, as amended.

Section 4. Providing an Effective Date. That this Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

PASSED AND APPROVED BY THE COMMISSIONERS COURT OF TOM GREEN COUNTY,
TEXAS THIS 12TH DAY OF JUNE, 2001.