

COUNTY OF CENTRE
COMMONWEALTH OF PENNSYLVANIA

RESOLUTION NO. 23 of 2008

A RESOLUTION BY THE BOARD OF COMMISSIONERS OF CENTRE COUNTY, PENNSYLVANIA, GENERALLY RELATING TO AN ISSUANCE OF BONDS BY CENTRE COUNTY HOSPITAL AUTHORITY (THE "AUTHORITY") AND A LOAN OF THE PROCEEDS THEREFROM TO MOUNT NITTANY MEDICAL CENTER, A PENNSYLVANIA NONPROFIT CORPORATION (THE "MEDICAL CENTER"), TO FINANCE A PROJECT, INCLUDING FINANCING CERTAIN CAPITAL PROJECTS AT THE MEDICAL CENTER'S FACILITY LOCATED IN THE TOWNSHIP OF COLLEGE, CENTRE COUNTY, PENNSYLVANIA; MAKING A DETERMINATION THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY AND WELFARE OF THE CITIZENS OF THE COMMONWEALTH OF PENNSYLVANIA AND THE RESIDENTS OF CENTRE COUNTY AND OTHERS IN THE AREA SERVED BY THE MEDICAL CENTER'S FACILITY TO HAVE THE PROJECT FINANCED THROUGH THE AUTHORITY; RATIFYING THE HOLDING THROUGH THE AUTHORITY, AS THE DESIGNEE OF THE COUNTY, OF A PUBLIC HEARING ON BEHALF OF THE COUNTY AS REQUIRED UNDER SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; RATIFYING THE PUBLICATION OF A LEGAL ADVERTISEMENT PROVIDING PUBLIC NOTICE OF THE PUBLIC HEARING IN COMPLIANCE WITH SAID SECTION 147(f); AUTHORIZING THE EXECUTION OF AN APPROVAL CERTIFICATE BY "APPLICABLE ELECTED REPRESENTATIVE" WITH RESPECT TO THE AUTHORITY'S ISSUANCE OF SAID BONDS, ALL AS REQUIRED UNDER SECTION 147(f); AND PROVIDING FOR AN EFFECTIVE DATE AND A GENERAL REPEALER

WHEREAS, the County of Centre, Pennsylvania (the "County"), pursuant to the provisions of the Municipality Authorities Act, 53 Pa. C.S. § 5601 *et seq.*, as amended (the "Act"), heretofore organized Centre County Hospital Authority (the "Authority"); and

WHEREAS, the Act specifies, *inter alia*, that the purpose of the Authority shall be for "acquiring, holding, constructing, financing, improving, maintaining and operating, owning, leasing either in the capacity of lessor or lessee...hospitals and health centers..."; and

WHEREAS, Mount Nittany Medical Center (the "Medical Center"), a Pennsylvania nonprofit corporation serving the public, owns a certain tract of land located at 1800 East Park Avenue, in the Township of College, Centre County, Pennsylvania, on which are situated certain medical center buildings and related facilities; and

WHEREAS, the Medical Center has determined to undertake a project (the "Project") consisting of (1) financing and/or reimbursing the costs of (i) the acquisition, construction, installation and equipping of an approximately 51,000 square foot, three-story addition to the existing medical center campus, consisting of approximately 67 acute care beds and other related and necessary appurtenances;

(ii) the acquisition, construction, installation and equipping of certain renovations, expansion and improvements to the existing facilities of the Medical Center, including, but not limited to, the construction of a water retention basin and related drainage system, the expansion of the existing facilities of the Medical Center to accommodate a linear accelerator and related equipment, the installation of certain outdoor lighting, and the construction of an approximately 121 space surface parking lot, (iii) the acquisition and installation of various capital equipment for use in or in connection with the facilities of the Medical Center, (2) funding capitalized interest on the tax-exempt obligations and a debt service reserve fund, and (3) paying certain expenses incurred in connection with the authorization and issuance of the tax-exempt obligations; and

WHEREAS, the Authority, upon request of the Medical Center, desires to undertake the issuance of a series of hospital revenue bonds, in an amount not to exceed \$70,000,000, which bonds are intended to constitute an issue of "qualified 501(c)(3) bonds", as such term is defined in the Internal Revenue Code of 1986, as amended and supplemented (the "Code"), the interest on which will be exempt from federal income tax under Section 103(b) of the Code (the "Proposed Bonds"); and

WHEREAS, proceeds of the Proposed Bonds will be loaned by the Authority to the Medical Center and applied for and toward costs and expenses of a the Project; and

WHEREAS, the Proposed Bonds shall not be secured by any pledge of assets, moneys, revenues or taxing power of the County, the Commonwealth of Pennsylvania or any political subdivision thereof; and

WHEREAS, Section 5607(b)(2)(iv) of the Act provides that none of the powers thereby granted to an authority shall be exercised in the construction, financing, improvement, maintenance, extension or operation of any hospital project or projects or health centers to be leased to, or financed with loans to, public hospitals, nonprofit corporation health centers or nonprofit hospital corporations serving the public unless the municipality organizing such authority for such projects shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such facilities to have such facilities provided by, or financed through, such authority; and

WHEREAS, in order for interest on an issue of private activity bonds, such as the Proposed Bonds, to qualify for the exemption from federal income tax under Section 103(b) of the Code, Section 147(f) of the Code requires the approval of such issue by (i) the "governmental unit", as such term is defined in Section 147 of the Code, on behalf of which such private activity bonds are issued and (ii) each "governmental unit" having jurisdiction over the area in which any facility, with respect to which financing is to be provided from the proceeds of such private activity bonds, is located (except that if more than one governmental unit has jurisdiction over the area in which such facility is located, only one such unit need approve); and

WHEREAS, Section 147(f) of the Code provides, further, that an issue shall be treated as having been approved by any governmental unit if such issue is approved by the "applicable elected representative" of such governmental unit after a public hearing following reasonable public notice, the "applicable elected representative" being the elected legislative body of such unit; and

WHEREAS, the County is the "governmental unit" and the Board of Commissioners of the County is the "applicable elected representative," as such terms are defined in the Code, with respect to approving issuance by the Authority of the Proposed Bonds; and

WHEREAS, the Authority, in order to provide for compliance with Section 147(f) of the Code, on behalf of itself and the County, has heretofore caused the publication of a legal notice advertising a

public hearing as aforesaid with respect to issuance of the Proposed Bonds to finance the Project (the "Public Hearing"); and

WHEREAS, on October 9, 2008, a duly-advertised Public Hearing in compliance with Section 147(f) of the Code was conducted through the Authority, as the designee of the County.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the County of Centre, that:

1. It hereby is determined and declared that, within the meaning of the Act, it is desirable for the health, safety and welfare of the citizens of the Commonwealth of Pennsylvania and the residents of the County and other areas served by the Medical Center facilities to have the Project financed through the Authority.

2. The publication by the Authority of a legal notice advertising the Public Hearing hereby is ratified and the Public Hearing conducted through the Authority on behalf of the County hereby is ratified.

3. The undertaking of the Project by the Authority as a public project is hereby approved by the County for purposes of Section 147(f) of the Code. The Chairman of this Board of County Commissioners is hereby designated as the "applicable elected representative" and directed to execute a Certificate of Approval indicating this Board of County Commissioners' approval of the Project for purposes of Section 147(f) of the Code. The Board of Commissioners intends that delivery of a certified counterpart or copy of a certified counterpart of this Resolution together with delivery by its Chairman of said approval of the "applicable elected representative" shall constitute the "approval by a government unit" required by Section 147(f) of the Code.

4. The Proposed Bonds if and when issued by the Authority shall not be secured, or construed to be secured, by any pledge of assets, moneys, revenues or taxing power of the County.

5. This Resolution shall become effective immediately upon its adoption. Any ordinances or other resolutions to the extent inconsistent herewith hereby are repealed. This Resolution may be amended from time to time by appropriate action of the Board of Commissioners of the County

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DULY RESOLVED AND ADOPTED this 21 day of October, 2008 at a regular meeting of the Board of Commissioners of Centre County, Pennsylvania, in lawful session duly assembled.

ATTEST:

BOARD OF COMMISSIONERS OF CENTRE COUNTY, PENNSYLVANIA

Timothy T. Boyd
Chief Clerk

Jon W. Eick
Chairman, Board of Commissioners

(SEAL)

Al T. My
Commissioner

Genevieve Jones
Commissioner

CERTIFICATE

I, the undersigned, Chief Clerk of the County of Centre, Pennsylvania (the "County"), hereby certify that: (a) attached to this Certificate is a true, correct and complete copy of a Resolution (the "Resolution") which was duly adopted at a meeting of the Board of Commissioners of the County on October ___, 2008, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the County met the advance notice requirements of the Sunshine Act, 65 Pa. C.S. § 701 *et seq.*, by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the Board of Commissioners; (c) said Resolution was adopted by an aye or nay vote; (d) said Resolution and the vote thereon showing how each member voted have been recorded in the minutes of said Board of Commissioners; and (e) said Resolution remains in effect, unaltered and unamended as of the date of this Certificate.

WITNESS my hand and the seal of the County on October ²¹ ___, 2008.

By: Timothy T Bayle
Chief Clerk

[SEAL]

CERTIFICATE OF APPROVAL

Re: Centre County Hospital Authority

Borrower: Mount Nittany Medical Center, a Pennsylvania nonprofit corporation

Project: Issuance of tax-exempt obligations by the Centre County Hospital Authority (the "Authority") in an amount not to exceed \$70,000,000, for a project (the "Project"), which includes providing funds for (1) financing and/or reimbursing the costs of (i) the acquisition, construction, installation and equipping of an approximately 51,000 square foot, three-story addition to the existing medical center campus, consisting of approximately 67 acute care beds and other related and necessary appurtenances, (ii) the acquisition, construction, installation and equipping of certain renovations, expansion and improvements to the existing facilities of the Medical Center, including, but not limited to, the construction of a water retention basin and related drainage system, the expansion of the existing facilities of the Medical Center to accommodate a linear accelerator and related equipment, the installation of certain outdoor lighting, and the construction of an approximately 121 space surface parking lot, (iii) the acquisition and installation of various capital equipment for use in or in connection with the facilities of the Medical Center, (2) funding capitalized interest on the tax-exempt obligations and a debt service reserve fund, and (3) paying certain expenses incurred in connection with the authorization and issuance of the tax-exempt obligations.

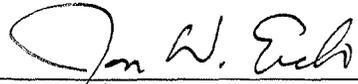
Proposed Project
Financing: Centre County Hospital Authority, Hospital Revenue Bonds, Series 2008 (Mount Nittany Medical Center Project).

After a duly-advertised public hearing held on behalf of the Board of County Commissioners through the Authority at 8:30 a.m., local time, on October 9, 2008, in the Trustee's Conference Room, Entrance D on the Ground Floor of the Mount Nittany Medical Center, located at 1800 East Park Avenue, State College, Pennsylvania 16803, pursuant to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and after review of the minutes of said public hearing regarding the Project, the above-described Project is hereby approved for purposes of Section 147(f) of the Code. The Hospital Revenue Bonds, Series 2008 (Mount Nittany Medical Center Project), in an aggregate principal amount not to exceed \$70,000,000, proposed to be issued by the Authority to finance the Project will not constitute a debt of or a pledge of the full faith and credit of the County of Centre or the Commonwealth of Pennsylvania, or any political subdivision thereof.

The undersigned, as the authorized member of the Board of County Commissioners, executes this Certificate of Approval on behalf of the County of Centre, Pennsylvania with respect to the Project. The approval is granted only for the purpose of complying with the requirements of Section 147(f) of the Code for issuance of the Hospital Revenue Bonds, Series 2008 (Mount Nittany Medical Center Project) and does not constitute approval for any permit, license or zoning by the County of Centre for the occupancy of the Project.

IN WITNESS WHEREOF, the undersigned has affixed his signature this 21 day of October, 2008.

BOARD OF COMMISSIONERS OF CENTRE
COUNTY, PENNSYLVANIA



Chairman, Board of Commissioners