

STATE OF SOUTH CAROLINA)
)
COUNTY OF NEWBERRY)

RESOLUTION #12-08

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY NEWBERRY COUNTY, SOUTH CAROLINA, OF HOSPITAL REVENUE BONDS (NEWBERRY COUNTY MEMORIAL HOSPITAL) SERIES 2008, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$1,100,000, PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, Newberry County, South Carolina (the "*County*"), acting by and through its County Council (the "*County Council*"), is authorized and empowered under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "*Act*"), to promote the public health and welfare by providing for the constructing, equipping and providing of hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County is further authorized to issue revenue bonds, defined in the Act to include notes, for the purpose of defraying the cost of providing hospital facilities and to refinance or to refund outstanding obligations, mortgages or advances issued, made or given by a hospital or public agency for the cost of hospital facilities; and

WHEREAS, the County is further authorized to make the proceeds of any revenue bonds available by way of a loan to a hospital or public agency pursuant to a loan agreement; and

WHEREAS, the County is further authorized to pledge or assign any money, rents, charges, fees or other revenues, including any proceeds of insurance or condemnation awards pursuant to any loan agreement to the payment of the bonds issued pursuant to such loan agreement; and

WHEREAS, the County proposes to issue not exceeding \$1,100,000 aggregate principal amount Hospital Revenue Bonds (Newberry County Memorial Hospital) Series 2008 (the "*Series 2008 Bonds*"), under and pursuant to the Act, and to make certain of the proceeds of the Series 2008 Bonds available to the Hospital by way of a loan for the purpose of acquiring, improving and equipping an existing building in the County for general hospital use and to reimburse the Hospital for certain related prior capital expenditures (the "*Project*"), and to pay costs of issuance of the Bonds; and

WHEREAS, the Project constitutes "Hospital Facilities" as defined in the Act; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 44-7-1590 of the Act, the petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Newberry County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

- (a) The County Council constitutes the “County Board” as that term is defined in the Act.
- (b) The Hospital is a public agency as defined in the Act with established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities which may be imposed under the Loan Agreement by and between the County and the Hospital (the “*Loan Agreement*”).
- (c) Adequate provisions shall be made for the payment of principal of, interest thereon and premium, if any on the Series 2008 Bonds, and any necessary reserves therefor, and for the operation, repair and maintenance of the Hospital Facilities financed with the proceeds of the Series 2008 Bonds at the expense of the Hospital.
- (d) The public facilities, including utilities and public services necessary for the Hospital Facilities, will be made available to the Hospital Facilities financed with the Series 2008 Bonds.
- (e) The issuance of the Series 2008 Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act, including without limitation Section 44-7-1560 of the Act.
- (f) Neither the Hospital Facilities financed with a portion of the proceeds of the Series 2008 Bonds, nor any documents or agreements entered into by the County in connection therewith, will constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.
- (g) The issuance of the Series 2008 Bonds in the aggregate principal amount of not exceeding \$1,100,000 will be required in order to loan the proceeds thereof to the Hospital for the purpose of defraying the cost of the Project.

Section 2. There is hereby authorized and directed to be submitted, on behalf of the County, a petition of this County Council requesting the approval of the proposed financing by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 44-7-1590 of the Act, said petition to be in substantially the form attached hereto as *Exhibit A* with such changes, insertions and omissions as may be approved by the Chairman of County Council, said execution being conclusive evidence of such approval.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute said petition in the name and on behalf of the County and the Clerk of County Council is hereby authorized and directed to affix the seal of the County Council to said petition and to attest the same and thereafter to submit an executed copy of this resolution along with said petition to the State Budget and Control Board in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved this 3rd day of September, 2008.

Chairman, County Council of Newberry
County, South Carolina

(SEAL)

ATTEST:

Clerk to County Council
of Newberry County, South Carolina

STATE OF SOUTH CAROLINA)
)
COUNTY OF NEWBERRY)

TO THE STATE BUDGET AND CONTROL)
)
BOARD OF SOUTH CAROLINA)
_____)

P E T I T I O N

This Petition of the County Council of Newberry County, South Carolina, is submitted pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the “Act”), and specifically Section 44-7-1590 thereof, and respectfully shows:

1. The County Council of Newberry County is the governing body of Newberry County, South Carolina (the “County”), and as such constitutes a “County Board” as referred to in the Act with respect to hospital facilities located in such County.

2. The Act, among other things, empowers the County, functioning through its County Council (the “County Board”), subject to obtaining approval from the State Budget and Control Board (the “State Board”), required by Section 44-7-1590 of the Act and from the Department of Health and Environmental Control, if applicable, required by Section 44-7-1490 of the Act to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds as defined in the Act to include notes; to enter into loan agreements with any hospital agency or public agency, prescribing the payments to be made by the hospital agency or public agency to the County or its assignee to meet the payments that shall become due on the bonds, including terms and conditions relative to the acquisition and use of hospital facilities and the issuance of bonds; to issue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds; to issue bonds to refinance or refund outstanding obligations, mortgages or advances heretofore or hereafter issued, made or given by a hospital agency or public agency for the cost of hospital facilities; and to make the proceeds of any bonds available by way of a loan to a hospital agency or public agency pursuant to a loan agreement.

3. The County Board has agreed with Newberry County Memorial Hospital, a public agency under the Act (the “Hospital”), having hospital facilities as defined in the Act in the County, that the County Board will undertake to issue not exceeding \$1,100,000 Hospital Revenue Bonds of the County (the “Series 2008 Bonds”), pursuant to the Act, and to loan a portion of the proceeds of the Series 2008 Bonds to the Hospital in order to acquire, improve and equip an existing building in the County for general hospital use and to reimburse the Hospital for certain related prior capital expenditures (collectively, the “Project”), and to pay costs of issuance of the Bonds.

4. The Project constitutes “Hospital Facilities” as defined in the Act.

5. The County Board has found and determined that:

(a) The proceeds of the Series 2008 Bonds will be used to defray the cost of the Project and there is a need for the Project to be located in the County.

(b) The Hospital is a public agency as defined in the Act with established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities which may be imposed under the Loan Agreement to be entered into by the County and the Hospital with respect to the Series 2008 Bonds.

(c) Adequate provision shall be made for the payment of principal, interest, and redemption premium, if any, on the Series 2008 Bonds, and any necessary reserves therefor, and for the operation, repair and maintenance of the Hospital Facilities financed with the proceeds of the Series 2008 Bonds at the expense of the Hospital. The Hospital is unconditionally obligated to pay, as and when they become due and payable, amounts sufficient to pay the principal, interest and redemption premium, if any, on the Series 2008 Bonds. The Hospital is also obligated to pay the operation, repair and maintenance of the Hospital Facilities.

(d) The public facilities, including utilities and public services necessary for the Hospital Facilities, will be made available to the Project to be financed with the proceeds of the Series 2008 Bonds.

(e) The issuance of the Series 2008 Bonds will subserve the purposes and in all respects comply with the provisions and requirements of the Act, including without limitation Section 44-7-1560 of the Act.

(f) Neither the Project, the Series 2008 Bonds, nor any documents or agreements entered into by the County in connection therewith will constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

6. Pursuant to Section 44-7-1590 of the Act, the County Board sets forth the following information:

(a) No Certificate of Need is required of the Department of Health and Environmental Control in connection with the Project.

(b) In general, the terms and conditions of the proposed Loan Agreement for the Series 2008 Bonds provides that:

(i) The County will, at the request of the Hospital, issue not exceeding \$1,100,000 Hospital Revenue Bonds (Newberry County Memorial Hospital) Series 2008, to defray the cost of the Project, together with any interest, premium, if any, then or thereafter to become due, and certain other expenses to be incurred in connection therewith.

(ii) The Loan Agreement contains no provisions imposing an indebtedness on the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

(iii) The Loan Agreement contains provisions whereby the Hospital pledges and assigns to the County and agrees to pay to the Bond Trustee selected by the Hospital, for the benefit of the County, certain gross revenues of the Hospital.

(iv) The Loan Agreement contains covenants (i) obligating the Hospital to effect the completion of the Project if the proceeds of the Series 2008 Bonds prove insufficient, and (ii) obligating the Hospital to make payments which shall be sufficient (a) to pay the principal of and interest on the Series 2008 Bonds, (b) to build up and maintain any reserves deemed by the County Board to be advisable in connection therewith, and (c) to pay the costs of maintaining the Hospital Facilities financed with the proceeds of the Series 2008 Bonds in good repair and the cost of keeping all such Hospital Facilities, including the Project, properly insured.

Upon the basis of the foregoing, the County Board respectfully prays:

That the State Budget and Control Board (i) accept the filing of the Petition presented herewith; (ii) as soon as practicable, conduct such review as it considers advisable; (iii) thereafter, make a finding that the issuance of the Series 2008 Bonds to defray the cost of the Project is intended to promote the purposes of the Act and that it is reasonably anticipated the issuance of the Series 2008 Bonds will effect such results; (iv) on the basis of such finding, approve the issuance of not exceeding \$1,100,000 Newberry County, South Carolina, Hospital Revenue Bonds (Newberry County Memorial Hospital) Series 2008, including changes in any details of the said financing as finally consummated which do not materially affect the issuance of the Series 2008 Bonds, together with any interest and premium, if any, then or thereafter to become due, and certain other expenses to be incurred in connection therewith; and (v) give published notice of its approval and the action taken, as applicable, by the Department of Health and Environmental Control in the manner set forth in Section 44-7-1590 of the Act.

Respectfully submitted,

(SEAL)

NEWBERRY COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

ATTEST:

By: _____
Clerk to County Council

Dated: _____, 2008

