

**RESOLUTION
OF THE
BOARD OF COMMUNITY HEALTH**

I. WHEREAS, pursuant to an act of the Georgia General Assembly (Act No. 102, 2009 Regular Session, H.B. 228 (the “Act”), effective as of July 1, 2009 (the “Effective Date”), various titles of the Official Code of Georgia Annotated were amended so as to reorganize and reestablish various state health and human services agencies and to reassign various functions to the new agencies; and

II. WHEREAS FURTHER, pursuant to O.C.G.A. § 31-2-4, the Act re-created and established the Department of Community Health (the “Department”) to perform the functions and assume the duties and powers of the former Department of Community Health, the Division of Public Health of the Department of Human Resources, and the Office of Regulatory Services of the Department of Human Resources (as such entities existed prior to the Effective Date), unless specifically transferred to the Department of Human Services in accordance with the Act; and

III. WHEREAS FURTHER, pursuant to O.C.G.A. § 31-2-3, the Act re-constituted the Board of Community Health (the “Board”), which shall establish the general policy to be followed by the Department; and

IV. WHEREAS FURTHER, the Act transferred the powers, functions, and duties of the former Board of Community Health, as they existed prior to the Effective Date, to the reconstituted Board of Community Health pursuant to O.C.G.A. § 31-2-3; and

V. WHEREAS FURTHER, the Constitution of the State of Georgia (the “Georgia Constitution”), Article VII, Section IV, Paragraph I (c), and the Georgia State Financing and Investment Commission Act, O.C.G.A. §§ 50-17-20 through 50-17-30, provide that certain general obligation debt (as defined by O.C.G.A. § 50-17-21 (5) and hereinafter “General Obligation Bonds”) may be incurred for the benefit of the State, its agencies, departments, and institutions, and those State authorities created and activated prior to November 8, 1960; and

VI. WHEREAS FURTHER, pursuant to Paragraphs I through III of Section IV of Article VII of the Georgia Constitution, the General Appropriations Act for fiscal year 2010-2011 (Act No. 684, 2010 Regular Session, H.B. 948) was enacted by the General Assembly and signed by the Governor on June 4, 2010, so as to make the following appropriation, designated “General Obligation Debt Sinking Fund – Bond Financing Appropriated,” to the State of Georgia General Obligation Debt Sinking Fund, as provided by the Georgia Constitution, Article VII, Section IV, Paragraph III:

A. [Bond # 55] from State General Funds, \$883,880 is specifically appropriated for the purpose of financing projects and facilities for the Department of Community Health by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$3,800,000 in principal

amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months; and

VII. WHEREAS FURTHER, the Board finds an immediate need for the aggregate principal amount of the General Obligation Bonds authorized in the appropriation set forth in Article VI.A. above for the purpose of financing some or all of the projects and facilities referenced in the appropriation set forth in Article VI.A. above (the “Projects”), as follows:

A. \$3,800,000 of the \$3,800,000 aggregate principal amount of General Obligation Bonds authorized in the appropriation set forth in Article VI.A. above; and

VIII. WHEREAS FURTHER, the Board therefore desires to request the issuance of State of Georgia General Obligation Bonds in the aggregate principal amount of \$3,800,000 for the purpose of financing some or all of the Projects; and

IX. WHEREAS FURTHER, the Board is aware of the provisions and requirements of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and the regulations issued thereunder respecting arbitrage bonds and private activity bonds, and is aware that the Projects must proceed with due diligence and be timely completed following receipt of the proceeds derived from the sale of State of Georgia General Obligation Bonds,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMUNITY HEALTH:

SECTION 1.

That the Board hereby approves and authorizes the Projects.

SECTION 2.

That the Board hereby recommends to the Georgia State Financing and Investment Commission that it undertake to issue \$3,800,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of sixty (60) months, for the purpose of financing some or all of the Projects.

SECTION 3.

That the Board hereby determines and agrees:

- (a) the final plans for the Projects are sufficiently complete such that substantial binding obligations to a third party or parties (as defined in the regulations issued under the Tax Code), involving the expenditure of at least five percent (5%) of the proceeds of the General Obligation Bonds herein requested to commence or acquire the Projects will be incurred within six (6) months after the issuance of such General Obligation Bonds; and
- (b) eighty-five percent (85%) of the spendable proceeds of the General Obligation Bonds herein requested will be expended within three (3) years after the issuance of such General Obligation Bonds; and

- (c) the original proceeds of the General Obligation Bonds herein requested, and anticipated investment proceeds (net of interest on such General Obligation Bonds during the estimated period of construction), will not exceed the amount necessary for the governmental purposes of financing the Projects; and
- (d) during the time the General Obligation Bonds herein requested are outstanding, the Board will not take, or omit to take, any action which would cause such General Obligation Bonds to be deemed arbitrage bonds under the Tax Code; and
- (e) the Board will not use the proceeds of the General Obligation Bonds herein requested or the Projects financed with such General Obligation Bonds, for any non-governmental purpose, or any purpose that would give rise to “private business use”, as defined by the Tax Code; and
- (f) the term of the General Obligation Bonds herein requested will not be longer than 120% of the reasonably expected economic life of the Projects financed thereunder; and
- (g) no proceeds of the General Obligation Bonds herein requested will be used for reimbursement of any Project expenditures which were made before the anticipated delivery date of such General Obligation Bonds, except in situations where, prior to any such expenditure, the Board obtains a declaration of “Official Intent” (as defined by the Tax Code) from the Georgia State Financing and Investment Commission, or the Board is otherwise advised in writing by the Georgia State Financing and Investment Commission that such reimbursement will be permitted, it being the intention of the Board to comply in all respects with Section 1.150-2 of the regulations under the Tax Code; and
- (h) all of the expenditures of proceeds from the General Obligation Bonds herein requested for the Projects will constitute capital expenditures (as defined in the regulations issued under the Tax Code); and
- (i) with respect to any Project financed hereunder, all of the proceeds from the General Obligation Bonds herein requested for such Project will be allocated to Project expenditures no later than the earlier of: (i) eighteen (18) months after the date such Project is placed in service, or (ii) five (5) years after the issuance of such General Obligation Bonds; any unallocated General Obligation Bond proceeds remaining after the earlier of such dates shall be transferred to the Georgia State Financing and Investment Commission and used to redeem outstanding tax-exempt General Obligation Bonds of the applicable issue..

SECTION 4.

With respect to any Board project previously financed with proceeds of State of Georgia General Obligation Bonds issued by the State with the intent that (i) the interest on such bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Tax Code or (ii) such bonds at the time of their issuance were designated by the State as Build

America Bonds under section 54AA of the Tax Code (a "Prior Bond Project"), and where any Prior Bond Project bonds remain outstanding (including any refunding bonds), the Board certifies that such Prior Bond Project is not now being used for any private business use within the meaning of pertinent provisions of the Tax Code, except for those specific instances in which the Board has identified to the Georgia State Financing and Investment Commission a change in use of the Prior Bond Project(s) and provision was made so as to properly retire, redeem or defease any and all then-remaining outstanding bonds for the Prior Bond Project(s) concurrent with such change in use so as to maintain the tax-exempt or Build America Bond status of such bonds or the Georgia State Financing and Investment Commission has expressly consented to permit such change in use without the aforementioned retirement, redemption or defeasance of outstanding Prior Bond Project bonds, as applicable.

SECTION 5.

That the Board hereby approves, authorizes, and directs the Commissioner of Community Health (the "Commissioner") or the Chairperson of this Board (the "Chairperson"), to communicate a request to the Georgia State Financing and Investment Commission that said Georgia State Financing and Investment Commission issue State of Georgia General Obligation Bonds in the aggregate principal amount of \$3,800,000 for the purpose of financing some or all of the Projects.

SECTION 6.

That the Commissioner and the Chairperson are hereby each authorized and directed to execute any instruments and take whatever action which may be necessary in connection with the issuance of General Obligation Bonds by the Georgia State Financing and Investment Commission, including, but not limited to, the preparation and execution of answers in connection with any legal proceeding as to the validity of any action by the Board with respect to the General Obligation Bonds issued by the Georgia State Financing and Investment Commission. The Attorney General or any Assistant Attorneys General of the State are authorized to execute Acknowledgment of Service and Waiver of Process in such legal proceedings.

This Resolution is hereby approved this 9th day of September, 2010.

Ross Mason w/p CR
CHAIRPERSON
BOARD OF COMMUNITY HEALTH

ATTEST:

Archer R. Ross w/p CR
SECRETARY
BOARD OF COMMUNITY HEALTH

CERTIFICATE

I, Archer R Rose, Secretary of the Board of Community Health, hereby certify that I am custodian of the minutes of the Board of Community Health and that the foregoing is a true and correct copy of a Resolution duly adopted by said Board at a meeting held in Atlanta, Georgia, on the 9th day of Sept, 2010.

SO CERTIFIED this 9th day of Sept, 2010.

Archer R Rose w/p CR
SECRETARY
BOARD OF COMMUNITY HEALTH