

RESOLUTION NO. 2009-01

RESOLUTION OF THE BOARD OF COMMISSIONERS OF SHELBY COUNTY
APPROVING BOND ALLOCATION RELATING TO MAJOR HOSPITAL

WHEREAS, Major Hospital (the "Hospital") operates as a city/county hospital in the City of Shelbyville (the "City") and Shelby County (the "County") pursuant to IC 16-23-1; and

WHEREAS, the Hospital intends to issue tax-exempt revenue bonds in calendar year 2009 in an amount not to exceed \$30,000,000 through the Indiana Finance Authority (the "2009 Hospital Bonds") to (i) refund certain outstanding debt of the Hospital and (ii) provide funds for new Hospital projects ((i) and (ii), collectively, the "Project"); and

WHEREAS, the Project will benefit all citizens of the Shelby County, Indiana, whether they reside inside or outside the city of Shelbyville, Indiana; and

WHEREAS, the 2009 Hospital Bonds will be payable solely from Hospital revenues and not from any tax revenues or other revenues of the City or the County; and

WHEREAS, Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code") provides for certain federal tax advantages to banks purchasing the 2009 Hospital Bonds under certain circumstances, which will allow the Hospital to lower its borrowing costs and thereby benefit the citizens of the County; and

WHEREAS, in order to take advantage of said provisions of the Code, the Hospital has requested the County and the City to agree on an allocation of the amount of the 2009 Hospital Bonds between the County and the City; and

WHEREAS, the Board of Commissioners of Shelby County, Indiana (the "Commissioners"), as the executive and legislative body of Shelby County, Indiana, now desires to confirm the County's intentions with respect to the issuance of tax-exempt bonds in calendar year 2009, and to agree on an allocation of the 2009 Hospital Bonds between the County and the City for purposes of Section 265(b) of the Code;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF SHELBY COUNTY, INDIANA, RESOLVES THE FOLLOWING:

Section 1. The Commissioners hereby confirm that the County and all entities that issue obligations on behalf of the County reasonably anticipate issuing no tax-exempt obligations (except the 2009 Hospital Bonds) in calendar year 2009.

Section 2. The County hereby irrevocably agrees on an allocation of 100% of the 2009 Hospital Bonds to the County and 0% of the 2009 Hospital Bonds to the City for purposes of Section 265(b)(3)(C)((iii) of the Code.

Section 3. The Commissioners hereby find and determine that the 2009 Hospital Bonds will be payable solely from Hospital revenues, and that no tax or other funds of the County will be pledged or used to pay or secure payment of the 2009 Hospital Bonds. The Commissioners further find and determine that the allocation set forth herein bears a reasonable relationship to the respective benefits received by the County and the City, because, among other

things, the Project will be of equal benefit to all citizens of the County, whether they reside inside or outside of the City. The Commissioners further find that the actions taken herein will assist the Hospital in lowering its interest costs associated with the 2009 Hospital Bonds, which will inure to the benefit of the citizens of the County.

Section 4. The Commissioners hereby find and determine that the Resolution herein and the allocation for the 2009 Hospital Bonds for purposes of Section 265(b) of the Code shall be solely effective and binding for calendar year 2009 and in no way should be construed as a pledge for future allocations or in any way affect the ability of the County to issue tax exempt obligations consistent with and as authorized by Section 265(b) in subsequent years.

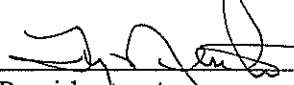
Section 5. The Commissioners hereby find and determine that the Resolution herein shall not and does not affect the County's ability to issue tax exempt obligations without the Section 265(b) designation in the event a currently unforeseen situation arises necessitating such obligations.

Section 6. The Commissioners hereby find and determine that the Resolution herein shall not amend or affect any agreement between the County, the City or the Hospital related to the 2009 Hospital Bond, the purposes and/or projects undertaken as a result of the 2009 Hospital Bond and/or the purposes and/or projects undertaken resulting from certain outstanding debt of the Hospital to be refunded by the 2009 Hospital Bond.

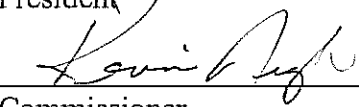
Section 7. This Resolution shall be in full force and effect from and after its adoption by the Commissioners.

Adopted this 27th day of April, 2009.

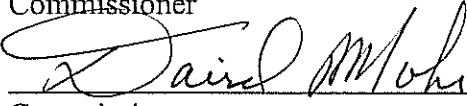
BOARD OF COMMISSIONERS OF
SHELBY COUNTY, INDIANA



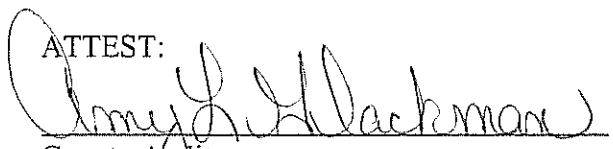
President



Commissioner



Commissioner

ATTEST:


County Auditor