

REV

RESOLUTION NO. 7-2008

OF THE BOARD OF COUNTY COMMISSIONERS

OF DAUPHIN COUNTY, PENNSYLVANIA

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF DAUPHIN COUNTY, PENNSYLVANIA (THE "COUNTY"), PURSUANT TO THE PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, APPROVING THE FINANCING BY SUSQUEHANNA AREA REGIONAL AIRPORT AUTHORITY (THE "AUTHORITY") OF A PROJECT CONSISTING OF THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS FOR THE PURPOSE OF PROVIDING FUNDS NECESSARY FOR THE REFINANCING OF CERTAIN OUTSTANDING DEBT OF THE AUTHORITY AND SPECIFICALLY: (1) 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; (2) RATIFYING THE PUBLICATION OF A LEGAL ADVERTISEMENT PROVIDING PUBLIC NOTICE OF THE PUBLIC HEARING IN COMPLIANCE WITH SAID SECTION 147(f); (3) AUTHORIZING THE EXECUTION OF AN APPROVAL CERTIFICATE WITH RESPECT TO THE REFUNDING PROJECT; AND (4) PROVIDING FOR AN EFFECTIVE DATE AND A GENERAL REPEALER.

WHEREAS, Susquehanna Area Regional Airport Authority (the "Authority") is a public instrumentality and a body politic and corporate organized and existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), having been duly organized by the County of Dauphin, the County of York, the County of Cumberland, the Township of Lower Swatara, the Township of Fairview, the City of Harrisburg and the City of York, pursuant to the provisions of the Pennsylvania Municipalities Act, 53 Pa.C.S. § 5601 *et seq.*, as amended and supplemented (the "Act"); and

WHEREAS, the Authority is authorized by the Act to acquire, hold, construct, improve, maintain, operate, own, finance and lease, as lessee or lessor, certain projects, including airports and all facilities necessary or incident thereto; and

WHEREAS, the Authority, pursuant to that certain Divestiture Agreement, dated September 9, 1997 (the "Divestiture Agreement"), between the Authority, on the one hand, and the Commonwealth of Pennsylvania, acting by and through the Pennsylvania Department of Transportation (the "Department"), on the other hand, heretofore acquired the facilities known generally as Harrisburg International Airport ("HIA"), the industrial park adjacent to HIA, the facilities known generally as the Capital City Airport ("CXY"), and related assets and properties, all as more fully described in the Divestiture Agreement (collectively, the "Airport System"); and

WHEREAS, the Authority heretofore undertook a project (the "2003 Project") consisting of (i) the refinancing of certain outstanding indebtedness incurred by the Authority in connection with the acquisition of the Airport System, and (ii) the financing of the acquisition and construction of certain capital improvements and expansion at HIA consisting of (1) the acquisition, construction and expansion of an additional 1,400 long-term, economy, surface lot parking spaces, (2) the acquisition and construction of a new approximately 280,000 square-foot passenger terminal airport building, including certain aircraft support systems (passenger boarding bridges, pre-conditioned air and 400 Hz power

systems), (3) the acquisition and construction of a new approximately 212,000 square-yard aircraft parking apron adjacent to aforesaid terminal building, (4) the purchase and installation of a Category III instrument landing system and associated airfield improvements, (5) the acquisition and construction of a new 10,000-foot parallel taxiway encompassing high-speed aircraft exits, lighting and signage systems, (6) the acquisition and construction of a new multi-modal transportation facility, including approximately 2,700 public parking spaces and 700 rental car ready-return spaces, a rental car counter area, and a pick-up and drop-off area for commercial ground transportation vehicles, and (7) the acquisition and construction of a new terminal loop roadway for access to and egress from the aforesaid terminal building, as well as sections of roadway directly in front of the terminal building; and

WHEREAS, the Authority heretofore expanded the scope of the 2003 Project to include the acquisition and construction of additional jet gates in the terminal building (the "2004 Project"); and

WHEREAS, in order to provide a portion of the funds for the 2003 Project and the 2004 Project, the Authority heretofore issued two series of airport system revenue bonds designated as its: (i) Airport System Revenue Bonds, Series 2004A (AMT), Periodic Auction Reset Securities – PARS<sup>SM</sup>, in the aggregate principal amount of \$27,800,000 (the "Series 2004A Bonds"), and (ii) Airport System Revenue Bonds, Series 2004B (Taxable), Periodic Auction Reset Securities – PARS<sup>SM</sup>, in the aggregate principal amount of \$1,875,000 (the "Series 2004B Bonds", and together with the Series 2004A Bonds, collectively, the "Series 2004 Bonds"); and

WHEREAS, Financial Guaranty Insurance Company ("FGIC") issued its municipal bond insurance policy to insure the payment of the principal of and interest on the Series 2004 Bonds when due; and

WHEREAS, the current volatile market conditions in the auction rate market and the recent credit rating downgrade of FGIC have resulted in periodic auction failures which have caused the Series 2004 Bonds to bear interest at interest rates significantly higher than expected and budgeted by the Authority; and

WHEREAS, the Authority heretofore obtained additional financing, in order to finance certain costs of the 2003 Project and the 2004 Project, through a Revolving Line of Credit in the principal amount of \$15,000,000, which is evidenced by a Revolving Line of Credit Note, dated July 27, 2004 (the "Line of Credit Note"); and

WHEREAS, the Authority desires to undertake a project (the "2008 Project"), consisting of: (i) the current refunding and restructuring of the Series 2004 Bonds, (ii) the repayment and restructuring of the Line of Credit Note, (iii) funding certain necessary reserves, and (iv) paying the costs and expenses incident to the financing of the 2008 Project; and

WHEREAS, in order to provide a portion of the funds necessary to carry out the 2008 Project, the Authority desires to issue its tax-exempt airport system revenue bonds, in an aggregate principal amount not to exceed \$60,000,000 to be designated generally as the Authority's Airport System Revenue Bonds, Series 2008A (AMT) and referred to herein as the "2008 Bonds"; and

WHEREAS, the 2008 Bonds shall not be secured by any pledge of assets, moneys, revenues or taxing power of the County of Dauphin, the Commonwealth of Pennsylvania or any political subdivision thereof; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that certain tax-exempt bonds which includes the 2008 Bonds have the approval of certain governmental units; and

WHEREAS, Section 147(f) of the Code provides in substance that any issue, such as the issuance of the 2008 Bonds, approved by the applicable elected representative of the applicable governmental unit after a public hearing (the "Public Hearing") following notice duly given, shall be treated as having been approved by the governmental unit; and

WHEREAS, in compliance with Section 147(f) of the Code, the Authority, on behalf of the County, has heretofore caused the publication of a legal notice advertising said Public Hearing; and

WHEREAS, on March 11, 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 AND IT HEREBY IS RESOLVED by the Board of County Commissioners of the County of Dauphin, as follows:

1. The Public Hearing required under Section 147(f) of the Code conducted through the Authority on behalf of the County is hereby ratified.
2. The publication by the Authority of a legal notice advertising the Public Hearing is hereby ratified.
3. The undertaking of the 2008 Project by the Authority as a public project is hereby approved by the County for purposes of Section 147(f) of the Code.
4. The 2008 Bonds are not secured by any pledge of assets, moneys, revenues or taxing power of the County of Dauphin.
5. 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 2008 Project for purposes of Section 147(f) of the Code.
6. This Resolution shall become effective immediately upon its adoption. Any ordinances or resolutions to the extent inconsistent herewith are hereby repealed.

*[The remainder of this page left blank intentionally]*

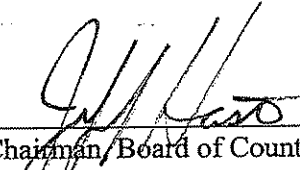
RESOLVED AND ADOPTED this \_\_\_\_ day of March, 2008, by the Board of County Commissioners of Dauphin County, Pennsylvania, in lawful session duly assembled.


ATTEST:

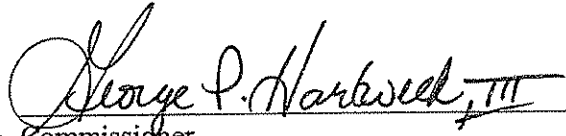
BOARD OF COUNTY COMMISSIONERS OF  
DAUPHIN COUNTY, PENNSYLVANIA

  
\_\_\_\_\_  
Chief Clerk

(SEAL)

  
\_\_\_\_\_  
Chairman, Board of County Commissioners

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

## CERTIFICATE OF APPROVAL

**Re:** Susquehanna Area Regional Airport Authority (the “**Authority**”)

**Project:** Issuance of a tax-exempt airport system revenue bonds by the Authority in an amount not to exceed \$60,000,000 for a project (the “**Project**”), which includes providing funds for: (1) refinancing a revolving line of credit (the “**Line of Credit**”) and the Airport System Revenue Bonds, Series 2004A (AMT), Periodic Auction Reset Securities – PARS (the “**2004A Bonds**”); (2) funding necessary reserve funds; and (3) paying certain costs of issuance of such Airport System Revenue Bonds.

The Line of Credit and the 2004A Bonds (1) financed or refinanced a portion of (i) the acquisition of the Harrisburg International Airport (“**HIA**”), located in Dauphin County, Pennsylvania, and the Capital City Airport (“**Capital City Airport**”), located in York County, Pennsylvania (HIA and Capital City Airport, collectively, the “**Existing Airport Facilities**”), (ii) certain prior improvements to the Existing Airport Facilities, and (iii) the Authority’s initial working capital in connection with operation of the Existing Airport Facilities; and (2) financed a portion of the costs of a capital improvement project at HIA, consisting of (i) the acquisition and construction of a new approximately 280,000-square foot passenger terminal airport building (the “**Terminal Building**”), including certain aircraft support systems (passenger boarding bridges, pre-conditioned air and 400Hz power systems), (ii) the acquisition and construction of a new approximately 212,000 square yard aircraft parking apron adjacent to the Terminal Building, (iii) the purchase and installation of a Category III instrument landing system and associated airfield improvements, (iv) the acquisition and construction of a new 10,000-foot parallel taxiway encompassing high-speed aircraft exits, lighting and signage systems, (v) the acquisition and construction of a new multi-modal transportation facility, including approximately 2,700 public parking spaces and 500 rental car ready-return spaces, a rental car counter area, a pick-up and drop-off area for commercial ground transportation vehicles, and (vi) the acquisition and construction of a new terminal loop roadway for access to and egress from the new Terminal Building, as well as sections of roadway directly in front of the Terminal Building.

**Proposed Project Financing:** Susquehanna Area Regional Airport Authority, Airport System Revenue Bonds, Series of 2008A (AMT) (the “**Airport System Revenue Bonds**”)

After a duly-advertised public hearing held on behalf of the Board of Commissioners of the County of Dauphin, Pennsylvania through the Authority at 9:00 a.m., local time, on March 11, 2008, in the David C. McIntosh Boardroom, located at One Terminal Drive, Harrisburg International Airport, Dauphin County, Pennsylvania, 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 Airport System Revenue Bonds, in an aggregate principal amount not to exceed \$60,000,000, 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 Dauphin, the Commonwealth of Pennsylvania, or any political subdivision thereof.

The undersigned, as the authorized member of the Board of Commissioners, executes this Certificate of Approval on behalf of the County of Dauphin, 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 Airport System Revenue Bonds, and does not constitute approval for any permit, license or zoning by the County of Dauphin for the occupancy of the Project.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate of Approval this 19<sup>th</sup> day of March, 2008.

**BOARD OF COMMISSIONERS OF THE COUNTY  
OF DAUPHIN, PENNSYLVANIA**

By:  \_\_\_\_\_  
Chairman, Board of Commissioners