

EFM SUBMISSION NO.: 2013EFM038

PRESENTED: 1-23-13

ADOPTED: 1-23-13

**RESOLUTION APPROVING EIGHTH AMENDED AND RESTATED CONTRACT
OF LEASE (REVENUE RENTAL) AND OTHER DOCUMENTS AND AUTHORIZING
AND DIRECTING THE DIRECTOR OF FINANCE TO MAKE APPLICATION
TO THE TREASURER OF THE STATE OF MICHIGAN FOR
PRIOR APPROVAL OF THE ISSUANCE OF BONDS**

BY THE EMERGENCY FINANCIAL MANAGER:

The Commission (the "Commission") of the City of Flint Hospital Building Authority (the "Authority"), has adopted a Bond Resolution and Indenture of Trust (the "2013 Indenture"), the form of which has been presented to the Emergency Financial Manager, approving and providing for the issuance pursuant to the provisions of Act No. 31, Michigan Public Acts of 1948, as amended, of (i) not to exceed \$25,000,000 Building Authority Revenue Rental Bonds, Series 2013A (Hurley Medical Center) (the "Series 2013A Bonds"), for the purpose of financing the cost of certain capital improvements to Hurley Medical Center (the "2013 Project") and, (ii) if the conditions for issuance set forth in the 2013 Indenture have been met, not to exceed \$37,000,000 Building Authority Revenue Refunding Bonds, Series 2013B (Hurley Medical Center) (the "Series 2013B Bonds"), for the purpose of refunding all or a portion of the outstanding bonds (the "Bonds To Be Refunded") of its (A) Building Authority Revenue Refunding Bonds, Series 1998A (Hurley Medical Center), (B) Building Authority Revenue Rental Bonds, Series 1998B (Hurley Medical Center), and (C) Building Authority Revenue and Revenue Refunding Bonds, Series 2003 (Hurley Medical Center), as finally determined by the Authorized Authority Representative as set forth in the 2013 Indenture; and

The 2013 Project and those existing financed facilities of Hurley Medical Center that are to be refinanced by the Series 2013B Bonds and other existing financed facilities are to be leased

by the Authority to the City of Flint, acting by and through its Board of Hospital Managers (the "Lessee"), pursuant to an Eighth Amended and Restated Contract of Lease (Revenue Rental) (the "2013 Restated Contract of Lease"), between the Authority and the Lessee; and

The Authority has caused to be prepared, and has approved, proposed forms of the 2013 Restated Contract of Lease, an Escrow Deposit Agreement (the "Escrow Deposit Agreement") among the Authority, U.S. Bank National Association, and the Lessee providing for the defeasance and redemption of the Bonds To Be Refunded, a Disclosure Dissemination Agent Agreement (the "Disclosure Agreement") between the Dissemination Agent named therein and the Lessee providing for compliance with certain requirements of SEC Rule 15c2-12, a Preliminary Official Statement relating to the Series 2013A Bonds and the Series 2013B Bonds (the "Preliminary Official Statement"), and a Contract of Purchase for the Series 2013A Bonds and the Series 2013B Bonds (the "Contract of Purchase") among Raymond James & Associates, Inc. (the "Underwriter"), the Authority and the Lessee, each of which has been presented to the Emergency Financial Manager; and

The Board of Hospital Managers of the City of Flint has adopted a resolution approving the issuance of the Series 2013A Bonds and, if the conditions for issuance set forth in the 2013 Indenture have been met, the Series 2013B Bonds, the refunding of the Bonds To Be Refunded, the 2013 Project and the forms of the 2013 Restated Contract of Lease, Escrow Deposit Agreement, Disclosure Agreement, Preliminary Official Statement, Contract of Purchase and certain other documents relating to the Series 2013A Bonds and the Series 2013B Bonds, and has authorized its officers to assist in effectuating the sale and delivery of the Series 2013A Bonds and the Series 2013B Bonds.

IT IS RESOLVED, that:

1. The 2013 Project, as set forth in the form of 2013 Restated Contract of Lease presented, is hereby approved, and the Emergency Financial Manager hereby finds and determines that the 2013 Project serves a legitimate public purpose of the City of Flint. The Emergency Financial Manager hereby further finds and determines that the proposed refunding of the Bonds To Be Refunded under the conditions for issuance of the Series 2013B Bonds set forth in the 2013 Indenture will provide significant debt service savings to the Lessee;

2. The proposed issuance by the Authority of the Series 2013A Bonds in the aggregate principal amount not to exceed \$25,000,000 for the purpose of the financing of the costs of the 2013 Project, and the proposed issuance by the Authority of not to exceed \$37,000,000 Building Authority Revenue Refunding Bonds, Series 2013B (Hurley Medical Center) (the "Series 2013B Bonds"), if the conditions for issuance set forth in the 2013 Indenture have been met, for the purpose of refunding all or a portion of the Bonds To Be Refunded, as finally determined by the Authorized Authority Representative as set forth in the 2013 Indenture, are each hereby approved, and the Authority is hereby requested to proceed with the issuance of the Series 2013A Bonds and, if the conditions for issuance set forth in the 2013 Indenture have been met, the Series 2013B Bonds;

3. The proposed 2013 Restated Contract of Lease, in the form presented, is hereby approved, and the Emergency Financial Manager or other authorized officer and the City Clerk, together with the Chairperson and other appropriate officers of the Board of Hospital Managers, are hereby authorized and directed to execute and deliver the same for and on behalf of the City of Flint acting by and through the Board of Hospital Managers with such insertions and changes of a ministerial nature as such officer or officers executing the 2013 Restated Contract of

Lease shall deem necessary or appropriate for purposes of carrying out this order, which insertions and changes are hereby authorized and approved. A description of the 2013 Project shall be attached as Exhibit A-1 to the executed and delivered 2013 Restated Contract of Lease and the estimated costs and periods of usefulness for the items comprising the 2013 Project shall be set forth in such Exhibit A-1;

4. The proposed Escrow Deposit Agreement, in the form presented, is hereby approved, and the Chairperson and other appropriate officers of the Board of Hospital Managers, are hereby authorized and directed to execute and deliver the same for and on behalf of the City of Flint acting by and through the Board of Hospital Managers with such insertions and changes of a ministerial nature as such officer or officers executing the Escrow Deposit Agreement shall deem necessary or appropriate for purposes of carrying out this resolution, which insertions and changes are hereby authorized and approved;

5. The proposed Disclosure Agreement, in the form presented, is hereby approved, and the Chairperson and other appropriate officers of the Board of Hospital Managers are hereby authorized and directed to execute and deliver the same for and on behalf of the City of Flint acting by and through the Board of Hospital Managers with such insertions and changes of a ministerial nature as such officer or officers executing the Disclosure Agreement shall deem necessary or appropriate for purposes of carrying out this resolution, which insertions and changes are hereby authorized and approved;

6. The proposed Contract of Purchase, substantially in the form presented, is hereby approved and (1) the Authority is hereby requested to execute and deliver the Contract of Purchase to the Underwriter in substantially such form and (2) the Chairperson and other appropriate officers of the Board of Hospital Managers are hereby authorized and directed to

execute and deliver the same for and on behalf of the City of Flint acting by and through the Board of Hospital Managers with such insertions and changes of a ministerial nature as such officer or officers executing the Contract of Purchase shall deem necessary or appropriate for purposes of carrying out this resolution, which insertions and changes are hereby authorized and approved; and

7. The Preliminary Official Statement, in the form presented, is hereby approved, with such insertions and changes as the appropriate officers of the Board of Hospital Managers shall deem necessary or appropriate for purposes of carrying out this order, including without limitation appendices containing updated information and financial statements for the Hurley Medical Center, summaries of documents approved by the Commission of the Authority and the Board of Hospital Managers, and forms of legal opinions required in connection with the issuance of the Series 2013A Bonds and the Series 2013B Bonds, which insertions and changes are hereby authorized and approved, and its use by the Underwriter in connection with the public offering of the Series 2013A Bonds and the Series 2013B Bonds is authorized. Further, the Authority and the Board of Hospital Managers are hereby requested to cause to be prepared the Official Statement supporting the offering for sale of the Series 2013A Bonds and the Series 2013B Bonds, and the Chairperson and other appropriate officers of the Board of Hospital Managers are hereby authorized and directed to execute and deliver such Official Statement, substantially in the form of the Preliminary Official Statement, for and on behalf of the City of Flint acting by and through the Board of Hospital Managers, with such insertions and changes of a ministerial nature as such officer or officers executing the Official Statement shall deem necessary or appropriate for purposes of carrying out this order, which insertions and changes are hereby authorized and approved, and to certify at the time of sale and delivery of the Series 2013A Bonds and the Series 2013B Bonds that the Official Statement did not contain any untrue statement of material fact or omit to state a material fact

necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

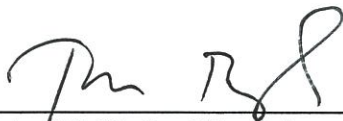
IT IS FURTHER RESOLVED, that the Director of Finance is hereby authorized and directed to prepare and submit to the Department of Treasury, State of Michigan, an application for qualified status and/or an order of prior approval of the issuance of the Series 2013A Bonds and the Series 2013B Bonds.

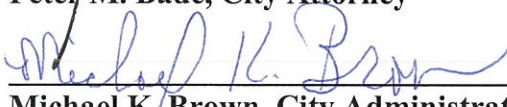
FURTHER RESOLVED, that the appropriate officers of the City of Flint are hereby authorized and directed to execute and deliver such other certificates, instruments and agreements, and to take all such other actions, as may be necessary or appropriate to effectuate the sale, issuance and delivery of the Series 2013A Bonds and the Series 2013B Bonds.

FURTHER RESOLVED, that all prior resolutions and portions of prior resolutions inconsistent with this resolution are hereby revoked.

FURTHER RESOLVED, that the forms of documents presented to the Emergency Financial Manager, as described above, shall be attached to this order.

APPROVED AS TO FORM:



Peter M. Bade, City Attorney


Michael K. Brown, City Administrator

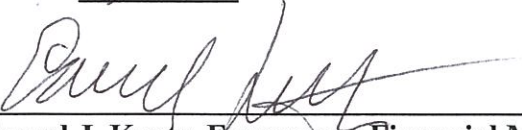
APPROVED AS TO FINANCE:



Gerald Ambrose, Finance Director

EFM DISPOSITION:

ENACT ☒ _____ REFER TO COUNCIL _____ FAIL _____



Edward J. Kurtz, Emergency Financial Manager

DATED: 1-23-13