

RE: RESOLUTION AMENDING ORDINANCE NO. 86-810, AS AMENDED BY ORDINANCE NO. 86-146

Adopted: February 14, 1989

Resolution No. 89-21

WHEREAS, the County of Ingham has issued Ingham Medical Center Revenue Refunding Bonds, Series 1986 (the "Bonds") bearing an original issue date of June 1, 1986, in the aggregate principal amount of \$10,575,000, pursuant to Bond Ordinance No. 86-110 adopted by the Board of Trustees of Ingham Medical Center on May 15, 1986, and the Board of Commissioners of the County of Ingham on May 27, 1986, and amended by Ordinance No. 86-146 adopted by the Board of Trustees of Ingham Medical Center and the Board of Commissioners of the county of Ingham on June 24, 1986 (Ordinance No. 86-110, as amended by Ordinance 86-146 is referred to as the "Bond Ordinance"); and

WHEREAS, pursuant to Section 18 of the Bond Ordinance, the County of Ingham has agreed that it will not sell, lease, mortgage or in any manner dispose of Ingham Medical Center or any substantial part thereof until all the Bonds have been paid in full or provision has been made therefore, except the county of Ingham may enter into a "Permitted Lease" under certain conditions; and

WHEREAS, subsection (1) of Section 1 of the Bond Ordinance defines a Permitted Lease to mean a lease of Ingham Medical Center to a corporation organized pursuant to either the Michigan Nonprofit Corporation Act or the Michigan Business Corporation Act and containing certain other conditions and provisions; and

WHEREAS, since the adoption of the Bond Ordinance the County Health Facilities Corporations Act, Act No. 230 of the Public Acts of 1987, has been adopted by the legislature and signed by the Governor of the State of Michigan and has become effective; and

WHEREAS, the County of Ingham desires to amend the Bond Ordinance to permit a lease of Ingham Medical Center to a corporation organized under the County Health Facilities Corporations Act; and

WHEREAS, the powers of a corporation organized under the County Health Facilities Corporations Act are substantially the same as the powers of a corporation organized under either the Michigan Nonprofit Corporation Act or the Michigan Business Corporation Act; and

WHEREAS, it is hereby determined that the amendment of the Bond Ordinance to permit the County of Ingham to enter into a lease with a corporation organized under the County Health Facilities Corporations Act on the same terms and conditions as a lease with a corporation organized under the Michigan Nonprofit Corporation Act or the Michigan Business Corporation Act will not have a material adverse effect upon the security for the Bonds or the ability of the County of Ingham to pay the principal of and interest on the bonds from the revenues pledged therefore.

THEREFORE BE IT RESOLVED that subsection (1) of Section 1 of the bond Ordinance is hereby amended to provide as follows:

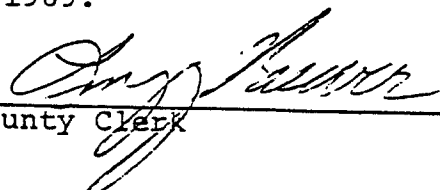
(1) "Permitted Lease" means a lease of the Center to a corporation organized pursuant to either the Michigan Nonprofit Corporation Act, being Act 162 of the Public Acts of Michigan, 1982, as amended, the Michigan Business Corporation Act, being Act 284 of the Public Acts of Michigan, 1974, as amended, or the County Health Facilities Corporations Act, being Act 230 of the Public Acts of Michigan, 1987, as amended, for a term extending at least until after the last maturity of the Series 1986 Bonds and requiring the lessee to fix rates and charges sufficient to produce Net Revenues from the Center in the amounts which are required by Section of this Ordinance, to fund depreciation to the extent required by Section 18 of the Ordinance, to carry insurance on the Center of the types and in the amounts which are customary for not-for-profit hospital corporations engaged in the same activities or similarly situated, to maintain all licenses, approvals, and consents necessary to operate the Center as a hospital, to maintain accreditations reasonably necessary to operate the Center as a hospital, to keep and maintain the Center in good condition and repair and to pay the County a charge for the use of the Center in the amounts required to be deposited to the Operations and Maintenance Fund and the Bond and Interest Redemption Fund at least 30 days prior to the date such deposits are required, prohibiting the assignment, transfer or conveyance of the lease by the lessee, except the lease may permit a sublease of vacant land which is not necessary for the operations of the Center as an acute care hospital, and, if the lease provides for the transfer and conveyance by the County of all or any part of the Center, prohibiting such transfer or conveyance until after either the payment, in full, of the principal of, redemption premium, if any, and interest on the Series 1986 Bonds or the defeasance of this Bond

Ordinance pursuant to Section 5; provided, however, the lease may provide for the transfer of ownership, at any time, of cash, accounts receivable and securities of the Center held in the operating accounts and funded depreciation accounts of the Center to the lessee as part of the lease transaction.

This Resolution Amending Ordinance No. 86-810 As Amended by Ordinance No. 86-145 shall be effective immediately upon its adoption.

Adopted by the Board of Commissioners of the County of Ingham and signed on the \_\_\_\_ day of February, 1989.

\_\_\_\_\_  
Chairperson, Board of Commissioners

  
\_\_\_\_\_  
County Clerk

Adopted by the Board of Trustees of Ingham Medical Center and signed on the \_\_\_\_ day of February, 1989.

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Chairperson, Board of Trustees

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Secretary, Board of Trustees