



CHIPPEWA COUNTY BOARD OF COMMISSIONERS

RESOLUTION TENTATIVELY APPROVING CONCEPTUAL UNDERSTANDING FOR THE TRANSFER OF HOSPITAL FACILITIES, AND PROVIDING AN OPPORTUNITY FOR PUBLIC INPUT PRIOR TO CONSIDERATION OF FINAL APPROVAL

#2023-11

WHEREAS, the Chippewa County Board of Commissioners is the owner of certain Hospital Facilities, historically referred to as the Chippewa County War Memorial Hospital Facilities (“Hospital Facilities”). These Hospital Facilities are currently leased to MyMichigan Medical Center Sault, a subsidiary of MyMichigan Health, until December 31, 2081 for purposes of providing health care services in Chippewa County under a lease recently updated in 2021; and

WHEREAS, MyMichigan Medical Center Sault, a subsidiary of MyMichigan Health, now the tenant of the Hospital Facilities, and MyMichigan Health, a non-profit corporation and Sole Member of the seven hospital subsidiary medical center network in Michigan (“MyMichigan”), desire to make extensive improvements to the Hospital Facilities, and to the surrounding care facilities and services providing health care to the residents of Chippewa County (“Chippewa Health Care Improvements”). MyMichigan represents that, if ownership of the Hospital Facilities could be transferred to MyMichigan Medical Center Sault, a subsidiary of MyMichigan Health, rather than that entity remaining as tenant, it would facilitate financing and the allocation of moneys for the Chippewa Health Care Improvements. Accordingly, MyMichigan has approached the County to consider a transfer of ownership of the Hospital Facilities to MyMichigan Medical Center Sault, a subsidiary of MyMichigan Health.

WHEREAS, the payment of a fair price, along with the achievement of continued health care services and facilities now in place for County residents, and also the improvement of such health care services and facilities by accomplishing the Chippewa Health Care Improvements, would provide an important motivation for the County to consider the transfer of ownership of the Hospital Facilities to MyMichigan Medical Center Sault, a subsidiary of MyMichigan Health. Achieving these objectives would be in the public interest, and add value to the County; and

WHEREAS, MyMichigan has offered to pay to the County, in cash, the amount of \$2,000,000 for the transfer of ownership of the Hospital Facilities, has committed to

achieve significant Chippewa Health Care Improvements during the next ten years, and has also made certain related promises which will further maintain and enhance health care services in the County for such ten year period, and has agreed to secure such promises by consenting to incur liability for damages if such promises are not fulfilled; and

WHEREAS, a conceptual understanding of the terms and conditions being considered for the transfer of the Hospital Facilities by the County to MyMichigan Medical Center Sault, a subsidiary of MyMichigan Health, and for MyMichigan to carry out its offers, commitments and promises in exchange for such transfer, is stated in the accompanying June 2, 2023 Conceptual Understanding for Hospital Transfer Agreement (“Conceptual Understanding”); and

WHEREAS, if the Board of Commissioners determines to tentatively approve the Conceptual Understanding, the Board will defer consideration of final approval until the public has had 30 days in which to review the Conceptual Understanding, and has then had the opportunity at an open meeting to present input to the Board of Commissioners on the Conceptual Understanding.

NOW, THEREFORE, BE IT RESOLVED that the Chippewa County Board of Commissioners approves the introduction and tentative approval of the Conceptual Understanding, however, the Board shall not vote to grant final approval until the public has had the opportunity to review and provide input to the Board of Commissioners at its regular open meeting on July 13, 2023.

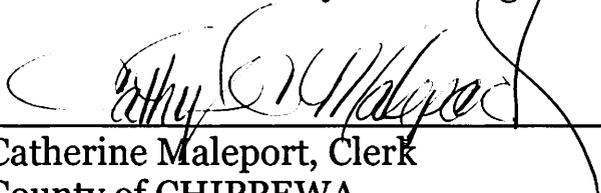
BE IT FURTHER RESOLVED that, following the approval of this Resolution, special legal counsel for the County shall meet with representatives of MyMichigan to formulate a proposed agreement reflecting the terms of the Conceptual Understanding with sufficient detail and precision to be binding on and enforceable by both parties, and to carry out the intent of the Conceptual Understanding. This proposed agreement shall be presented to the Board of Commissioners for consideration at its meeting on July 13, 2023 after the Board has received public input on the Conceptual Understanding.

BE IT FURTHER RESOLVED that the Board’s regular meeting agenda of July 13, 2023 shall include the hearing of public input on the Conceptual Understanding, followed by a consideration by the Board of granting final approval of the agreement prepared for the purpose of giving legal effect to the Conceptual Understanding as presented, or as such agreement may be modified based on public input received.

STATE OF MICHIGAN)
COUNTY OF CHIPPEWA)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners for the County of CHIPPEWA, Michigan, at its regular meeting held on the 13th day of June, 2023. I further certify that the meeting was held and the minutes kept in compliance with Act 267 of the Public Acts of 1976. The original of this Resolution shall be kept on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on this 13th day of June 2023.



Catherine Maleport, Clerk
County of CHIPPEWA