



CHIPPEWA COUNTY BOARD OF COMMISSIONERS

RESOLUTION APPROVING THE TRANSFER AND SALE OF HOSPITAL FACILITIES TO MYMICHIGAN MEDICAL CENTER SAULT, WITH CONTINUING COMMITMENTS AND PROMISES OF MYMICHIGAN HEALTH

#2023-17

WHEREAS, Chippewa County, through its Board of Commissioners (“Board”) is the owner of certain Hospital Facilities located at 500 Osborn Boulevard, Sault Ste. Marie, MI 49783, historically referred to as the Chippewa County War Memorial Hospital Facilities (“Hospital Facilities”). These Hospital Facilities are currently leased to MyMichigan Medical Center Sault (“MyMichigan Sault”) until December 31, 2081 for purposes of providing health care services in Chippewa County under a lease which was last updated in 2021; and

WHEREAS, MyMichigan Sault and MyMichigan Health, a non-profit corporation and Sole Member of the seven hospital subsidiary medical center network in Michigan (“MyMichigan Health”), represented to the Board of Commissioners that there was a desires to make extensive improvements to the Hospital Facilities, and that it would facilitate financing and the allocation of moneys for such purposes if ownership of the Hospital Facilities were sold to MyMichigan Sault and MyMichigan Health, with the deed of conveyance transferring title from the County to to MyMichigan Sault; and

WHEREAS, to induce the Board to proceed with such sale and transfer of the Hospital Facilities, MyMichigan Health and MyMichigan Sault have offered to pay to the County, in cash, the amount of \$2,000,000.00 for such sale and transfer, and have also committed to complete \$70,000,000.00 of improvements to the Hospital Facilities during the ten-year period commencing January 1, 2022 and ending on December 31, 2031. MyMichigan Health has also proposed that, acting with MyMichigan Sault, it would carry out certain related actions which will further maintain and enhance health care services in the County for such ten-year period, and will secure such actions by consenting to incur liability for damages if such actions are not fulfilled, as detailed in the “Formal Agreement” described in this Resolution; and

WHEREAS, at a public meeting on June 13, 2023, the Board adopted Resolution 2023-11 tentatively approving a Conceptual Understanding for Hospital

Transfer Agreement (“Conceptual Understanding”) which embodies the terms and conditions for a deed of conveyance transferring the Hospital Facilities from the County to MyMichigan Sault, including the specification that MyMichigan Health will carry out its offers, commitments and promised actions in exchange for such transfer. The Board clarified in the June 13, 2023 Resolution that the tentative approval of the Conceptual Agreement is subject to further deliberation by the Board as a condition to finally approving an agreement incorporating the Conceptual Understanding, and that such final approval would not occur until after the Board has provided the opportunity for the public to provide comments and input on the Conceptual Understanding at the Board’s open meeting on July 13, 2023; and

WHEREAS, the public has had 30 days in which to review the Conceptual Understanding, and the opportunity at the open meeting of this date to provide comment and input to the Board, and the Board has received and considered such public comment and input, and has determined that it would be in the public interest to approve the sale and transfer of the Hospital Facilities based on the offered consideration and other terms contained in the Conceptual Understanding; and

WHEREAS, consistent with the direction given in its Resolution adopted on June 13, 2023, special legal counsel for the County has worked with representatives of MyMichigan Health to formulate a proposed agreement reflecting the terms of the Conceptual Understanding with sufficient detail and precision to be binding on and enforceable by the parties, and to carry out the intent of the Conceptual Understanding. A proposed agreement to this effect has been prepared, entitled Agreement Approving the Conveyance Transferring Title of Hospital Facilities to MyMichigan Sault, with Continuing Commitments and Promises of MyMichigan Health (“Formal Agreement”).

NOW, THEREFORE, BE IT RESOLVED that the Chippewa County Board of Commissioners approves the Formal Agreement ”), as presented to the Board; and

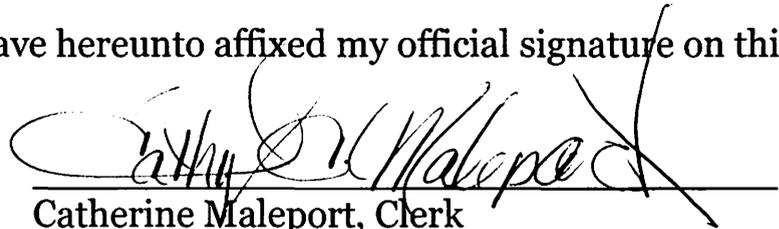
BE IT FURTHER RESOLVED that the Chair of the Chippewa County Board of Commissioners is authorized to execute the Formal Agreement on behalf of Chippewa County, and the Chippewa County Administrator is authorized to proceed with a closing with MyMichigan Sault and MyMichigan Health according to the terms of the Formal Agreement; and

BE IT FURTHER RESOLVED that the Board authorizes any and all closing documentation prepared in accordance with the approved Formal Agreement to be executed by the Chair of the Chippewa County Board of Commissioners; or in the alternative by the Chippewa County Clerk and the Chippewa County Administrator.

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 July, 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 July 2023.



Catherine Maleport, Clerk
County of CHIPPEWA