Approved by the Regents
December 8, 2016

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Refinancing of Metropolitan Hospital Bonds Pursuant to Affiliation

Action Requested: Authorization to Issue General Revenue Bonds

Background and Summary:

The University seeks to refinance the outstanding tax-exempt bonds previously issued by the Kent Hospital Finance Authority (the "Authority") for the benefit of Metropolitan Hospital ("Metro Health Hospital") in order to provide for lower financing costs and to reduce or eliminate certain restrictive covenants. In 2005 and 2012, the Authority issued tax-exempt bonds (the "Metro Health Bonds") for the purpose of providing funds to make certain loans to Metro Health Hospital, the proceeds of which were used by Metro Health Hospital to pay the costs of acquiring, constructing and equipping its full service hospital in Wyoming, Michigan and the costs of acquiring related hospital facilities, including a self-contained power plant and associated equipment located adjacent to the hospital. Conditional upon the closing of the Affiliation Agreement among the University, UM Health and Metropolitan Health Corporation, the University seeks to issue new bonds under the University's General Revenue pledge and use the proceeds to redeem the outstanding Metro Health Bonds. The University will concurrently execute an intercompany loan agreement with Metropolitan Health Corporation or Metro Health Hospital, pursuant to which Metropolitan Health Corporation or Metro Health Hospital, as applicable, will pay to the University its share of allocated debt service payments on the new bonds and associated costs and fees.

The aggregate principal amount of the new bonds issued to refinance the Metro Health Bonds would not exceed $200 million. These bonds, like the University's existing bonds and commercial paper, will be payable from and secured by a pledge of the University's General Revenues.

The pledge of General Revenues consists of revenues from students, athletics, housing, Institute of Continuing Legal Education, School of Business-Management Education, parking, patient care revenues for services provided by faculty members of the Medical School, the Hospital and other University units, as well as unrestricted gifts, indirect cost recoveries, grants, and investment earnings. The General Revenue pledge does not include State Appropriations, any excluded Hospital Gross Revenues, restricted gifts or revenues from The Veritas Insurance Corporation and Michigan Health Corporation.

The particular interest and amortization aspects of these bonds would be clarified and agreed to by the Executive Vice President and Chief Financial Officer or his designee as we work with investment bankers and get a clearer sense of market conditions at the time of issuance. Depending upon market conditions, the final structure could potentially include more than one debt issue and interest rate swaps. The University currently has five other swap agreements. If liquidity is required for the financing, the University may enter into liquidity agreements. The

University requests the ability to combine this bond issuance with the University's proposed bond issuance approved by the Regents on October 20, 2016, if desired.

Because the new bonds will refinance hospital facilities that are operated by Metro Health Hospital, an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the issuance of the new bonds is subject to the "public approval" requirements of the Code. Accordingly, on December 2, 2016, the Treasurer of the University conducted a public hearing on the issuance of the bonds following the publication of notice of the public hearing as required by the Code. A summary of comments received at the public hearing, if any, are on file with the Vice President and Secretary of the University. The adoption by the Regents of the attached resolution will constitute the Regents' "public approval" of the issuance of the bonds in accordance with the public approval requirements of the Code.

We recommend at this time that the Regents adopt the attached resolution authorizing the Executive Vice President and Chief Financial Officer or the Associate Vice President for Finance, or the Treasurer to:

- Develop the terms, and negotiate and execute the legal documentation for the financing with the assistance of the underwriter and outside legal counsel.
- Obtain and approve a final proposal for the bonds.
- Obtain and accept a final proposal for any swaps and any liquidity agreements required for the University's variable rate debt, and execute and deliver the required documentation for the transaction.
- If deemed appropriate, combine the issuance of the bonds with the issuance of any series of bonds authorized to be issued by the Regents pursuant to the resolution adopted by the Regents on October 20, 2016.

Respectfully submitted,

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

December 2016
attachment

RESOLUTION OF THE REGENTS OF THE UNIVERSITY OF MICHIGAN
AUTHORIZING THE ISSUANCE AND DELIVERY OF GENERAL REVENUE BONDS
AND PROVIDING FOR OTHER MATTERS RELATING THERETO
(METROPOLITAN HOSPITAL DEBT REFINANCING)

WHEREAS, the Regents of the University of Michigan (the "Issuer") is a constitutional body corporate established pursuant to Article VIII, Section 5 of the Constitution of Michigan of 1963, as amended, with general supervision of the University of Michigan (the "University") and the control and direction of all expenditures from the University's funds; and

WHEREAS, the Issuer owns and operates the University of Michigan Health System ("UMHS"), a premier academic health system, and is the sole corporate member of UM Health, a Michigan nonprofit corporation ("UM Health"); and

WHEREAS, in order to advance the mission and strategic priorities of UMHS, on September 15, 2016, the Issuer and UM Health entered into an Affiliation Agreement (the "Affiliation Agreement") with Metropolitan Health Corporation, a Michigan nonprofit corporation ("Metro Health"), pursuant to which UM Health will become the sole corporate member of Metro Health; and

WHEREAS, Metro Health is the sole corporate member of Metropolitan Hospital, a Michigan nonprofit corporation ("Metro Health Hospital"), and certain other affiliated entities; and

WHEREAS, the Kent Hospital Finance Authority has previously issued its Revenue Bonds, Series 2005A (Metropolitan Hospital Project) and its Variable Rate Demand Revenue and Revenue Refunding Bonds, Series 2012 (Metropolitan Hospital Project) (collectively, the "Metro Health Bonds") for the purpose of providing funds to make certain loans to Metro Health Hospital, the proceeds of which were used by Metro Health Hospital to pay the costs of acquiring, constructing and equipping its full service hospital in Wyoming, Michigan and the costs of acquiring certain related hospital facilities, including a self-contained power plant and associated equipment located adjacent to the hospital; and

WHEREAS, the Issuer has determined that it is appropriate and in the best interests of the University and Metro Health Hospital that the Issuer refund all or a portion of the outstanding Metro Health Bonds in order to achieve interest or other cost savings and to reduce or eliminate certain restrictive terms and covenants applicable to the Metro Health Bonds; and

WHEREAS, the refunding of all or a portion of the outstanding Metro Health Bonds through the issuance of General Revenue Bonds of the Issuer will serve proper and appropriate public purposes and will enable the University, UM Health and Metro Health to better achieve the goals and objectives of the Affiliation Agreement; and

WHEREAS, the Issuer has previously issued and has outstanding certain series of General Revenue Bonds (the "Outstanding General Revenue Bonds"), and certain other obligations, in each case payable from and secured by a lien on General Revenues (as hereinafter defined), and has reserved the right to issue additional series of bonds, notes or other obligations, secured by General Revenues on a parity basis with the Outstanding General Revenue Bonds and other obligations secured by a lien on General Revenues; and

WHEREAS, in the exercise of its constitutional duties, and in order to control and direct prudently expenditures from the University's funds, the Issuer determines that it is necessary and desirable to authorize the issuance of General Revenue Bonds of the Issuer (the "Bonds"), payable from and secured by a pledge of General Revenues, in order to provide funds that, together with other available funds, will be used to (i) pay the costs of refunding all or a portion of the outstanding Metro Health Bonds, as shall be determined by an Authorized Officer (hereinafter defined) (the portion of the outstanding Metro Health Bonds to be refunded, as determined by an Authorized Officer, is referred to herein as the "Bonds to be Refunded"), and (ii) pay costs incidental to the issuance of the Bonds and the refunding; and

WHEREAS, concurrently with the issuance of the Bonds, the Issuer will enter into an intercompany loan agreement (the "Loan Agreement") with Metro Health or Metro Health Hospital pursuant to which Metro Health or Metro Health Hospital will pay to the Issuer its share of allocated debt service payments on the Bonds and associated costs and fees; and

WHEREAS, one or more trust agreements (collectively, the "Trust Agreement") must be entered into by and between the Issuer and one or more trustees (collectively, the "Trustee") to be designated by an Authorized Officer, pursuant to which the Bonds will be issued and secured; and

WHEREAS, it is necessary to authorize the Authorized Officers, or any one of them individually, to negotiate the sale of the Bonds with one or more underwriters or groups of underwriters to be selected by an Authorized Officer (collectively, the "Underwriter") and to enter into one or more bond purchase agreements with the Underwriter (collectively, the "Bond Purchase Agreement") setting forth the terms and conditions upon which the Underwriter will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor, or, in the alternative, to select the Underwriter for all or any portion of any series of Bonds and to establish the terms for such Bonds through a competitive sale or bidding process pursuant to a Notice of Sale; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Issuer to authorize the Executive Vice President and Chief Financial Officer, the Associate Vice President for Finance and the Treasurer (each an "Authorized Officer"), or any one of them individually, to negotiate, execute and deliver on behalf of the Issuer, the Trust Agreement, the Bond Purchase Agreement, one or more remarketing agreements with the Underwriter or other parties (collectively, the "Remarketing Agreement"), and other related documents, to publish any Notice of Sale required for the sale of any portion of the Bonds, to establish the specific terms of the Bonds and to accept the offer of the Underwriter to purchase the Bonds, all within the limitations set forth herein; and

WHEREAS, the Issuer has full power under its constitutional authority for supervision of the University, and control and direction of expenditures from the University's funds, to refund the Bonds to be Refunded and to pay all or a portion of the costs of the refunding by issuance of the Bonds, and to pledge General Revenues for payment of the Bonds, as provided for herein; and

WHEREAS, by resolution adopted on October 20, 2016 (the "October Resolution"), the Issuer authorized the issuance of its General Revenue Bonds, in one or more series, for the purposes described in the October Resolution, and it may be appropriate and in the best interests of the issuer that the Bonds authorized by this Resolution be combined with one or more series of the General Revenue Bonds authorized by the October Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE REGENTS OF THE UNIVERSITY OF MICHIGAN, AS FOLLOWS:

1. Approval of Refunding of Metro Health Bonds. The Issuer hereby approves the refunding by the Issuer of all or any portion of the outstanding Metro Health Bonds and authorizes the Authorized Officers, or any one of them individually, to select the portion, if any, of the outstanding Metro Health Bonds to constitute the Bonds to be Refunded and to fund, if deemed appropriate, a portion of the costs of the refunding from funds held under the trust indentures pursuant to which the Metro Health Bonds were issued or other available funds of Metro Health or Metro Health Hospital, and the balance of such costs with the proceeds of the Bonds, and to proceed with the refunding.

2. Authorization of the Bonds and Related Agreements; Bond Terms. Subject to satisfaction of the condition set forth in Section 14 of this Resolution, the Issuer hereby authorizes the issuance, execution and delivery of the Bonds, in one or more series, to be designated GENERAL REVENUE BONDS, with appropriate series designations, in the aggregate principal amount of not to exceed TWO HUNDRED MILLION DOLLARS ($200,000,000), or such lesser principal amount as may be necessary to produce proceeds sufficient to accomplish the refunding of the Bonds to be Refunded and to pay costs related thereto, as determined by an Authorized Officer. The Bonds shall be dated as of the date or dates established by an Authorized Officer, and shall be issued for the purpose of providing funds which, together with other available funds, will be used to pay all or a portion of the costs of refunding the Bonds to be Refunded, and to pay costs related to the issuance of the Bonds and the refunding, including the costs of bond insurance premiums, if an Authorized Officer determines such insurance to be appropriate. The Bonds shall be serial bonds or term bonds, which may be subject to redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity shall be no earlier than April 1, 2017 and the last maturity shall be no later than December 31, 2048. The Bonds may bear interest at stated fixed rates for the respective maturities thereof as shall be established by an Authorized Officer, but the weighted average yield (computed using the stated coupons and the stated original offering price) for the Bonds shall not exceed 7.0% per annum for tax-exempt bonds or 11.0% per annum for taxable bonds. Alternatively, all or part of the Bonds may bear interest at a variable rate of interest for all or a portion of their term, at indexed or market established rates or any combination thereof, and the variable rate of interest shall not exceed the lesser of 25% per annum, the maximum rate permitted by law or the maximum rate, if any, specified in the Trust Agreement. The Bonds may be subject to redemption or call for purchase prior to maturity at the times and prices and in the manner as shall be established by an Authorized Officer, but no

redemption premium shall exceed 3% of the principal amount being redeemed unless the redemption price is based on a "make whole" formula, in which case no redemption premium shall exceed 40% of the principal amount being redeemed. Interest on the Bonds shall be payable at such times as shall be specified by an Authorized Officer. The Bonds shall be issued in fully registered form in denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, and may be issued in book-entry-only form, all as shall be provided in the Trust Agreement. The Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement or through a competitive sale or bidding process pursuant to a Notice of Sale for a price to be established by an Authorized Officer (but the Underwriter's discount, exclusive of original issue discount, shall not exceed 1.50% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof.

Any or all of the Bonds may be made subject to tender for purchase at the option of the holder thereof or to mandatory tender for purchase. The obligation of the Issuer to purchase any Bonds subject to tender for purchase may be limited to remarketing proceeds of such Bonds, or may be made payable from General Revenues (as defined in Section 3 below), from available cash reserves of the University, subject to such limitations as may be specified in the Trust Agreement, or from, directly or as support for the cash reserves of the University, a letter of credit, line of credit, standby bond purchase agreement or other liquidity device, or one or more of the same, or any combination thereof (collectively, the "Liquidity Device"), all as shall be determined by an Authorized Officer. The Liquidity Device, or any part thereof, may also be used to provide liquidity for any other indebtedness or obligations of the Issuer, including the Issuer's Commercial Paper Notes and the Outstanding General Revenue Bonds. Any reimbursement obligation for draws under the Liquidity Device shall be a limited and not a general obligation of the Issuer, payable from, and may be secured by a pledge of, General Revenues. Each Authorized Officer is individually authorized to execute and deliver at any time, for and on behalf of the Issuer, any agreements or instruments necessary to obtain, maintain, renew or replace, and provide for repayments under, any Liquidity Device deemed by such officer to be required for the purposes of this Resolution.

Any Bonds authorized and issued hereunder may, at any time upon direction of an Authorized Officer, be subsequently converted to another mode or structure authorized hereby, either through procedures established in the Trust Agreement pertaining thereto, or through the issuance hereunder of refunding bonds to refund and replace the outstanding Bonds to be converted. Any such refunding bonds issued hereunder shall be subject to the terms, conditions and limitations contained in this Resolution. Each Authorized Officer is individually authorized to execute and deliver, for and on behalf of the Issuer, any documents or instruments, including but not limited to, any amendments to the Trust Agreement, necessary or convenient for the purpose of accomplishing the conversion as described in this paragraph.

In relation to the debt service on all or any portion of the Bonds, or in relation to debt service on all or any portion of the Outstanding General Revenue Bonds, any one of the Authorized Officers may, at any time, on behalf of and as the act of the Issuer, enter into or modify an interest rate swap, cap, forward starting swap, option, swaption, rate lock or similar agreement or agreements (collectively, the "Swap Agreement") with a counterparty or counterparties selected or to be selected by the Authorized Officer. Such Swap Agreement shall provide for payments between the Issuer and the counterparty related to interest on all or any portion of the Bonds or the Outstanding General Revenue Bonds, at indexed or market established rates. If the Swap Agreement is entered into at approximately the same time as the issuance of the Bonds and is related to the Bonds, the expected effective interest rates on the Bonds to which the Swap Agreement relates, taking into account the effect of the Swap Agreement, shall be within the limitations set forth herein. Any Swap Agreement may, if determined necessary or appropriate by an Authorized Officer, be subsequently terminated, in whole or in part, which may result in termination payments due by the Issuer. Any such required payments and other costs of termination may be funded from legally available funds of the Issuer or the proceeds of the Bonds or other indebtedness of the Issuer.

3. Limited Obligations of the Issuer; Security. The Bonds, and the obligations of the Issuer under the Swap Agreement, if any, and the Liquidity Device, if any, shall be limited and not general obligations of the Issuer payable from and, except as provided below in this Section 3, secured by a lien on, the General Revenues (as shall be defined in the Trust Agreement in a manner generally consistent with the definition thereof contained in the Trust Agreements pursuant to which the Outstanding General Revenue Bonds were issued). Except as otherwise determined by an Authorized Officer, as provided below in this Section 3, the lien on General Revenues securing the Bonds, the Swap Agreement and the Liquidity Device, if any, shall be on a parity basis with the liens on General Revenues securing the Issuer's Commercial Paper Notes and the Outstanding General Revenue Bonds. The Bonds and the obligations of the Issuer under the Swap Agreement, if any, and the Liquidity Device, if any, may also be payable from and secured by a lien on moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Agreement or agreements entered into in connection with the Swap Agreement or Liquidity Device.

No recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds, or for the payment of any amounts owing under the Swap Agreement, if any, or the Liquidity Device, if any, or any claim based thereon, against the State of Michigan, or any member, officer or agent of the Issuer or the University, as individuals, either directly or indirectly, or, except as specifically provided in the Trust Agreement or the instruments entered into in connection with the Swap Agreement, if any, or the Liquidity Device, if any, against the Issuer, nor shall the Bonds and interest with respect thereto, or any obligations of the Issuer in connection with the Swap Agreement, if any, or the Liquidity Device, if any, become a lien on or be secured by any property, real, personal or mixed, of the State of Michigan or the Issuer, other than the General Revenues and the moneys, securities or other investments from time to time on deposit in all or part of the funds established by the Trust Agreement or the agreements entered into in connection with the Swap Agreement, if any, or the Liquidity Device, if any.

Any pledge of General Revenues, and funds specified in the Trust Agreement or in agreements entered into in connection with the Swap Agreement, if any, or Liquidity Device, if any, shall be valid and binding from the date of the issuance and delivery of the Bonds or such agreements, and all moneys or properties subject thereto which are thereafter received shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of said pledge shall be valid and binding against all parties (other than the holders of any outstanding bonds, notes or other obligations secured by a parity first lien on General Revenues) having a claim in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice of the lien.

Notwithstanding anything herein to the contrary, any obligations of the Issuer under the Swap Agreement or the Liquidity Device may, if determined appropriate by an Authorized Officer, be payable and secured on a subordinated basis to the Bonds and other General Revenue obligations of the Issuer, or may be payable from General Revenues but be unsecured.

4. Additional Bonds. The right is reserved to issue additional bonds, notes or other obligations payable from General Revenues and secured on a parity or subordinated basis with the Bonds by a lien on General Revenues, upon compliance with the terms and conditions, if any, as shall be set forth in the Trust Agreement.

5. Selection of Trustee; Approval of Trust Agreement; Bond Insurance. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of the Issuer, and as its corporate act and deed, to select the Trustee, and to negotiate, execute and deliver the Trust Agreement. The Trust Agreement may contain such covenants on behalf of the Issuer and terms as such Authorized Officer deems appropriate, including, if deemed appropriate, but not limited to, covenants with respect to the establishment of General Revenues at levels expressed as a percentage of debt service on the Bonds or all General Revenue obligations of the Issuer, and with respect to the issuance of additional bonds, notes or other obligations payable from and secured by General Revenues. In addition, each Authorized Officer is hereby individually authorized, empowered and directed to negotiate, if deemed appropriate by an Authorized Officer in connection with the issuance of the Bonds, for the acquisition of bond insurance and to execute and deliver an insurance commitment or other documents or instruments required in connection with such insurance.

6. Selection of Underwriter; Sale of Bonds; Bond Purchase Agreement and Remarketing Agreement. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of the Issuer and as its corporate act and deed, to select the Underwriter and to negotiate, execute and deliver the Bond Purchase Agreement with the Underwriter setting forth the terms of the Bonds and the sale thereof, in the form as an Authorized Officer may approve, all within the limitations set forth herein. In the alternative, if determined appropriate by an Authorized Officer, selection of the Underwriter and setting of the terms for all or any portion of any series of the Bonds may be made through a competitive sale or bidding process, and each Authorized Officer is individually authorized to accept the winning bid or offer of the Underwriter for the purchase of such Bonds. Each Authorized Officer is further individually authorized and directed, in the name and on behalf of the Issuer and as its corporate act and deed, to negotiate, execute and deliver the Remarketing Agreement with the Underwriter or other party selected by the Authorized Officer.

7. Execution and Delivery of Bonds. The Executive Vice President and Chief Financial Officer, or in the event of his unavailability, the President, is hereby authorized, empowered and directed, in the name and on behalf of the Issuer, and as its corporate act and deed, to execute the Bonds by placing his or her facsimile or manual signature thereon, and to

deliver or cause to be delivered the Bonds to the Underwriter in exchange for the purchase price therefor.

8. Ratings; Official Statement; Notice of Sale. Each Authorized Officer is hereby individually authorized to solicit ratings on the Bonds from any national rating services that the Authorized Officer deems appropriate and to cause the preparation of a Preliminary Official Statement, if necessary, and an Official Statement with respect to each series of the Bonds, to deem such official statements "final" in accordance with applicable law, and to execute and deliver the Official Statements. In the event that all or any portion of any series of the Bonds is to be sold by means of a competitive sale or bidding process, as provided in this Resolution, each Authorized Officer is individually authorized to prepare and publish or cause to be published, or otherwise distribute, in such manner as an Authorized Officer shall determine, a Notice of Sale for such Bonds. Each Authorized Officer or the Underwriter is authorized to circulate and use, in accordance with applicable law, the Notice of Sale, if any, the Preliminary Official Statements, if any, and the Official Statements in connection with the offering, marketing and sale of the Bonds.

9. Combined Issuance of General Revenue Bonds Authorized. If determined appropriate by an Authorized Officer, the issuance of the Bonds authorized by this Resolution may be combined with the issuance of any series of General Revenue Bonds authorized to be issued by the Issuer pursuant to the October Resolution, and such combined bond issue may be issued and sold as a single series of bonds (hereinafter, a "Combined General Revenue Bond Issue"). Any Combined General Revenue Bond Issue may be issued and secured under a single Trust Agreement, may be marketed and offered for sale under a single Preliminary Official Statement and Official Statement, and may be sold to the Underwriter pursuant to a single Bond Purchase Agreement. If the Bonds authorized by this Resolution are issued as part of a Combined General Revenue Bonds Issue, the portion of the Combined General Revenue Bond Issue allocable to the Bonds shall be subject to the terms, conditions and limitations contained in this Resolution.

10. Intercompany Loan Agreement. Each Authorized Officer is hereby individually authorized and directed to negotiate, execute and deliver the Loan Agreement with Metro Health or Metro Health Hospital, as deemed appropriate by an Authorized Officer. The Loan Agreement shall obligate Metro Health or Metro Health Hospital, as applicable, to pay to the Issuer its share of allocated debt service payments on the Bonds and associated costs and fees, as determined by an Authorized Officer, and may contain such other covenants, terms and conditions as an Authorized Officer deems appropriate. Neither the Loan Agreement, nor the obligations of Metro Health or Metro Health Hospital under the Loan Agreement, shall be pledged as specific security for the payment of the Bonds or other General Revenue obligations of the Issuer. The Issuer reserves the right to amend, modify or terminate the Loan Agreement at any time without notice to, or the consent of, the holders of the Bonds or other General Revenue obligations of the Issuer.

The Issuer, acting pursuant to the powers reserved to it by the Bylaws of Metro Health and Metro Health Hospital, hereby authorizes and approves the execution and delivery of the

Loan Agreement by Metro Health or Metro Health Hospital, as applicable, and the undertaking by Metro Health or Metro Health Hospital, as applicable, of the loan contemplated thereby.

11. Authorization of Other Actions. The President, the Authorized Officers, the Secretary or Assistant Secretary, the Vice President and General Counsel and any associate general counsel, and any other appropriate officer of the Issuer or the University, are each hereby authorized to perform all acts and deeds and to execute and deliver for and on behalf of the Issuer all instruments and documents required by this Resolution, the Trust Agreement, the Remarketing Agreement, the Swap Agreement, the Liquidity Device and the Bond Purchase Agreement, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Bonds, as contemplated hereby, including, if deemed appropriate, one or more escrow deposit agreements with an escrow agent to be selected by an Authorized Officer as may be necessary in connection with any refunding or refinancing authorized hereby. Each Authorized Officer is individually authorized to designate and empower the escrow agent to subscribe for United States Treasury Securities – State and Local Government Series, on behalf of the Issuer, as may be necessary in connection with any refunding or refinancing authorized hereby. Any action required under the Trust Agreement, the Remarketing Agreement, the Bond Purchase Agreement, the Swap Agreement or the Liquidity Device or any other instrument related to the Bonds, and any action necessary or appropriate in connection with the ongoing administration of the financing program authorized hereby, may be taken by and on behalf of the Issuer by an Authorized Officer. Any reference to an officer of the Issuer or the University herein shall include any interim or acting officer appointed by the Issuer.

12. Continuing Disclosure Undertakings. In accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, the Issuer may be required in connection with the issuance of the Bonds to enter into one or more Disclosure Undertakings for the benefit of the holders and beneficial owners of the Bonds. Each Authorized Officer is individually authorized to cause to be prepared and to execute and deliver, on behalf of the Issuer, the Disclosure Undertakings.

13. Fulfillment of Public Approval Requirements of the Internal Revenue Code. The public hearing on the issuance of the Bonds previously conducted by an officer of the University, and the prior publication of notice of the public hearing, all in accordance with and as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, is hereby approved, ratified and confirmed. The adoption of this Resolution by the Issuer shall constitute the Issuer's public approval of the issuance of the Bonds in accordance with Section 147(f) of the Code.

14. Issuance of Bonds Subject to Closing of Metro Health Affiliation. The sale, issuance and delivery of the Bonds authorized by this Resolution is subject to, and expressly conditioned upon, the closing of the affiliation transactions contemplated by the Affiliation Agreement.

15. Conflicting Resolutions. All resolutions or parts of resolutions or other proceedings of the Issuer in conflict herewith be and the same are hereby repealed insofar as such conflict exists.