MINUTES OF THE BOARD OF TRUSTEES
SPECIAL MEETING PERTAINING TO THE PRELIMINARY DETERMINATION PUBLIC HEARING OF THE HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY, INDIANA

September 22, 2009

The special meeting of the Board of Trustees ("Board") of the Health and Hospital Corporation of Marion County, Indiana ("HHC"), was held on Tuesday, September 22, 2009, at 5:30 p.m., at Wishard Health Services (WHS), Myers Auditorium, 1001 West Tenth Street, Indianapolis, Indiana. Members Present: David W. Crabb, M.D., Joyce D. Irwin, James D. Miner, M.D., Robert B. Pfeifer and Gregory S. Fehribach. Members absent: Lula M. Journey and Marjorie H. O’Laughlin.

James D. Miner, M.D., Board chairperson, called the meeting to order, proceeded with roll call and opened the public hearing.

Jessica Barth moderated and explained the purpose and scope of the public hearing and the order of events during the public hearing and introduced the Corporation officers and professionals who would be providing formal presentations.

Matthew R. Gutwein and Lisa E. Harris, M.D. explained the history of the consideration of the need for the Wishard Hospital project by the Corporation. They also
explained the scope of the Wishard Hospital project and the necessity and advantages of completing the Wishard Hospital project now, instead of later.

Jessica Barth then introduced Kirk Grable. Kirk is outside legal counsel for the Wishard Hospital project. He explained the legal steps and timing with respect to the election and the issuance of the Bonds, and the entities, in addition to the voters, that need to approve the issuance of the Bonds. More particularly, he stated that public question has already been certified by the County Auditor of the County Election Board. It reads as follows:

"Shall the Health and Hospital Corporation of Marion County, Indiana issue bonds or enter into a lease to finance safe, efficient and functional facilities for the Wishard Hospital project:

1. to allow Wishard to provide access to care for all residents of Marion County, including people who are seniors, poor, uninsured or vulnerable regardless of their ability to pay; and
2. to allow Wishard to provide specialized care, including to victims suffering from traumatic injuries or severe burns; and
3. to allow Wishard to work with colleges and university, including Indiana University School of Medicine, Ivy Tech Community College, and the Purdue School of Pharmacy, to teach future doctors, nurses and other healthcare professionals in Indiana?"

Mr. Grable then explained that if a majority of the eligible voters voting on the public question vote in favor of the public question, the Health and Hospital Corporation may then issue its General Obligation Bonds or enter into the lease. Before doing so, the City-County Council of the City of Indianapolis and of Marion County must adopt a resolution approving the issuance of the General Obligation Bonds and/or the entering into of the lease.

Mr. Grable turned the floor over to Jessica Barth. Jessica then introduced Tom Guevara,
Financial Advisor from Crowe Horwath. Mr. Guevara provided the following information:

(a) the maximum term of the Bonds and the Lease;

(b) the maximum principal amount of the Bonds and the maximum lease rental for the Lease;

(c) the estimated interest rates that will be paid on the Bonds and the total estimated interest costs associated with the Bonds;

(d) the expectation that the Corporation’s payment of principal of and interest on the General Obligation Bonds and lease rental payments on the Lease will be payable in whole by operating revenues to be generated by the facilities owned or to be owned by the Corporation, including the Wishard Hospital project;

(e) the Corporation’s current debt service levy and rate and the estimated increase to the Corporation’s debt service levy and rate that will result if the Corporation issues the General Obligation Bonds and enters into the Lease; and

(f) the result of the Corporation’s current and projected annual debt service payments divided by the net assessed value of taxable property within Marion County.

Before opening the floor to comments from the public, Jessica Barth explained that there is certain financial and other information available to any attendee at the back of the room. She then opened the Public Hearing to comments from the public and expressly stated that the Public Hearing was being conducted for the purpose of having the Board of Trustees listen to evidence and comments presented by the public and directed each speaker to come forward to the podium and state his or her name and address before making comments. Comments were accepted and video taped.

Dr. Miner continued by presenting for approval Resolution 13-2009, “Approving a
Preliminary Determination to Issue General Obligation Bonds and Enter into a Lease
with the Indianapolis-Marion County Building Authority to Finance All or Any
Portion of the Wishard Hospital Project and Actions in Connection Therewith”.

Joyce Irwin made the motion to approve. Bob Pfeifer seconded the
motion. Resolution No. 13-2009 “Approving a Preliminary Determination to Issue
General Obligation Bonds and Enter into a Lease with the Indianapolis-Marion
County Building Authority to Finance All or Any Portion of the Wishard Hospital
Project and Actions in Connection Therewith” attached hereto was unanimously
approved and the meeting was adjourned.

[Signature]
James R. Miner, M.D., Chairperson
Board of Trustees

Matthew R. Gutwein
President and Chief Executive Officer
THE HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY, INDIANA
BOARD OF TRUSTEES

RESOLUTION NO. 13-2009

Approving a Preliminary Determination to Issue General Obligation Bonds and Enter into a Lease with the Indianapolis-Marion County Building Authority to Finance All or any Portion of the Wishard Hospital Project and Actions in Connection Therewith

WHEREAS, the Board of Trustees (the “Board”) of The Health and Hospital Corporation of Marion County, Indiana (the “Health and Hospital Corporation”), has given consideration to the adoption of a resolution making a preliminary determination by the Health and Hospital Corporation: (1) to issue general obligation bonds of the Health and Hospital Corporation in one or more series (collectively, the “General Obligation Bonds”), in accordance with the terms and conditions set forth in this Resolution, for the purpose of providing funds to pay all or any portion of the costs of all or any portion of the construction and equipping of a replacement hospital and related facilities for Wishard Health Services currently located at 1001 West Tenth Street (the “Wishard Complex”), together with land acquisition and site development related thereto and all projects and activities related to any of the foregoing, including, but not limited to, all or any portion of the following: (a) acquisition of land and any improvements located thereon and any site development related thereto, (b) renovation and equipping of any such buildings, and the construction and equipping of one or more buildings which will replace the existing hospital and related facilities for the Wishard Complex and provide all or any portion of (i) inpatient services, (ii) diagnostic and treatment, (iii) clinical support, (iv) non-clinical support, (v) offices and education, and (vi) public and building functions, (c) construction and equipping of a new ambulatory care building, (d) construction and equipping of one or more related parking garages and/or surface lots, (e) construction and equipping of a central plant for all of the foregoing facilities, and (f) all projects related to any of the projects or facilities described in clauses (a) through and including (e) (clauses (a) through and including (f), collectively, the “Wishard Hospital project”); and (2) to enter into a proposed lease or leases (collectively, the “Lease”) between the Indianapolis-Marion County Building Authority (the “Building Authority”), as lessor, and the Health and Hospital Corporation, as lessee, to finance all or any portion of the Wishard Hospital project, in accordance with the terms and conditions set forth in this Resolution; and

WHEREAS, Section 503 of House Enrolled Act No. 1001(ss), enacted by the General Assembly in its 2009 Special Session (“HEA 1001(ss)”), authorized the Health and Hospital Corporation to place the public question, described below (the “Public Question”), on the ballot at a special election to be held in Marion County, Indiana (the “County”), on November 3, 2009 (the “Special Election”), so long as certain steps were taken by the Health and Hospital Corporation before August 1, 2009; and

WHEREAS, on July 29, 2009, the Board adopted a resolution requesting the Marion County Auditor (the “County Auditor”) to certify the Public Question to the Marion County Election Board (the “County Election Board”) and requesting the County Election Board to place the Public Question on the ballot at the Special Election (the “Requesting Resolution”); and
WHEREAS, the Requesting Resolution provided that the Public Question shall be as follows: “Shall the Health and Hospital Corporation of Marion County, Indiana, issue bonds or enter into a lease to finance safe, efficient and functional facilities for the Wishard Hospital project:

1. to allow Wishard to provide access to care for all residents of Marion County, including people who are seniors, poor, uninsured or vulnerable regardless of their ability to pay; and

2. to allow Wishard to provide specialized care, including to victims suffering from traumatic injuries or severe burns; and

3. to allow Wishard to work with colleges and universities, including Indiana University School of Medicine, Ivy Tech Community College, and the Purdue School of Pharmacy, to teach future doctors, nurses and other healthcare professionals in Indiana?”; and

WHEREAS, the Health and Hospital Corporation submitted the Requesting Resolution to the County Auditor and the County Election Board before August 1, 2009, and by completing the foregoing actions, met the requirements under Section 503(a) of HEA 1001(ss) for placing the Public Question on the ballot at the Special Election; and

WHEREAS, pursuant to Indiana Code 6-1.1-20-3.5 and Section 503 of HEA 1001(ss), if the Board proposes to impose property taxes, if necessary, to pay debt service on bonds or lease rentals on a lease for any construction, renovation, improvement, remodeling, alteration or expansion project, which is not excluded under IC 6-1.1-20-1.1, as amended, and is not otherwise subject to Indiana Code 6-1.1-20-3.1, as amended, it must conduct a public hearing on the preliminary determination to proceed with such project prior to the Board adopting any resolution making a preliminary determination to issue such bonds or enter into such lease; and

WHEREAS, notice of such hearing has been given in accordance with Indiana law (the “Notice”); and

WHEREAS, interested people have been given the opportunity to present testimony concerning the Wishard Hospital project, and the Board has heard public input at a public hearing held this date concerning the Wishard Hospital project; and

WHEREAS, the Board, being duly advised, finds that it is in the best interests of the Health and Hospital Corporation and the citizens of the County to proceed with the Wishard Hospital project and to pay for all or any portion of the costs thereof by issuing the General Obligation Bonds and entering into negotiations with the Building Authority to enter into the Lease with the Building Authority, as lessor, for all or any portion of the Wishard Hospital project operated or to be operated by the Health and Hospital Corporation, in order to better serve the patrons and constituents of the Health and Hospital Corporation, by allowing the Building Authority to issue revenue bonds in one or more series (collectively, the “Revenue Bonds”); and
WHEREAS, the Board intends to take the steps as the Board deems necessary or appropriate to minimize the costs of the Wishard Hospital project, so that the aggregate principal amount of the General Obligation Bonds or Revenue Bonds (collectively, the “Bonds”) to be issued to finance the Wishard Hospital project will be less than the maximum principal amount established in this Resolution; and

WHEREAS, it is anticipated that the Health and Hospital Corporation will advance all or any portion of the cost of the Wishard Hospital project prior to the issuance of any Bonds, with such advance to be repaid from proceeds of the Bonds; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the “Reimbursement Regulations”) specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the Health and Hospital Corporation intends by this Resolution to qualify amounts advanced by the Health and Hospital Corporation to pay the cost of the Wishard Hospital project for reimbursement from proceeds of the Bonds in accordance with the requirements of the Reimbursement Regulations;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY, INDIANA, as follows:

Section 1. Preliminary Determination.

(a) The Board hereby makes a preliminary determination that there exists a need for the Wishard Hospital project. Accordingly, the Board hereby makes a preliminary determination that, to the extent permitted by law, the Board will take all of the necessary steps: (i) to issue the General Obligation Bonds; and (ii) to enter into the Lease with the Building Authority for all or any portion of the Wishard Hospital project operated or to be operated by the Health and Hospital Corporation, which will allow the Building Authority to issue the Revenue Bonds. The proceeds of the Bonds will finance all or any portion of the Wishard Hospital project.

(b) The Bonds will be issued in one or more series. Each series of Bonds will have a maximum term of 30 years. The Bonds will be issued in an original aggregate principal amount not to exceed $703,040,000, or such greater amount in the case of the issuance of any bonds, all or any portion of which will be used to refund all or any portion of the Bonds. The proposed term of any Lease entered into in connection with the Revenue Bonds will not exceed 30 years, beginning on the date each such Lease is executed by the Health and Hospital Corporation. Based on an estimated maximum interest rate that will be paid in connection with the Bonds of 6.16% per annum, the total interest cost associated therewith will not exceed $830,478,858 (which amount is net of any funds expected to be received by or on behalf of the Health and Hospital Corporation or the Building Authority from the United States of America as a result of any series of the Bonds being issued as Build America Bonds pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (the “Code”), as Recovery Zone Economic Development Bonds pursuant to Section 1400U-2 of the Code or as any other type of tax credit bond pursuant to the Code (collectively, the “Tax Credit Bonds”), not taking into account any funds of the Health and Hospital Corporation or the Building Authority available for capitalized interest.

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(c) Including interest costs, the **maximum** annual lease rental to be paid by the Health and Hospital Corporation under the Lease is $54,807,604 (which amount is net of any funds expected to be received by or on behalf of the Building Authority from the United States of America as a result of any series of the Bonds being issued as Tax Credit Bonds), and the **maximum** total lease rental over the term of the Lease is $1,478,711,254 (which amount is net of any funds expected to be received by or on behalf of the Building Authority from the United States of America as a result of any series of the Bonds being issued as Tax Credit Bonds), not taking into account any proceeds of the Bonds deposited in a debt service reserve fund for the Bonds. The Health and Hospital Corporation’s: (i) total debt service fund tax levy for 2007 pay 2008 (which is the most recent certified tax levy) is $3,714,897; and (ii) debt service fund tax rate for 2007 pay 2008 (which is the most recent certified tax rate) is $0.0085 per $100 of assessed value. The estimated **maximum** increase in the debt service fund tax levy for the Health and Hospital Corporation and the estimated **maximum** increase in the debt service fund tax rate for the Health and Hospital Corporation after the issuance of the Bonds are anticipated to occur in 2036 pay 2037 and will be $54,807,604 and $0.1494 per $100 of assessed value, respectively, as a result of the payment of the debt service on the General Obligation Bonds and the lease rentals under the Lease.

(d) The net assessed value of taxable property within the County, which is coterminous with the jurisdiction of the Health and Hospital Corporation, as shown by the last, complete and final assessment for state and County taxes (which is for 2008 pay 2009), is in the amount of $36,686,229,690 (the “Net Assessed Value”). The aggregate amount of the Health and Hospital Corporation’s debt service payments on bonds and lease rental payments under leases secured by ad valorem property taxes in 2009 is $4,314,980. Such amount divided by the Net Assessed Value is equal to 0.0118%. The projected **maximum** aggregate amount of the Health and Hospital Corporation’s debt service payments on bonds currently outstanding, together with the General Obligation Bonds, and lease rental payments under leases currently in effect, together with the Lease, which are secured by ad valorem property taxes, is $54,807,604. Such amount divided by the Net Assessed Value is equal to 0.1494%.

(e) The sum of the Health and Hospital Corporation’s currently outstanding long-term debt, together with any bonds secured by leases entered into by the Health and Hospital Corporation and currently in effect, all of which are secured by ad valorem property taxes, is $41,730,000. The sum of the outstanding long-term debt of all other taxing units in the County, as of September 2, 2009, together with any bonds secured by leases entered into by all other taxing units in the County and in effect as of September 2, 2009, all of which are secured by ad valorem property taxes, is estimated to be $2,118,272,176. The aggregate of such amounts is $2,160,002,176. Such amount divided by the Net Assessed Value is equal to 5.8878%.

Section 2. **Notice of Preliminary Determination.** A notice of the foregoing preliminary determination that, to the extent permitted by law, the Board will take all of the necessary steps to issue the General Obligation Bonds and to enter into the Lease to finance all or any portion of the costs of all or any portion of the Wishard Hospital project shall be given in accordance with Section 503 of HEA 1001(ss).
Section 3. **Notice of Preliminary Decision.** A notice of the foregoing preliminary decision that, to the extent permitted by law, the Board will take all of the necessary steps to issue the General Obligation Bonds and enter into the Lease to finance all or any portion of the costs of any portion of the Wishard Hospital project shall be given in accordance with Indiana Code 6-1.1-20-5, as amended.

Section 4. **Notice of Hearing on Additional Appropriation of Proceeds of the Bonds.** In the event a majority of the voters voting on the Public Question vote in favor of the Public Question and any of the Bonds are to be issued, the Treasurer or any other officer of the Health and Hospital Corporation is hereby authorized, empowered and directed, on behalf and in the name of the Health and Hospital Corporation, to publish, at the appropriate time, one or more notices of one or more hearings, as appropriate, on the additional appropriation of the proceeds of the Bonds in accordance with Indiana Code 6-1.1-18-5, as amended.

Section 5. **Notice of Hearing on Lease.** In the event a majority of the voters voting on the Public Question vote in favor of the Public Question, the Treasurer or any other officer of the Health and Hospital Corporation is hereby authorized, empowered and directed, on behalf and in the name of the Health and Hospital Corporation, to publish, at the appropriate time, a notice of a hearing on the Lease in accordance with Indiana Code 36-9-13-27, as amended.

Section 6. **Declaration of Official Intent to Reimburse.** Pursuant to the Reimbursement Regulations and Indiana Code 5-1-14-6(c), as amended, the Health and Hospital Corporation hereby declares that it reasonably expects to reimburse the Health and Hospital Corporation's advances to the cost of the Wishard Hospital project from proceeds of the Bonds, as anticipated by this Resolution.

Section 7. **Ratification of Prior Actions.** Any and all actions previously taken by any member of the Board or the Executive Director or any other officer of the Health and Hospital Corporation in connection with the foregoing preliminary determination or preliminary decision or the Wishard Hospital project, including, without limitation, the publication of the Notice, are hereby ratified and approved.

PASSED by the Board the 22nd day of September, 2009, and signed by me this 22nd day of September, 2009.

Dr. James D. Miner
Chairman, Board of Trustees

Attest:

Matthew R. Gutwein
Secretary, Board of Trustees
STATE OF INDIANA  
COUNTY OF MARION

I, Matthew R. Gutwein, Executive Director of The Health and Hospital Corporation of Marion County, Indiana (the "Health and Hospital Corporation"), do hereby certify that the above and foregoing is a full, true and complete record of Resolution No. 13-2009 (the "Resolution"), that the Resolution was passed by the Board of Trustees of the Health and Hospital Corporation (the "Board") by a vote of five (5) ayes and zero (0) noes on the 22nd day of September, 2009, and was signed and approved by the Chairman of the Board on the 22nd day of September, 2009, and now remains on file and on record in my office.

WITNESS my hand and seal this 22nd day of September, 2009.

Matthew R. Gutwein,
Executive Director and Secretary to the Board of Trustees