

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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December 12, 2011

John Szerlag, City Manager
City of Troy
500 West Big Beaver
Troy, Michigan 48084

via e-mail to: j.szerlag@troymi.gov

RE: City of Royal Oak Hospital Finance Authority – William Beaumont Hospital

Dear Mr. Szerlag:

William Beaumont Hospital is anticipating a financing through the City of Royal Oak Hospital Finance Authority utilizing tax-exempt bonds. Miller Canfield is acting as bond counsel with respect to the bonds. Although all of the bonds will be issued by the City of Royal Oak Hospital Finance Authority, as permitted by State law, a portion of the proceeds of the bonds will be used to refund bonds the proceeds of which were used to construct, acquire, renovate, equip, rehabilitate and/or improve the hospital facility of William Beaumont Hospital in the City of Troy.

As required by the Internal Revenue Code of 1986, as amended (the “Code”), the City of Royal Oak must hold a public hearing and permit the issuance of the bonds. In addition, the Code requires, when proceeds of the bonds will be used outside of the jurisdiction issuing the bonds, that such other jurisdiction also hold a public hearing and authorize the issuance of the bonds.

To meet the requirements of the Code, we would like to request being placed on your City Council agenda for your January 9, 2012 meeting for the purpose of conducting a public hearing and approving the issuance of the bonds by the City of Royal Oak Hospital Finance Authority. I am attaching a draft of the notice that will be released for publication later this week. I am also attaching a draft of the proposed resolution that the City Council will consider. The format of the resolution is identical to ones that the City Council passed in 2009 and in other past years for financings of William Beaumont Hospital through the City of Royal Oak Hospital Finance Authority.

The approval of the bonds by the City Council of the City of Troy is solely for the purpose of meeting the public approval requirements of the Code. Such approval will not have any effect on the ability of the City of Troy (or affiliates) to issue bonds and will not involve any liability to the City of Troy (or affiliates).

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Mr. John Szerlag

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December 12, 2011

Please confirm that we can be placed on your agenda for your January 9, 2012, City Council meeting.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: /s/ Kristin E Nied
Kristin E. Nied

Enclosure

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11/18/11 3:34 PM

NOTICE OF PUBLIC HEARING
ON THE ISSUANCE BY THE
CITY OF ROYAL OAK HOSPITAL FINANCE AUTHORITY OF
HOSPITAL REVENUE REFUNDING BONDS FOR THE BENEFIT OF
WILLIAM BEAUMONT HOSPITAL

NOTICE IS GIVEN that the City Commission of the City of Royal Oak will hold a public hearing at 7:30 p.m., in the Commission Chambers of City Hall, 211 Williams Street, Royal Oak, Michigan on the 19th day of December, 2011 and that the City Council of the City of Troy will hold a public hearing at 7:30 p.m. in the City Council Chambers, City Hall, 500 W. Big Beaver, Troy, Michigan on the 9th day of January, 2012, each on the proposed issuance of hospital revenue refunding bonds (the "Bonds") in one or more series in the maximum aggregate principal amount of \$120,000,000 by the City of Royal Oak Hospital Finance Authority to provide funds to loan to William Beaumont Hospital (the "Hospital") to be used by the Hospital, together with other available funds, (a) to refund all or a portion of the \$167,755,000 City of Royal Oak Hospital Finance Authority Hospital Revenue Bonds (William Beaumont Hospital Obligated Group) Series 2001M (the "Prior Bonds") and (b) to pay the costs of issuing the Bonds.

The Hospital used the proceeds of the Prior Bonds to: (a) finance the acquisition, construction, remodeling, renovation, installation and equipping of the south tower of the facilities on the main campus of the Hospital located at 3601 West Thirteen Mile Road, Royal Oak, Michigan (the "Main Hospital Campus"), including (i) the acquisition, construction, installation and equipping of a neonatal intensive care unit, operating rooms, patient care rooms, minor surgery and procedure rooms, general radiographic/fluoroscopic rooms, ultrasound rooms and storage, (ii) the renovation, remodeling, installation and equipping of angiovascular procedure rooms, the family birth center, air handling units, the anesthesia delivery system and patient care rooms, and (iii) the construction of an emergency center entrance; (b) finance the renovation, remodeling, installation and equipping of the west tower of the Hospital's facilities located at 44201 Dequindre Road, Troy, Michigan (the "Troy Hospital Facility"), including the renovation, remodeling, installation and equipping of the anesthesia delivery system, a non-special MRT unit, the obstetrical unit and patient care rooms; (c) pay a portion of the interest on the Prior Bonds; and (d) pay costs of issuing the Prior Bonds.

The owner and operator of the hospital facilities refinanced with the proceeds of the Bonds at the Main Hospital Campus and the Troy Hospital Facility is the Hospital, a nonprofit corporation.

The public hearing will provide an opportunity for interested persons to be heard and communications in writing will be received and considered. The hearing will provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the proposed bond issue.

Dated: December 2, 2011

/s/ Don Johnson

Don Johnson
Chairperson, City of Royal Oak
Hospital Finance Authority
211 Williams Street
Royal Oak, Michigan 48068
(248) 246-3030