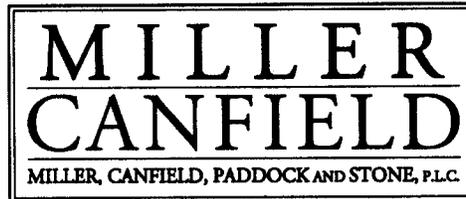


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TIMOTHY D. SOCHOCKI
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E-MAIL: sochocki@millercanfield.com

101 North Main Street, Seventh Floor
Ann Arbor, Michigan 48104
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FAX: (734) 747-7147
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January 31, 2006

Via e-mail to: szerlagaj@ci.troy.mi.us

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

bluhmlg@ci.troy.mi.us

Lori Grigg Bluhm, Esq., City Attorney
City of Troy
500 West Big Beaver
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John Lamerato, Assistant City Manager/Finance & Admin.
City of Troy
500 West Big Beaver
Troy, Michigan 48084

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

Lady and Gentlemen:

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 we used to construct an addition to 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 February 27, 2006 meeting for the purpose of conducting a public

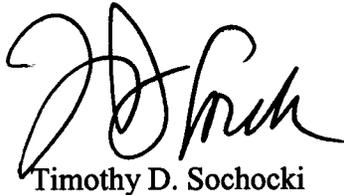
January 31, 2006

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, when completed, will be released for publication later this week. I will send you a completed copy when it is available. I am also attaching the proposed resolution that would be considered. The format of the resolution is identical to ones that the City Council for the City of Troy has passed in previous 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 purposes 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).

Please confirm that we can be placed on your agenda for your February 27, 2006 City Council meeting. Also, please confirm the time and location I have used in the attached notice for the Troy meeting.

Sincerely,



Timothy D. Sochocki

TDS/pmh
enc.

cc: Joe Bruni (jbruni@beaumont.edu)
Dennis Herrick (dherrick@beaumont.edu)
James Hughes, Esq. (hughes@butzel.com)
Julie Konja (jkonja@beaumont-hospitals.com)
Jeffrey M. McHugh, Esq. (jmchugh@millercanfield.com)
Joel L. Piell, Esq. (piell@millercanfield.com)

NOTICE OF PUBLIC HEARINGS ON THE ISSUANCE
BY THE CITY OF ROYAL OAK HOSPITAL FINANCE AUTHORITY
OF HOSPITAL REVENUE AND 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 o'clock p.m., in the Commission Chambers of City Hall, 211 Williams Street, Royal Oak, Michigan on the 20th day of February, 2006, that the City Council of the City of Sterling Heights will hold a public hearing at 7:30 o'clock p.m. in the City Hall Council Chambers, 40555 Utica Road, Sterling Heights, Michigan on the 21st day of February, 2006, and that the City Council of the City of Troy will hold a public hearing at 7:30 o'clock p.m. in the City Council Chambers, City Hall, 500 W. Big Beaver, Troy, Michigan on the 27th day of February, 2006, each on the proposed issuance of hospital revenue and hospital revenue refunding bonds (the "Bonds") in one or more series in the maximum aggregate principal amount of \$235,000,000 by the City of Royal Oak Hospital Finance Authority to provide funds to loan to William Beaumont Hospital to be used by William Beaumont Hospital, together with other available funds, to (a) finance or refinance the costs of the acquisition; construction, renovation and equipping of the health care facilities described below (collectively, the "Projects"), (b) to refund the bonds described below (the "Prior Bonds"), (c) to pay a portion of the interest to accrue on the Bonds, (d) to fund a debt service reserve fund for the Bonds, and (e) to pay the costs of issuing the bonds.

The Projects (a portion of which will be financed with the proceeds of the Bonds) consist of the following: (a) at a presently estimated cost of \$_____, the renovation of the north and central towers of the hospital facility of William Beaumont Hospital located at 3601 West Thirteen Mile Road, Royal Oak, Michigan (the "Royal Oak Facilities") generally

consisting of the renovation of medical care areas, the improvement of architectural, electrical and mechanical infrastructure of the hospital facility and the improvement of fire alarm and fire protection systems, (b) at a presently estimated cost of \$_____, the construction of an ambulatory care center on the hospital campus of William Beaumont Hospital located at _____, Sterling Heights, Michigan (the “Sterling Heights Facility”).

The Prior Bonds consist of the City of Royal Oak Hospital Finance Authority Hospital Revenue and Refunding Bonds (William Beaumont Hospital) Series 1996I maturing on or after January 1, 2013.

The proceeds of the Prior Bonds were loaned to William Beaumont Hospital and used by William Beaumont Hospital, together with other available funds, (a) to refund a portion of the City of Royal Oak Hospital Finance Authority Hospital Revenue Bonds (William Beaumont Hospital), Series 1991D (the “Series 1991D Bonds”) the proceeds of which were used by William Beaumont Hospital (1) to construct a critical care tower and a four level addition to the hospital facility, related parking and a shipping and receiving facility, all at the Royal Oak Facilities, (2) to construct a six level addition to and renovation of the hospital facility of William Beaumont Hospital located at 44201 Dequindre Road, Troy, Michigan (the “Troy Facilities”), (3) to pay a portion of the interest on the Series 1991D Bonds and (4) to pay costs of issuing the Series 1991D Bonds, and (b) to pay the costs of issuing the Prior Bonds.

The Royal Oak Facilities, the Sterling Heights Facilities and the Troy Facilities are owned and operated by William Beaumont Hospital, a Michigan 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: February __, 2006

Chairperson, City of Royal Oak
Hospital Finance Authority

AALIB:456315.2\006839-00008

CITY OF TROY
OAKLAND COUNTY, MICHIGAN

**City of Royal Oak Hospital Finance Authority
Hospital Revenue and Hospital Revenue Refunding Bonds
Issued for the benefit of William Beaumont Hospital
In an Amount not to Exceed \$235,000,000**

At a Regular meeting of the City Council of the City of Troy held at 7:30 p.m., Eastern Standard Time, on Monday, February 27, 2006.

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by Commissioner _____ and supported by Commissioner _____;

WHEREAS, the City of Royal Oak Hospital Finance Authority (the "Authority") proposes to make loans to William Beaumont Hospital (the "Hospital"), to be used, in part, by the Hospital to refinance indebtedness used to finance the construction, renovation and equipping of certain hospital facilities in the City of Troy, Michigan; and

WHEREAS, the Authority intends to issue City of Royal Oak Hospital Finance Authority Hospital Revenue Bonds (William Beaumont Hospital Obligated Group) and Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group), in one or more series (collectively, the "Bonds") on behalf of the Hospital in the aggregate principal amount of not to exceed \$235,000,000 to provide funds with which to make loans to the Hospital; and

WHEREAS, the Bonds will be limited obligations of the Authority and will not constitute general obligations or debt of the City of Royal Oak, the City of Troy, the County of Oakland, the State of Michigan or any political subdivision thereof; and

WHEREAS, the City Council has held a public hearing after notice was published as provided in, and in satisfaction of the applicable public hearing requirements of, the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, a record of public hearing will be maintained with the City Clerk; and

WHEREAS, the Authority has requested that this City Council approve the issuance of the Bonds by the Authority; and

WHEREAS, the City Council of the City of Troy desires to express its approval of the issuance of the Bonds by the Authority.

IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF TROY, AS FOLLOWS:

1. Solely for the purpose of fulfilling the public approval requirements of the Code, the City Council of the City of Troy hereby approves the issuance, sale and delivery of not to exceed \$235,000,000 in aggregate principal amount of the Bonds by the Authority.

2. The City Clerk is hereby directed to provide three (3) certified copies of this resolution to the Secretary of the Authority

YEAS: _____

NAYS: _____

ABSTENTIONS: _____

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of the City of Troy held on February 27, 2006, and that the minutes of the meeting are on file in the office of the City Clerk and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976.

Troy City Clerk