

## ARTICLES OF INCORPORATION

### HOSPITAL FINANCE AUTHORITY OF THE CITY OF ST. JOSEPH

These Articles of Incorporation of the Hospital Finance Authority of the City of St. Joseph are adopted by the City of St. Joseph, County of Berrien, Michigan, for the purpose of creating a local authority (the "Authority") under the provisions of Act No. 38 of the Public Acts of Michigan of 1969, as amended (the "Act").

#### ARTICLE I

##### NAME

The name of this corporation and Authority is the HOSPITAL FINANCE AUTHORITY OF THE CITY OF ST. JOSEPH.

#### ARTICLE II

##### INCORPORATING UNIT

The incorporating unit creating the Authority is the City of St. Joseph, Michigan.

#### ARTICLE III

##### PURPOSE

The Authority is incorporated for the purpose of constructing, acquiring, reconstructing, remodeling, improving, adding to, enlarging, repairing, owning and leasing hospital facilities within or without the boundaries of the City of St. Joseph for the use of a hospital; lending money to a hospital for those purposes; refunding or refunding in advance obligations of the Authority or the Michigan State Hospital Finance Authority; or refinancing the indebtedness of a hospital.

#### ARTICLE IV

##### POWERS AND DUTIES

Section 1. The Authority shall be a public body corporate with power to sue and be sued in its own name in any court of the State of Michigan.

Section 2. The Authority shall adopt and may amend By-laws and Rules of Procedures for the regulation of its affairs and the conduct of its business in accordance with the provision of the Act.

Section 3. The Authority may adopt an official seal and alter its official seal at its discretion.

Section 4. The Authority may maintain offices at such places as its Commission may hereafter designate.

Section 5. The Authority shall have power to construct, acquire by gift, purchase, lease or condemnation, reconstruct, remodel, improve, add to, enlarge, repair, own and lease hospital facilities and to acquire a site or sites for the facilities. For the purpose of condemnation, it may proceed under Act 149 of the Public Acts of 1911, as amended, being Sections 213.21 to 213.41 of the Michigan Compiled Laws, or any other appropriate statute.

Section 6. The Authority shall have power to issue revenue bonds to finance all or any part of the project costs of any hospital facilities or to refinance any outstanding indebtedness of a hospital if the Authority determines that the refinancing is necessary to realize the objectives and purposes of the Act.

Section 7. The Authority shall have power to enter into lease or lease-purchasing agreements with any hospital for the use of the hospital facilities. Any such agreement shall provide that the rents to be charged for the use shall be fixed and revised to produce income and revenues sufficient to pay promptly, when due, the interest upon and the principal of all bonds issued payable from the income and revenues after provision has been made for the payment of operation and maintenance costs.

Section 8. The Authority shall have the power to mortgage the hospital facilities in favor of the holders of the bonds issued for those facilities, and may pledge and create a lien in favor of the bondholders on all or part of the property or funds which are available for payment of principal and interest on the bonds.

Section 9. The Authority shall have the power to sell and convey part or all of the hospital facilities and site, including, without limitation, a sale and conveyance thereof, subject to a mortgage, for a price and at a time as the Authority may determine. No sale or conveyance shall be made in any manner as to impair the rights or interests of the holders of any bonds.

Section 10. The Authority shall have the power to make loans; participate in the making of loans; undertake commitments; make loans and mortgages; sell loans and mortgages at public or private sale; modify or alter loans and mortgages; discharge loans and mortgages; foreclose on a mortgage or commence an action to protect or enforce a right conferred upon it by law, mortgage, loan, contract, or other agreement; bid for and purchase property which was the subject of a mortgage at a foreclosure or other sale and acquire or take possession of the property and in that event complete, administer, pay the principal and interest on any obligations incurred in connection with the property; and dispose of and otherwise deal with the property in any manner necessary or desirable to protect the interests of the Authority in the property. The loans made by the Authority may be secured by mortgages or not, as the Authority determines.

Section 11. The Authority shall have the power to loan money to hospitals for the purpose of refinancing outstanding indebtedness of a hospital if the Authority determines that the refinancing is necessary to realize the objectives and purposes of the Act.

Section 12. The Authority shall have the power to employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers and such other employees and agents as may be necessary in its judgment and fix their compensation.

Section 13. The Authority shall have power to receive and accept from any public or private agency loans or grants for or in aid of any project undertaken, or any portion thereof, and receive and accept loans, grants, aid or contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such loans, grants, aid and contributions are made.

Section 14. The Authority shall have the power to charge, impose, and collect fees and charges in connection with its loans, commitments, and servicing, including reimbursement of costs of financing by the Authority, service charges, insurance premiums, and an allocable share of the operating expenses of the Authority; to increase the fees and charges; and collect fees and charges from the lessees of the hospital facilities sufficient to meet operation and maintenance expenses of the Authority.

Section 15. The Authority shall have the power to exercise its powers and undertake a project for the benefit of a single hospital or the joint benefit of a group or association of 1 or more hospitals.

Section 16. The Authority shall have the power to invest funds not required for immediate use or disbursement, at its discretion, in obligations of the state or the United States, in obligations the principal and interest of which are guaranteed by the state or the United States, in certificates of deposit of a bank which is a member of the federal reserve system or in any other investments authorized by law.

Section 17. The Authority shall have the power and Authority to borrow money and issue its negotiable obligations for the purpose of defraying the project costs of hospital facilities, making hospital loans for the above purposes or to refinance indebtedness of a hospital or to refund or refund in advance obligations of any Authority created or incorporated under the Act. The principal of and interest on such bonds shall be payable solely from the net revenues derived from the hospital facilities, from the repayment of hospital loans, from gifts or grants, or from amounts derived from the disposition of hospital facilities mortgaged or otherwise pledged as security for payment of the bonds or from investment earnings or profits on any of these sources or from any other sources authorized by the Act. No bond or coupon issued by the Authority shall be a general obligation of or constitute a debt of the City of St. Joseph or of the Authority.

Section 18. The Authority shall have all the powers necessary to carry out the purposes of its incorporation and the incidental powers thereto and no enumeration of the powers of the Authority in these Articles of Incorporation shall in any way limit or restrict the power of the Authority.

## ARTICLE V

### GOVERNING BODY AND OFFICERS

Section 1. The Authority shall be directed and governed by a Commission (the "Commission") of five (5) members, each to be appointed by the Mayor of St. Joseph and approved by a majority vote of the City Commission of the City of St. Joseph. No officer, trustee, or member of the governing body of any hospital, shall be eligible for membership or appointment of the Authority. The members of the Commission shall be residents of the City of St. Joseph.

Section 2. The terms of the members of the Commission constituting the first Commission shall be: For the first Commission member, one (1) year; the second Commission member, two (2) years; the third Commission member, three (3) years; the fourth Commission member, four (4) years, and the fifth Commission member, five (5) years. The terms of succeeding Commission members shall be for five (5) years. The initial

terms of each Commission member shall commence upon acceptance of appointment and shall terminate on the 31st day of January following the specified term, and terms of succeeding Commission members shall commence on the termination of the term of the preceding member; provided, however, that if a succeeding Commission member shall fail to be appointed and approved, then the term of the Commission member then presently in office shall extend beyond the specified term until such time as a succeeding Commission member is appointed and approved.

Section 3. The Commission shall designate one of its members as Chairman, and one of its members as Secretary-Treasurer, each to be designated for such term in office as may be fixed by its By-laws.

Section 4. The Chairman shall preside at meetings of the Commission and shall sign by manual or facsimile signature and execute all authorized bonds, contracts, checks and other obligations in the name of the Authority when so authorized by the Commission. He shall do and perform such other duties as may be fixed by the By-laws and from time to time assigned to him by the Commission.

Section 5. The Secretary-Treasurer shall keep the minutes of all meetings of the Commission, and all committees thereof, in books provided for that purpose. The Secretary-Treasurer shall attend to the giving, serving and receiving of all notices or process of or against the Authority. The Secretary-Treasurer may sign by manual or facsimile signature with the Chairman in the name of the Authority all contracts and bonds authorized by the Commission, and when so ordered, the Secretary-Treasurer shall affix the seal, if there is one, of the Authority thereto. The Secretary-Treasurer shall have charge of all books and records of the Authority, which shall at all reasonable times be open to inspection and examination by the Commission, or any member thereof, the incorporating unit and any lessee hospital, and in general perform all the duties incident to the office of Secretary-Treasurer. The Secretary-Treasurer shall preside at meetings of the Commission in the absence of the Chairman.

Section 6. The Secretary-Treasurer shall have custody of all the funds and securities of the Authority which may come into possession of the Authority. When necessary or proper, the Secretary-Treasurer shall endorse by manual or facsimile signature, on behalf of the Authority for collection, checks, notes and other obligations which shall be deposited to the credit of the Authority in a designated bank or depository. The Secretary-Treasurer shall sign by manual or facsimile signature all receipts and vouchers for payments made to the Authority. The Secretary-Treasurer shall jointly, with such other officer as may be designated by the Commission, sign by manual or

facsimile signature all checks, promissory notes, or other obligations of the Authority, when so ordered by the Commission.

The Secretary-Treasurer shall enter regularly in the books of the Authority to be kept by the Secretary-Treasurer for this purpose full and accurate accounts of all monies received and paid by the Secretary-Treasurer on account of the Authority, and shall at all reasonable times exhibit such books and accounts to the Commission, or any member thereof, the incorporating unit, and any lessee hospital, when so required. The Secretary-Treasurer shall perform all acts incidental to the position of Secretary-Treasurer fixed by the By-laws and as assigned to the Secretary-Treasurer from time to time by the Commission. The Secretary-Treasurer shall be bonded for the faithful discharge of his duties as Secretary-Treasurer, the premium to be paid by the Authority.

Section 7. Annual compensation, if any, for the members of the Commission and the Officers shall be fixed by the Commission when approved by the governing body of the incorporating unit.

Section 8. Vacancies occurring in the office of the Commission shall be filled in the same way that the original appointment is made, and shall be filled for the period of the unexpired term.

Section 9. By an affirmative vote of a majority of City Commission members the City Commission of the City of St. Joseph may remove any or all of the members of the Commission of the Authority for malfeasance, misfeasance, removal of residence from the City of St. Joseph, mental incompetency, physical disability or other good cause.

Section 10. The books and records of the Authority, and of the Commission, officers and agents thereof, shall be open to inspection and audit by the City of St. Joseph at all reasonable times. The Authority shall submit an annual report to the City of St. Joseph, the lessee of any hospital facilities with respect to facilities leased, and the trustee under any indenture for the benefit of bondholders.

Section 11. The Commission may appoint other officers as deemed necessary as specified in the By-laws.

## ARTICLE VI

### PUBLICATION

Section 1. The County Clerk for the County of Berrien, Michigan, shall cause a copy of these Articles of Incorporation to be published once in the Herald-Palladium, being a newspaper of general circulation within the County of Berrien, and to be filed as provided by the Act.

ARTICLE VII

AMENDMENTS

Section 1. Amendments may be made to these Articles of Incorporation as provided in Section 25 of Act No. 38 of the Michigan Public Acts of 1969, as now existing or hereafter amended.

ARTICLE VIII

LOCATION OF OFFICE

The location of the initial office for the conduct of the business of the Authority and the post office address of the Authority is:

City of St. Joseph City Hall  
616-620 Broad St.  
St. Joseph, Michigan 49085

ARTICLE IX

EFFECTIVE DATE

Section 1. These Articles of Incorporation shall become effective and be in full force and effect on their publication and filing as required by the Act.

ARTICLE X

TERM

The term of the Authority shall be perpetual.

ARTICLE XI

MEANING OF WORDS AND TERMS

Unless the context or use indicates another meaning or intent, the words and terms defined in the Act and used in these Articles of Incorporation shall have the same meaning as defined in the Act.

IN WITNESS WHEREOF, the City of St. Joseph has adopted and authorized to be executed these Articles of Incorporation on behalf of the City of St. Joseph, a municipal corporation of the State of Michigan, by the Mayor and the City Clerk of the City of St. Joseph.

CITY OF ST. JOSEPH, MICHIGAN

By Franklin H. Smith  
Mayor

By Patrick O'Phelan  
City Clerk

The foregoing Articles of Incorporation were adopted by the City Commission of the City of St. Joseph, County of Berrien, Michigan, at a meeting duly held on the 11th day of October, 1982.

By Patrick O'Phelan  
City Clerk  
City of St. Joseph, Michigan

Dated: October 11, 1982