

**NOTICE OF PUBLIC HEARING BEFORE THE
MASON COUNTY BOARD OF COMMISSIONERS
REGARDING THE ISSUANCE OF HOSPITAL REVENUE AND
REVENUE REFUNDING BONDS
FOR THE BENEFIT OF SPECTRUM HEALTH SYSTEM**

The Mason County Board of Commissioners (the “Board”) will hold a public hearing at 7:00 p.m. on October 10, 2019 in the Mason County Board of Commissioners Room, Mason County Courthouse, 304 E. Ludington Avenue, Ludington, Michigan 49431, on the proposed issuance by the Kent County Hospital Finance Authority (the “Authority”) of hospital revenue and revenue refunding bonds (the “Bonds”) for the benefit of Spectrum Health System, a Michigan nonprofit corporation (the “Borrower”) and certain affiliates of the Borrower. The Bonds are proposed to be issued in one or more series, pursuant to a plan of financing, in the aggregate principal amount of not to exceed One Hundred Forty Million Dollars (\$140,000,000).

The proceeds of the Bonds will be used by the Authority to make one or more loans to the Borrower. The Borrower will use the proceeds of the loan from the Authority, together with other available funds, to (a) pay the costs of the Center for Transformation and Innovation Project (as defined below), (b) refinance a portion of a taxable loan of the Borrower allocable to the Nursing and Rehabilitation Project (as defined below), (c) refinance a portion of a taxable loan of the Borrower allocable to refunding the Ludington Bonds (as defined below), (d) pay capitalized interest on the Bonds and (e) pay the costs of issuing the Bonds.

A portion of the proceeds of the Bonds, in an amount not to exceed \$100,000,000, will be used to pay the costs of acquiring, constructing, furnishing and equipping new facilities, which will also serve as administrative offices of the Borrower (the “Center for Transformation and Innovation Project”).

A portion of the proceeds of the Bonds, in an amount not to exceed \$25,000,000, will be used to refinance a taxable loan of the Borrower, the proceeds of which were used to finance the acquisition, construction, furnishing and equipping of a rehabilitation and nursing center (the “Nursing and Rehabilitation Project”).

A portion of the proceeds of the Bonds, in an amount not to exceed \$15,000,000, will be used to refinance a taxable loan of the Borrower, the proceeds of which were used to refund all of the outstanding Mason County Hospital Finance Authority Hospital Revenue Bonds (Memorial Medical Center of West Michigan), Series 2012A and Mason County Hospital Finance Authority Hospital Revenue Bonds (Memorial Medical Center of West Michigan), Series 2012B (collectively, the “Ludington Bonds”).

The proceeds of the Ludington Bonds were used, together with other available funds, to (i) pay the costs of acquiring constructing, renovating, demolishing, furnishing and equipping a surgery unit, an emergency department and other hospital facilities located at One North Atkinson Drive, Ludington, Michigan 49431 (the “Ludington Campus”), (ii) refinance a loan of Spectrum Health Ludington Hospital (formerly, Memorial Medical Center of West Michigan), the proceeds of which were used to pay the costs of acquiring, constructing, renovating, furnishing and equipping a medical office building located at 7 North Atkinson Drive, Ludington, Michigan

49431, (iii) currently refund the Michigan State Hospital Finance Authority Health Care Equipment Loan Program Loan, dated June 8, 2006, and the Michigan State Hospital Finance Authority Health Care Equipment Loan Program Loan, dated May 18, 2011, the proceeds of which were used to purchase certain equipment for hospital use at the Ludington Campus and (iv) pay the costs of issuing the Ludington Bonds.

All of the above-described facilities and equipment to be financed or refinanced with the proceeds of the Bonds will be owned and operated by the Borrower or its affiliates for use as healthcare facilities. Additional detail with respect to the facilities to be financed or refinanced with the proceeds of the Bonds is available upon request.

The Bonds will be limited obligations of the Authority payable only from loan repayments to be made by the Borrower to the Authority and other security to be provided by the Borrower. The Bonds will not be a general obligation of the Authority and will not be a debt of the State of Michigan (the "State"), the County of Kent, the City of Grand Rapids, the County of Mason, the City of Ludington or any political subdivision of the State. The Authority has no taxing power and the issuance of the Bonds will not obligate the State, the County of Kent, the City of Grand Rapids, the County of Mason, the City of Ludington or any political subdivision of the State to levy or pledge any form of taxation for the Bonds or to make any appropriation for the payment of the Bonds.

The hearing will provide a reasonable opportunity for expression of opinion, argument on the merits and introduction of documentary evidence pertaining to the proposed issuance of the Bonds. Written comments will be accepted by the Board, but must be received on or before the time and date of the hearing.

Mason County Board of Commissioners
304 E. Ludington Avenue,
Ludington, Michigan 49431

Dated: October 3, 2019