

**MICHIGAN STRATEGIC FUND**

**RESOLUTION**

**2010-**

**DESIGNATION OF NEW RENAISSANCE ZONE SUBZONE  
MIDTOWN HOSPITAL CAMPUS SUBZONE**

**WHEREAS**, Section 4(4) of the Michigan Renaissance Zone Act (the "Act"), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund ("MSF") to designate qualified additional distinct geographic areas if the additional distinct geographic area will increase capital investment or job creation (a "Subzone");

**WHEREAS**, the Michigan Economic Development Corporation ("MEDC") provides administrative services for the renaissance zone program;

**WHEREAS**, the MEDC received an application from the County of Wayne (the "Application") for a new Subzone designation within the Wayne County Renaissance Zone to be entitled the Midtown Hospital Campus Subzone ("MHC Subzone");

**WHEREAS**, the Subzone designation is a contingency for VHS of Michigan, Inc. (the "Company") to enter into a binding contract under which it will agree to acquire The Detroit Medical Center (the "Owner");

**WHEREAS**, the Subzone designation will result in additional capital investment or job creation within the Wayne County Renaissance Zone; and

**WHEREAS**, the MEDC recommends that the MSF Board approve the Application for the designation of the MHC Subzone as filed with the MEDC and incorporated by reference, for those property parcels described in the Application comprising approximately 92.4 acres (the "Property"), provided that:

1. On or before December 31, 2010, the Company will close its acquisition of the Owner. The date such acquisition occurs shall be the "Closing Date";
2. Within one year of the Closing Date, the Company shall have commenced the project outlined in the Application within the MHC Subzone located in the City of Detroit in the Wayne County Renaissance Zone;
3. On or before December 31, 2010, a Development Agreement is negotiated and signed between the Owner, the Company and the MSF, along with signed consents by all other real property owners within the MHC Subzone who do not sign the development agreement acknowledging the Development Agreement and their real property's inclusion in the MHC Subzone;
4. On or before December 31, 2010, a lease between Wayne State University and the Ellington Condominiums for the limited portion of the Ellington Condominiums' real property included in the Property (the "Lease") shall be entered into and maintained in full force and effect through December 31, 2025; and the Owner and the Company shall not consent to termination or surrender of the Lease between the Ellington Condominiums and Wayne State University, prior to January 1, 2026; and
5. A revised Exhibit A shall be agreed to by the MSF, the Owner and the Company no later than December 30, 2010, identifying all of the parcels included in the MHC Subzone and legal description now contained on Exhibit A, but identifying the parcels by tax parcel number.

**NOW, THEREFORE, BE IT RESOLVED**, that the MSF Board designates the MHC Subzone in Wayne County, as described in the Application, for the Property identified on Exhibit A for a term of 15 years. The Subzone designation shall begin on December 31, 2010, for property tax purposes, and January 1, 2011 for income and Michigan Business Tax purposes, provided that:

1. On or before December 31, 2010, the Company will close its acquisition of the Owner. The date such acquisition occurs shall be the "Closing Date";
2. Within one year of the Closing Date, the Company shall have commenced the project outlined in the Application within the MHC Subzone located in the City of Detroit in the Wayne County Renaissance Zone;
3. On or before December 31, 2010, a Development Agreement is negotiated and signed between the Owner, the Company and the MSF, along with signed consents by all other real property owners within the MHC Subzone who do not sign the development agreement acknowledging the Development Agreement and their real property's inclusion in the MHC Subzone;
4. On or before December 31, 2010, a lease between Wayne State University and the Ellington Condominiums for the limited portion of the Ellington Condominiums' real property included in the Property shall be entered into and maintained in full force and effect through December 31, 2025; and the Owner and the Company shall not consent to termination or surrender of the Lease between the Ellington Condominiums and Wayne State University, prior to January 1, 2026; and
5. A revised Exhibit A shall be agreed to by the MSF, the Owner and the Company no later than December 30, 2010, identifying all of the parcels included in the MHC Subzone and legal description now contained on Exhibit A, but identifying the parcels by tax parcel number.

**BE IT FURTHER RESOLVED**, that the MSF Board authorizes the Fund Manager, in consultation with the Department of the Attorney General, to enter into a Development Agreement consistent with the terms of this Resolution.

**BE IT FURTHER RESOLVED**, that, if the Owner and the Company fail to satisfy in a timely manner all of the contingencies set forth above, then this Resolution shall be rendered null and void and no renaissance zone subzone shall have been designated or created.

Ayes:

Nays:

Recused:

Lansing, Michigan  
April 28, 2010