RESOLUTION NO. 24-11-016

Sponsored by Commissioners Misty Davis, Steve Mikels, David Wells, Mike Caylor, John Giles, Nick Bright and Jared Anderson

RESOLUTION TO APPROVE THE BLOUNT MEMORIAL HOSPITAL LEASE AGREEMENT; THE MEMBERSHIP AGREEMENT; THE BLOUNT MEMORIAL HOSPITAL, INCORPORATED CHARTER AMENDMENT; THE FIRST SUPPLEMENTAL TRUST INDENTURE; AND RELATED DOCUMENTS

BE IT RESOLVED, by the Board of Commissioners of Blount County, Tennessee (the "Commissioners"), in session assembled this November 14, 2024:

WHEREAS, the Commissioners and Blount Memorial Hospital, Incorporated ("BMH") engaged Juniper Advisory to assist the Commissioners and BMH in reviewing strategic alternatives for Blount Memorial Hospital (the "Hospital") to ensure that the Hospital is in the position to provide the best care possible to the citizens of Blount County over the long term, including consideration of the competence and integrity of potential partners to operate the Hospital; and

WHEREAS, following such review of strategic alternatives, the Board of Directors of BMH and the Commissioners determined that it is in the best interests of the citizens of Blount County and the cities therein and the Hospital that Prisma Health, a private, non-profit healthcare system ("Prisma"), become the sole member of BMH and, as a result, assume the operation and management of the Hospital; and

WHEREAS, BMH, Blount County and Prisma entered into that certain non-binding Letter of Intent, dated July 18, 2024 (the "LOI"), which provides proposed terms and conditions upon which Prisma would assume the operation and management of the Hospital and become the sole member of BMH, including certain service-level and capital commitments by Prisma and other customary covenants and agreements; and

WHEREAS, the Board of Directors of BMH has reviewed and approved (i) a Lease Agreement pursuant to which BMH will lease the Hospital land and building from Blount County, (ii) a Membership Agreement between Prisma, BMH, Prisma Health Eastern Tennessee, a newly formed subsidiary of Prisma ("PHET"), Blount Memorial Foundation, Inc. and Blount County (and the documents referenced therein) pursuant to which PHET would become the sole member of BMH and, as a result, Prisma, through PHET, would assume the operation and management of the Hospital, in consideration of certain service-level and capital commitments by Prisma and other customary covenants and agreements, (iii) the Second Amended and Restated Charter of BMH, and (iv) the First Supplemental Trust Indenture amending the Trust Indenture, dated as of October 4, 2019, among Blount County, BMH and Regions Bank relating to the 2019A Bonds issued by Blount County on behalf of BMH; and

WHEREAS, the Commissioners have reviewed (i) the Lease Agreement, (ii) the Membership Agreement (and the documents referenced therein), (iii) the Second Amended and Restated Charter of BMH, and (iv) the First Supplemental Trust Indenture and determined that the

approval, execution and delivery of such documents and such other documents as are contemplated thereby or necessary to consummate the transactions contemplated thereby are in the best interest of Blount County and its citizens.

NOW, THEREFORE, BE IT RESOLVED, BY THE BLOUNT COUNTY LEGISLATIVE BODY MEETING IN REGULAR SESSION AT MARYVILLE, TENNESSEE, ON THIS 14TH DAY OF NOVEMBER, 2024, THAT:

- 1. The Commissioners hereby approve the Lease Agreement, the Membership Agreement (and the documents referenced therein), the Second Amended and Restated Charter of BMH conditioned on the closing of the transactions contemplated by the Membership Agreement, and the First Supplemental Trust Indenture.
- 2. The Commissioners hereby authorize and empower the County Mayor to execute and deliver the Lease Agreement, the Membership Agreement (and the documents referenced therein), and the First Supplemental Trust Indenture in the name of and on behalf of Blount County.
- 3. The Commissioners hereby authorize and empower the County Mayor and other officials of the County to negotiate and execute in the name of and on behalf of Blount County such other documents and agreements as are contemplated by or related to the foregoing agreements or necessary to consummate the transactions contemplated thereby, including an amendment to the Credit Agreement, dated as of October 4, 2019, among Blount County, BMH and First Horizon TE1, LLC in a form substantially consistent with the First Supplemental Trust Indenture.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION SHALL BE IN FORCE AND BECOME EFFECTIVE UPON ITS ADOPTION, THE PUBLIC WELFARE REQUIRING IT.

ADOPTED THIS 14th DAY OF NOVEMBER, 2024.

CERTIFICATION OF ACTION ATTEST

46008064.2

Commission Chairman	County Clerk
Approved: Vetoed:	
County Mayor	Date