

OFFICIAL STATEMENT

\$8,300,000

**City of Allegan Hospital Finance Authority
Hospital Revenue and Refunding Bonds
Series 1999**

INTRODUCTORY STATEMENT

Purpose of this Official Statement. The purpose of this Official Statement is to provide certain information in connection with the offering by City of Allegan Hospital Finance Authority (the "Issuer") of \$8,300,000 aggregate principal amount of Hospital Revenue and Refunding Bonds, Series 1999 (Allegan General Hospital) (the "Series 1999 Bonds," and together with any additional bonds which may be issued under the Indenture herein described, the "Bonds"). The Series 1999 Bonds will be issued pursuant to a Trust Indenture dated as of October 15, 1999 (the "Indenture") between the Issuer and Norwest Bank, Indiana, N.A., as trustee (the "Trustee"). The net proceeds of the Series 1999 Bonds, together with other available funds, will be used (i) to pay certain indebtedness owing from Allegan General Hospital (the "Corporation") to the Michigan State Hospital Finance Authority (the "State Authority") and to Farmers Home Administration ("FmHA") (the "Series 1999 Refinancing Project") (ii) to pay the cost of certain additions and improvements to the Corporation's facilities (the "Series 1999 Improvement Project," and with the Series 1999 Refinancing Project, collectively the "Series 1999 Project"), (iii) to fund the Debt Service Reserve Fund (the "Reserve Fund") and (iv) to pay certain costs incurred in connection with the issuance of the Series 1999 Bonds.

The Issuer. The Issuer is the issuer of the Series 1999 Bonds. The Issuer was created in 1999 for the purpose, among others, of lending money to nonpublic, nonprofit corporations through the issuance of bonds and notes.

Allegan General Hospital. The Corporation, a Michigan nonprofit corporation, owns and operates a 63 licensed bed (including 54 acute care and 9 psychiatric beds) general acute care hospital (the "Hospital") on a 26.64 acre campus in the City of Allegan, Michigan.

The Series 1999 Refinancing Project. A portion of the proceeds of the Series 1999 Bonds will be loaned by the Issuer to the Corporation and applied to the prepayment of certain outstanding indebtedness of the Corporation to the State Authority and FmHA (the "Prior Loans"). Further information concerning the Series 1999 Refinancing Project is provided under the heading "THE SERIES 1999 REFINANCING PROJECT."