

RESOLUTION NO. 2016-132

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, APPROVING THE ISSUANCE BY THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY OF ITS NOT TO EXCEED \$15,725,000 HEALTH CARE REVENUE AND REVENUE REFUNDING BONDS (VICAR'S LANDING PROJECT), SERIES 2016, TO PROVIDE FUNDS TO REFUND ALL OF THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY HEALTH CARE REVENUE REFUNDING BONDS (VICAR'S LANDING PROJECT), SERIES 2007 IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS TO LIFE CARE PONTE VEDRA, INC. AND TO FINANCE THE ACQUISITION, RENOVATION, CONSTRUCTION, EXPANSION, IMPROVEMENT AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS TO HEALTH CARE FACILITIES FOR THE VICAR'S LANDING CONTINUING CARE COMMUNITY OPERATED BY THE BORROWER; PROVIDING FOR A LOAN TO LIFE CARE PONTE VEDRA, INC. TO PAY THE COSTS FOR SUCH PURPOSES, PURSUANT TO CHAPTERS 125 AND 159, FLORIDA STATUTES, AS AMENDED, AND SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the St. Johns County Industrial Development Authority (hereafter, the "Authority") is a public body corporate and politic duly created and existing as a local governmental body and is authorized and empowered by Chapter 159, Parts II and III, Florida Statutes, as amended (the "Act"), to make and execute financing agreements, contracts, deeds and other instruments necessary or convenient for the purpose of facilitating the financing and refinancing of the acquisition, construction and equipping of projects, as defined in the Act, including machinery, equipment, land, rights in land and other appurtenances and facilities related thereto, to the end that the Authority may be able to promote the health and economic growth of St. Johns County (the "County") and the State of Florida, increase opportunities for gainful employment and otherwise contribute to the health and welfare of the State of Florida and its inhabitants, and to finance the cost of such projects by the issuance of revenue bonds; and

WHEREAS, on May 9, 2016, the Authority adopted its resolution (the "Authority Resolution") authorizing the issuance by the Authority of its not to exceed \$15,725,000 Health Care Revenue and Revenue Refunding Bonds (Vicar's Landing Project), Series 2016 (the "2016 Bonds"), the proceeds of which will be loaned to Life Care Ponte Vedra, Inc. (the "Borrower"), the owner of the Vicar's Landing continuing care community located in St. Johns County, for the purposes of (i) providing funds to refund all of the Authority's Health Care Revenue

Refunding Bonds (Vicar's Landing Project), Series 2007, (ii) financing a portion of the costs of the acquisition, renovation, construction, expansion, improvement and equipping of various capital improvements to the Borrower's health care facilities (the "2016 Project"), (iii) funding a deposit to the Debt Service Reserve Fund for the 2016 Bonds, and (iv) paying costs of issuance of the 2016 Bonds; all subject to approval by the Board of County Commissioners of St. Johns County, Florida (the "Board"); and

WHEREAS, the Authority has advised the Board that Section 147(f) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code") requires public approval of certain private activity bonds by an applicable elected representative or governmental unit following a public hearing and the Board constitutes an applicable elected representative or governmental unit; and

WHEREAS, the Authority has advised the Board that pursuant to Section 147(f) of the Code, a public hearing was scheduled before the Authority for April 11, 2016, and notice of such hearing was published in The St. Augustine Record, a newspaper of general circulation in the County, at least fourteen days prior to such hearing date, a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Authority has advised the Board that the Authority did on April 11, 2016, hold the public hearing and provided at such hearing reasonable opportunity for all interested individuals to express their views, both orally and in writing, on the issuance of the 2016 Bonds and the location and nature of the 2016 Project for the purposes state above; and

WHEREAS, the Authority has provided the Board with a report with respect to the hearing so the Board may diligently and conscientiously consider all comments and concerns expressed at the hearing, a copy of which is attached hereto as Exhibit B; and

WHEREAS, the Board desires to express its approval of the issuance of the 2016 Bonds as required by Section 147(f) of the Code and pursuant to Section 125.01(1)(z), Florida Statutes;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA:

SECTION 1. NO INDEBTEDNESS OF COUNTY. The 2016 Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of the County, the Authority, the State of Florida or any political subdivision or agency thereof but shall be payable solely from the revenues pledged therefor pursuant to a loan agreement to be entered into by and between the Authority and the Borrower prior to or contemporaneously with the issuance of the 2016 Bonds.

SECTION 2. BONDS APPROVED. The Board hereby approves, within the meaning of Section 147(f) of the Code and Section 125.01(1)(z), Florida Statutes, the issuance by the

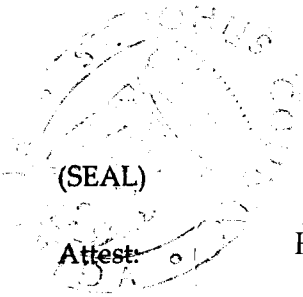
Authority, of its not to exceed \$15,725,000 Health Care Revenue and Revenue Refunding 2016 Bonds (Vicar's Landing Project), Series 2016 for the purposes stated above. The approval given herein shall not be construed as (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the 2016 Project, (ii) a recommendation to any prospective purchaser to purchase the 2016 Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the 2016 Bonds, or (iv) approval of any development, building or other regulatory permits relating to the 2016 Project, and the Board shall not be construed by reason of its execution and delivery of this Resolution to make any such endorsement or recommendation or to have waived any rights the County may have in connection with the 2016 Project. Further, the approval by the Board of the issuance of the 2016 Bonds by the Authority shall not be construed to incur any liability, pecuniary or otherwise, on the part of the County in connection with either the issuance of the 2016 Bonds or the 2016 Project. The approval given herein is given solely for the purpose of satisfying the provisions of Section 147(f) of the Code."

SECTION 3. REPEALING CLAUSE. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED: This 17th day of May, 2016.

**BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA**



Attest:

HUNTER S. CONRAD

By: [Signature]

By: [Signature]

Deputy Clerk

RENDITION DATE 5/19/16

EXHIBIT A

Attach Affidavit of Publication

THE ST. AUGUSTINE RECORD

NOTICE OF PUBLIC HEARING AND MEETING OF THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

BRYANT MILLER OLIVE
111 RIVERSIDE AVE STE 200
JACKSONVILLE FL 32202

Ref.#: 16670971A
P.O.#: HG 4-11

PUBLISHED EVERY MORNING SUNDAY THRU SATURDAY
ST. AUGUSTINE AND ST. JOHNS COUNTY, FLORIDA

STATE OF FLORIDA,
COUNTY OF ST. JOHNS

Before the undersigned authority personally appeared NICOLE CORRIVEAU
who on oath says that he/she is an Employee of the St. Augustine Record,
a daily newspaper published at St. Augustine in St. Johns County, Florida:
that the attached copy of advertisement being a NOTICE OF HEARING
In the matter of HCRRRB - HEARING APRIL 11, 2016
was published in said newspaper on 03/28/2016

Affiant further says that the St. Augustine Record is a newspaper published
at St. Augustine, in said St. Johns County, Florida, and that the said newspaper
heretofore has been continuously published in said St. Johns County, Florida,
each day and has been entered as second class mail matter at the post office in the
City of St. Augustine, in said St. Johns County, for a period of one year preceding
the first publication of the copy of advertisement; and affiant further says that
he/she has neither paid nor promised any person, firm or corporation any discount,
rebate, commission or refund for the purpose of securing the advertisement for
publication in the said newspaper.

Sworn to and subscribed before me this MAR 28 2016 day of

by Nicole Corriveau who is personally known to me
or who has produced as identification

[Signature of Notary Public]

ERIC DAMIEN MCBRIDE
MY COMMISSION # FF925198
EXPIRES October 07, 2019

(Signature of Notary Public)

(Seal)

To Whom It May Concern:
For the purpose of Section 147(1) of the Internal Revenue Code of 1986, as amended, notice is hereby given that the St. Johns County Industrial Development Authority (the "Authority") will hold a public hearing, to be conducted by the Chairman, with respect to the contemplated issuance and sale of net exceeding \$15,725,000 Health Care Revenue and Revenue Refunding Bonds, (Vicar's Landing Project, Series 2014 (the "Bonds"), in one or more series, by the Authority. The hearing is open to the public and will be held on April 11, 2016, beginning at 3:00 p.m., or as soon thereafter as such matters may be heard, in the Executive Board Conference Room, County Administration Building, 300 San Sebastian View, St. Augustine, Florida 32084, following which the Authority will hold a public meeting regarding authorization of the Bonds.

The proceeds of the Bonds will be loaned to Life Care Home, Inc. (the "Corporation") and used to (1) currently refund, on a forward basis, the obligations of the Corporation related to the Authority's Health Care Revenue Refunding Bonds (Vicar's Landing Project), Series 2007 (the "Series 2007 Bonds"), (2) finance the acquisition, renovation, construction, expansion, improvement and equipping of various capital improvements to the Corporation's health care facilities (the "2014 Project") located at 1800 Vicar's Landing Way, Ponte Vedra Beach, Florida 32082, (3) fund a debt service reserve fund for the Bonds, and (4) pay the costs of issuance of the Bonds. The Series 2007 Bonds were originally issued for the purpose of refunding the Authority's Industrial Development Revenue Refunding Bonds (Vicar's Landing Project), Series 1993A and Series 1993B (collectively, the "Series 1993 Bonds"). The Series 1993 Bonds were issued for the purpose of refunding the Authority's Industrial Development Revenue Bonds, Series 1987A (Vicar's Landing Project) (the "Original Bonds"). The proceeds of which were used to acquire, construct and equip a continuing care retirement facility consisting of 222 residential living units, 66 nursing beds and 38 assisted living units and related common areas located at 1800 Vicar's Landing Way, Ponte Vedra Beach, Florida 32082 (the "Original Project"). The expanded and modified health care facilities will be owned and operated by the Corporation.

THE BONDS WILL NOT CONSTITUTE A DEBT OF THE STATE OF FLORIDA OR ST. JOHNS COUNTY, FLORIDA, but will be payable solely from payments made and/or other sources provided by the Corporation to the Authority under and pursuant to a Loan Agreement, as supplemented, by and between the Authority and the Corporation, and a Trust Indenture, as supplemented, by and between the Authority and TD Bank, National Association, as trustee, pursuant to which the Bonds will be issued.

Interested members of the public are invited to attend. The public hearing will be conducted in a manner that provides a reasonable opportunity to be heard for persons with differing views, both orally and in writing, on the proposed issuance of the Bonds and the plan of financing. Any person desiring to be heard on this matter is requested to attend the public hearing or send a representative. Written comments (not exceeding 250 words) to be presented at the hearing may be submitted to the St. Johns County Industrial Development Authority of the St. Johns County Administration Building, 300 San Sebastian View, St. Augustine, Florida 32084, in care of Melissa Glasgow, Economic Development Director, and further information relating to this matter is available for inspection and copying during regular business hours at the office of Melissa Glasgow, Economic Development Director, at the St. Johns County Administration Building, 300 San Sebastian View, St. Augustine, Florida 32084.

Comments made at the hearing are for the consideration of the Authority and the Board of County Commissioners (the "Board") of St. Johns County, Florida, and will not bind any legal action to be taken by the Authority or the Board in connection with the consideration and approval of the financing and the issuance of the Bonds.

PERSONS ARE ADVISED THAT, IF THEY DECIDE TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH HEARING OR MEETING, SUCH PERSON WILL NEED A RECORD OF THE HEARING PROCEEDINGS AND, FOR SUCH PURPOSE, SUCH PERSON MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

NOTICE TO PERSONS NEEDING SPECIAL ACCOMMODATIONS AND TO ALL HEARING IMPAIRED PERSONS: In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate in the proceedings should contact ADA Coordinator, at (904) 304-9510 at the St. Johns County Administration Building, 300 San Sebastian View, St. Augustine, FL 32084. For hearing impaired individuals: Florida Relay Service: 1-800-955-8770, no later than 3 days prior to the date of the meeting.

Dated: March 28, 2016
ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY,
ST. JOHNS COUNTY, FLORIDA
By: Eric D. McBride, Esq.

EXHIBIT B

Attach Report of St. Johns County Industrial Development Authority



April 11, 2016

To the Board Members of the St. Johns County Industrial Development Authority
St. Augustine, Florida

I have reviewed the financial information relating to the following bond issue that was provided by Life Care Ponte Vedra, Inc. dba Vicar's Landing and such other information, as I deemed necessary.

- St Johns County Industrial Development Authority Health Care Revenue Bonds and Revenue Refunding Bonds (Vicar's Landing Project), Series 2016 not exceeding \$15,725,000.

The purpose of this issue is to provide funds to refund all of the St. Johns County Industrial Development Authority Health Care Revenue Refunding Bonds (Vicar's Landing Project), Series 2007 (the 2007 Bonds) outstanding in order to achieve debt service savings to the borrower and finance part of the acquisition, renovation, construction, expansion, improvement and equipping of various capital additions to the Vicar's Landing Continuing Care Facility located within St. Johns County. The purpose of my review is to provide the board members with assurances that the project meets the requirements of Florida Statutes 159.29(2). Under the provisions of this Statute, the Authority shall not enter into an agreement with a party that is not financially responsible and fully capable and willing to fulfill its obligations under the financing agreement, including, among other things, the obligation to make payments in the amounts and at the time required.

The intent of Life Care Ponte Vedra, Inc. is to retire this bond debt from the company's future earnings and profits.

I reviewed the audited financial statements prepared by Moore, Stephens, Lovelace, PA Certified Public Accountants on Life Care Ponte Vedra, Inc., for the fiscal years ended December 31, 2015 and 2014, the unaudited financial statements for the two month period ending February 29, 2016 which were prepared internally by the company, and the unaudited 5 year financial projection which was prepared internally by the company.

These financial statements along with the Life Care Ponte Vedra, Inc.'s current financial position, market share, and expected earnings and profits of the Company are sufficient to retire the proposed debt.

Based upon the current financial condition of Life Care Ponte Vedra, Inc., it appears the project is capable, financial and otherwise, to fulfill its obligations pursuant to Florida Statute 159.29(2).

Sincerely,

W. Henry O'Connell CPA