

RESOLUTION NO. 5141 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, APPROVING THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF GLENDALE, ARIZONA OF ITS SENIOR LIVING REVENUE BONDS, SERIES 2016 (ROYAL OAKS LIFE CARE COMMUNITY), IN ONE OR MORE SERIES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$42,000,000.

WHEREAS, the Industrial Development Authority of the City of Glendale, Arizona (the “*Authority*”) proposes to issue not to exceed \$42,000,000 in aggregate principal amount of its Senior Living Revenue Bonds, Series 2016 (Royal Oaks Life Care Community), in one or more series (the “*Series 2016 Bonds*”), at the request of, and for the benefit of, People of Faith, Inc., d/b/a Royal Oaks Life Care Community (the “*Corporation*”), an Arizona nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, the Corporation proposes to use the proceeds of the Series 2016 Bonds to (i) refund all of the outstanding (a) Arizona Health Facilities Authority Senior Living Revenue Bonds, Series 2014A (Royal Oaks Life Care Community) (the “*Series 2014A Bonds*”) and (b) Arizona Health Facilities Authority Senior Living Revenue Bonds, Series 2014B (Royal Oaks Life Care Community) (the “*Series 2014B Bonds*” and together with the Series 2014A Bonds, the “*Series 2014 Bonds*”); and (ii) pay certain expenses relating to issuance of the Series 2016 Bonds and refunding the Series 2014 Bonds, all in accordance with the Industrial Development Financing Act, Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “*Act*”); and

WHEREAS, the proceeds of the Series 2014 Bonds were used by the Corporation to (i) demolish then-existing facilities and construct, furnish and equip new memory care facilities on the Royal Oaks Life Care Community campus (the “*Campus*”) owned and operated by the Corporation and (ii) refund all of the outstanding: (a) Arizona Health Facilities Authority Variable Rate Demand Senior Living Revenue Bonds (Royal Oaks Life Care Community Project), Series 2008 (the “*Series 2008 Bonds*”), and (ii) Arizona Health Facilities Authority Variable Rate Demand Health Facilities Revenue Bonds (Royal Oaks Life Care Community Project), Series 2002 (the “*Series 2002 Bonds*”); and

WHEREAS, the proceeds of the Series 2008 Bonds financed the demolition of then-existing dining, kitchen and fitness areas and the construction, furnishing and equipping of new dining, kitchen and fitness areas and an upgrade of heating/ventilation/air conditioning systems and other facilities and improvements of the Campus, and proceeds of the Series 2002 Bonds financed the acquisition, construction, installation and equipping of health care facilities including assisted living facilities, a parking structure, independent living facilities for the elderly and other supporting service facilities and improvements to the Campus; and

WHEREAS, the initial owner or operator of the facilities being financed and/or refinanced with the proceeds of the Series 2016 Bonds is the Corporation, and the facilities to be financed and/or refinanced with the proceeds of the Series 2016 Bonds are located on the approximately 38-acre Royal Oaks Life Care Community campus at 10015 Royal Oak Road, Sun City, Arizona 85351; and

WHEREAS, pursuant to Section 35-721.B of the Act, the proceedings under which the Series 2016 Bonds are to be issued require the approval of this Council; and

WHEREAS, on July 13, 2016, a public hearing with respect to the plan of financing and the proposed issuance of the Series 2016 Bonds was held by the Authority, following reasonable public notice at least 14 days in advance of such hearing (the “*Notice of Public Hearing*”), for the purpose of satisfying the requirements of Section 147(f) of the Code, which Notice of Public Hearing is incorporated herein and attached as *Exhibit A* hereto; and

WHEREAS, a Resolution adopted by the Board of Directors of the Authority approving the issuance and sale of the Series 2016 Bonds has been presented to this Council; and

WHEREAS, this Council has had presented to it information regarding the plan of financing and the Series 2016 Bonds and the public hearing held with regard thereto, and is fully advised regarding the plan of financing and the Series 2016 Bonds; and

WHEREAS, the undersigned Mayor is the highest elected public official of the governmental unit of the City of Glendale; and

WHEREAS, the Series 2016 Bonds are limited obligations of the Authority payable solely from revenues, receipts and security pledged to their payment. The Series 2016 Bonds will not constitute an indebtedness or liability of the Authority, the City of Glendale, Arizona (the “City”), the State of Arizona (the “State”), or any political subdivision of the State, and neither the faith and credit nor taxing power of the Authority, the City, the State or any political subdivision of the State has been pledged to payment of the Series 2016 Bonds. The Authority has no taxing power.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the issuance and sale by the Authority of the Series 2016 Bonds in an aggregate principal amount not to exceed \$42,000,000, having such terms and provisions as have been approved by the Authority in accordance with and subject to the conditions and limitations set forth in the Resolution of the Board of Directors of the Authority presented at this meeting, for the purposes and at the locations set forth in the Notice of Public Hearing, and the use of the proceeds thereof as contemplated thereby, are hereby approved for all purposes under the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended.

[Signatures on the following page.]

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of
Glendale, Maricopa County, Arizona, this day of , 2016.

M A Y O R

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

City Manager

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EXHIBIT A

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held on Wednesday, July 13, 2016, at 3:45 p.m. in the first floor lobby of the Glendale City Hall, 5850 West Glendale Avenue, Glendale, Arizona, 85301 regarding the proposed issuance by The Industrial Development Authority of the City of Glendale, Arizona (the "*Authority*") of its Senior Living Revenue Bonds, Series 2016 (Royal Oaks Life Care Community) (the "*Series 2016 Bonds*"), in one or more series, in an aggregate principal amount not to exceed \$42,000,000, at the request of, and for the benefit of, People of Faith, Inc., d/b/a Royal Oaks Life Care Community (the "*Corporation*"), an Arizona nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"), to refinance the costs of a "project" within the meaning of A.R.S. § 35-701, as amended.

The Corporation proposes to use the proceeds of the Series 2016 Bonds to refund the outstanding principal amount of the following bonds of the Arizona Health Facilities Authority (the "*Prior Authority*"): (i) Senior Living Revenue Bonds, Series 2014A (Royal Oaks Life Care Community) (the "*Series 2014A Bonds*"), and (ii) Senior Living Revenue Bonds, Series 2014B (Royal Oaks Life Care Community) (the "*Series 2014B Bonds*," and together with the Series 2014A Bonds, the "*Series 2014 Bonds*"). The refunding of the Series 2014 Bonds is referred to herein as the "*Refinancing*."

Proceeds of the Series 2014 Bonds were used by the Corporation to (i) demolish then-existing facilities and construct, furnish and equip new memory care facilities on the Royal Oaks Life Care Community campus (the "*Campus*") owned and operated by the Corporation and (ii) refund the following bond issues of the Prior Authority: (a) Variable Rate Demand Senior Living Revenue Bonds (Royal Oaks Life Care Community Project), Series 2008 (the "*Series 2008 Bonds*"), and (ii) Variable Rate Demand Health Facilities Revenue Bonds (Royal Oaks Life Care Community Project), Series 2002 (the "*Series 2002 Bonds*").

Proceeds of the Series 2008 Bonds financed the demolition of then-existing dining, kitchen and fitness areas and the construction, furnishing and equipping of new dining, kitchen and fitness areas and an upgrade of heating/ventilation/air conditioning systems and other facilities and improvements of the Campus. Proceeds of the Series 2002 Bonds financed the acquisition, construction, installation and equipping of health care facilities including assisted living facilities, a parking structure, independent living facilities for the elderly and other supporting service facilities and improvements to the Campus.

The Campus is owned and operated by the Corporation and is located at 10015 Royal Oak Road, Sun City, Arizona 85351. Proceeds of the Series 2016 Bonds will also finance certain costs of issuance of the Series 2016 Bonds and of the Refinancing.

The Series 2016 Bonds are limited obligations of the Authority payable solely from revenues, receipts and security pledged to their payment. The Series 2016 Bonds will not constitute an indebtedness or liability of the Authority, the City of Glendale, Arizona (the "City"), the State of Arizona (the "State"), or any political subdivision of the State, and neither the faith and credit nor taxing power of the Authority, the City, the State or any political subdivision of the State has been pledged to payment of the Series 2016 Bonds. The Authority has no taxing power.

The public hearing is required by Section 147(f) of the Code. At the time and place set for the public hearing, interested persons will be given the opportunity to express their views, both orally and in writing, on the proposed issuance of Series 2016 Bonds, and the location and nature of the proposed refinancing of the Series 2014 Bonds. Written comments may also be submitted to the law firm of Tobin & Connealy, Attention: William P. Connealy, 4250 N. Drinkwater Blvd, #70, Scottsdale, Arizona 85251, RE: Royal Oaks Life Care Community, until twenty-four (24) hours before the time and date of the hearing. Any person who requires special accommodations should contact William P. Connealy at (480) 385-1234.

The public hearing will be a joint hearing of the State of Arizona and the City of Glendale, Arizona. The City will conduct the hearing on behalf of itself and the State of Arizona.

This notice is dated June 29, 2016.

City of Glendale

State of Arizona