

To: The Honorable Mayor and City Council

From: Larry Spring, Finance Director



Date: November 24th, 2015 Council Meeting

RE: A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY TO ADVANCE REFUND BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND REFINANCE HEALTH FACILITIES WITHIN THE BOUNDARIES OF NORTH MIAMI; AUTHORIZING THE INTERIM CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY AND BROWARD COUNTY; APPROVING THE FORM OF THE INTERLOCAL AGREEMENT; APPROVING THE ISSUANCE BY THE CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY OF NOT EXCEEDING \$55,000,000 CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY REVENUE REFUNDING BONDS, SERIES 2015 (CATHOLIC HEALTH SERVICES OBLIGATED GROUP FACILITIES) TO PROVIDE FUNDS TO ADVANCE REFUND BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND REFINANCE VARIOUS HEALTH FACILITIES IN THE CITY OF HIALEAH GARDENS, FLORIDA, THE CITY OF NORTH MIAMI, FLORIDA, MIAMI-DADE COUNTY FLORIDA, AND BROWARD COUNTY FLORIDA; RATIFYING THE ACTIONS OF THE FINANCE DIRECTOR IN PUBLISHING A NOTICE OF PUBLIC HEARING REGARDING THE BONDS; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

RECOMMENDATION

City Administration recommends approval of the interlocal agreement and support for the TEFRA hearing.

BACKGROUND

In October 2007, the Hialeah Gardens Health Facilities Authority (the "Authority") issued its Revenue and Revenue Refunding Bonds, Series 2007 (Catholic Health Services Obligated Group), in the aggregate principal amount of \$48,640,000 (the "2007 Bonds") for the benefit of Catholic Health Services, Inc. ("CHS") and other Archdiocese of Miami entities (collectively referred to as the "CHS Obligated Group") that own and operate long-term care facilities,

BACKGROUND, cont.

skilled nursing facilities, assisted living facilities, home health care facilities and rehabilitation hospitals in Miami-Dade County and Broward County. The 2007 Bonds were issued by the Authority because the principal project financed with proceeds of the 2007 Bonds was the construction of St. Catherine's West, a new rehabilitation hospital and nursing facility in the City of Hialeah Gardens. Proceeds of the 2007 Bonds were also used to finance or refinance improvements to other facilities of the CHS Obligated Group, as follows: Villa Maria Nursing and Rehabilitation Center (located in the City of North Miami), St. John's Rehabilitation Hospital and Nursing Center (located in the City of Lauderdale Lakes), St. Joseph Residence (located in the City of Lauderdale Lakes) and St. Anne's Nursing Center (located in unincorporated Miami-Dade County).

In order to achieve significant debt service savings, the CHS Obligated Group now desires to refinance the 2007 Bonds by having the Authority issue tax-exempt revenue refunding bonds (the "2015 Bonds"). The 2015 Bonds are to be issued as non-rated obligations through a direct placement with STI Institutional & Government, Inc. ("STI").

STI, an affiliate of SunTrust Bank, has issued a commitment letter to CHS setting forth the terms and conditions upon which it will purchase the 2015 Bonds.

The 2015 Bonds are to be issued as variable rate bonds, with a final maturity of September 30, 2037, but subject to a mandatory put (purchase) on the 15th year anniversary of the date of issuance thereof. The variable rate on the 2015 Bonds will be equal to 67% of the sum of (i) the one-month LIBOR rate plus (ii) 1.60%. The documentation for the 2015 Bonds will closely track the documents used for the 2007 Bonds, with differences to reflect the fact that the 2015 Bonds are being directly placed with STI and are not being publicly offered.

The Authority will not be obligated to pay the principal of or interest on the 2015 Bonds except from the revenues pledged therefor under the trust indenture for the 2015 Bonds. Such pledged revenues will primarily consist of payments made by the CHS Obligated Group under the bond documents. Additionally, the Archbishop of the Archdiocese of Miami will enter into a guaranty agreement guaranteeing the payment of the 2015 Bonds. The 2015 Bonds will not constitute a debt, liability or obligation of Miami-Dade County, Broward County, the City of North Miami, the City of Hialeah Gardens or the State of Florida or any political subdivision thereof nor a pledge of their faith and credit or their taxing power.

Since the 2015 Bonds are to be issued as tax-exempt obligations, the refinancing must comply with federal tax law requirements. One of these requirements, applicable because the 2015 Bonds will constitute an advance refunding of the 2007 Bonds, is that a local government within whose geographical boundaries each project is located must approve the issuance of the 2015 Bonds for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). This "TEFRA approval" (so named because the requirement has its origins in the Tax Equity and Fiscal Responsibility Act of 1982),



776 N.E. 125 Street, North Miami, Florida 33161

Council Report

BACKGROUND, cont.

must be preceded by a public hearing at which members of the public are given the opportunity to provide input on the proposed bond issuance and the project(s) to be refinanced. It is important to note that a local government does not become financially or otherwise liable on bonds by virtue of granting the TEFRA approval required by Section 147(f) of the Code. This point will be addressed in the interlocal agreements, described below, which the Authority, Miami-Dade County, Broward County and the City of North Miami will enter into in connection with the issuance of the 2015 Bonds.

Since a portion of the proceeds of the 2015 Bonds will be applied to refinance projects outside of the geographical boundaries of the City of Hialeah Gardens, the Authority, as the issuer of the 2015 Bonds, must enter into interlocal agreements under Section 163.01, Florida Statutes, as amended, with each of the "host" jurisdictions. The Authority will enter into two separate interlocal agreements: one with the City of North Miami and Broward County, as was done in 2007 for the issuance of the 2007 Bonds; and another with Miami-Dade County. Pursuant to the interlocal agreements, each host jurisdiction will acknowledge and approve the Authority's issuance of the 2015 Bonds and the application of the proceeds thereof within its geographical territory. As with the TEFRA approval described above, approval, execution and delivery of the interlocal agreement by a host jurisdiction will not obligate the host jurisdiction in any way, financially or otherwise, on the 2015 Bonds. Each interlocal agreement will make this clear and will also contain a provision whereby the CHS Obligated Group agrees to indemnify the host jurisdiction, including the City of Hialeah Gardens, for any loss, liability, cost or expense incurred as a result of the execution of the interlocal agreement, the TEFRA approvals or the issuance of the 2015 Bonds.

The 2007 Bonds will be redeemed on August 15, 2017. Upon issuance of the 2015 Bonds, a portion of the proceeds thereof will be deposited with U.S. Bank National Association, as escrow agent, under the provisions of an escrow deposit agreement. Upon such deposit with the escrow agent, the 2007 Bonds will no longer be deemed to be outstanding under the trust indenture for the 2007 Bonds and such bonds will be payable from and secured only by amounts held under the escrow deposit agreement. Amounts held under the escrow deposit agreement will be applied to pay interest on the 2007 Bonds as the same becomes due until August 15, 2017 - the redemption date of the 2007 Bonds - at which time all of the outstanding 2007 Bonds (and accrued interest thereon) will be paid in full.

ATTACHMENT(s)

Resolution

EXHIBIT A

EXHIBIT B

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY TO ADVANCE REFUND BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND REFINANCE HEALTH FACILITIES WITHIN THE BOUNDARIES OF NORTH MIAMI; AUTHORIZING THE INTERIM CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY AND BROWARD COUNTY; APPROVING THE FORM OF THE INTERLOCAL AGREEMENT; APPROVING THE ISSUANCE BY THE CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY OF NOT EXCEEDING \$55,000,000 CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY REVENUE REFUNDING BONDS, SERIES 2015 (CATHOLIC HEALTH SERVICES OBLIGATED GROUP FACILITIES) TO PROVIDE FUNDS TO ADVANCE REFUND BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND REFINANCE VARIOUS HEALTH FACILITIES IN THE CITY OF HIALEAH GARDENS, FLORIDA, THE CITY OF NORTH MIAMI, FLORIDA, MIAMI-DADE COUNTY FLORIDA, AND BROWARD COUNTY FLORIDA; RATIFYING THE ACTIONS OF THE FINANCE DIRECTOR IN PUBLISHING A NOTICE OF PUBLIC HEARING REGARDING THE BONDS; AND PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, Chapter 154, Part III, Florida Statutes, and Chapter 163, Part I, Florida Statutes (collectively, the “Act”), authorize counties and municipalities to create health facilities financing authorities and to exercise powers of the Act within their boundaries or outside their boundaries with the consent of the governing body of the territory outside their area of jurisdiction; and

WHEREAS, the City of Hialeah Gardens Health Facilities Authority (the “Authority”) has approved the issuance of its not to exceed \$55,000,000 aggregate principal amount of Revenue Refunding Bonds, Series 2015 (Catholic Health Services Obligated Group Facilities) (the “Bonds”), in order to loan the proceeds from the sale thereof to Villa Maria

Nursing and Rehabilitation Center, Inc., St. Anne's Nursing Center, St. Anne's Residence, Inc., St. John's Rehabilitation Hospital and Nursing Center, Inc., Catholic Health Services, Inc., Catholic Home Health Services of Broward, Inc., Catholic Housing for the Elderly & Handicapped, Inc., St. Joseph Residence, Inc., and Villa Maria Health Care Services, Inc. (collectively, the "Obligated Group"), for the purpose of providing funds sufficient to (i) refund on an advance basis all of the Authority's outstanding \$48,640,000 original aggregate principal amount of Revenue and Revenue Refunding Bonds, Series 2007 (Catholic Health Services Obligated Group Facilities) (the "Refunded Bonds") issued for the purpose of (a) refunding on a current basis certain outstanding bonds issued by the City of North Miami Health Facilities Authority for the benefit of the hereinafter described Obligated Group (the "North Miami Bonds") which were issued to finance and refinance interior and/or exterior capital improvements to two health facilities known as Villa Maria Nursing and Rehabilitation Center, Inc. d/b/a Villa Maria Nursing Center and St. Catherine's Rehabilitation Hospital, located in North Miami (the "North Miami Facility") and St. Joseph Residence, Inc., located in Broward County, Florida (the "St. Joseph Facility"), (b) refinancing certain outstanding debt of the Obligated Group incurred in connection with interior and/or exterior capital improvements to the North Miami Facility and St. John's Rehabilitation Hospital and Nursing Center Inc., d/b/a St. Anthony's Rehabilitation Hospital (the "St. Anthony's Facility" and, together with the St. Joseph Facility, the "Broward Facilities"), located in Broward County, Florida, (c) financing the cost of the acquisition, construction and equipping of a rehabilitation hospital known as St. Catherine's West Rehabilitation Hospital, located in the City of Hialeah Gardens, Florida (the "Hialeah Gardens Facility"), (d) financing the costs of various capital improvements to the St. Anthony's Facility and to St. Anne's Nursing Center, St. Anne's Residence, Inc., located in unincorporated Miami-Dade County, Florida (the "St. Anne's Facility" and, together with the Hialeah Gardens Facility, the North Miami Facility and the Broward Facilities, the "Facilities"), (e) paying routine interior and/or exterior capital expenditures for three (3) years of any and all members of the Obligated Group for any or all of the Facilities, and (f) paying costs of issuance of the Refunded Bonds (collectively, the "Project"); (ii) pay certain costs of issuance of the Bonds; and

WHEREAS, under Section 147(f) of the Internal Revenue Code of 1986, as amended

(the “Code”), each of the City of Hialeah Gardens, Florida (“Hialeah Gardens”), the City of North Miami, Florida (the “City”), Miami-Dade County, Florida (“Miami-Dade County”) and Broward County, Florida (“Broward County”) must approve the issuance of the Bonds, following a duly noticed public hearing, for the purpose of giving all interested persons an opportunity to express their views, either orally or in writing, on the proposed issuance of the Bonds in order to issue the Bonds and apply the proceeds thereof to refinance the Facilities that are located in their respective jurisdictions; and

WHEREAS, on November 9, 2015, a notice of a public hearing was published in the Miami Herald (a copy of which notice is attached as Exhibit “A” and incorporated herein) (the “TEFRA Hearing”) to be held on November 24, 2015, for the purpose of considering the issuance of the Bonds by the Authority in the aggregate principal amount not exceeding \$55,000,000 in conformance with the requirements of Section 147(f) of the Code; and

WHEREAS, on November 24, 2015, such TEFRA Hearing was held and said public hearing disclosed no reason why the Bonds should not be issued; and

WHEREAS, it is necessary that the Authority, the City and Broward County enter into an Interlocal Agreement, as provided for and under the authority of Part I, Chapter 163, Florida Statutes, as amended, in order to allow the Authority to issue the Bonds for the benefit of the Obligated Group for those Facilities located outside of the geographic boundaries of Hialeah Gardens; and

WHEREAS, the Mayor and City Council of the City (collectively, the “Council”) hereby determines that the loan of the proceeds of the Bonds to the Obligated Group will assist in improving the commerce, welfare and prosperity and the improvement of the health and living conditions of the citizens of Hialeah Gardens, the City, Miami-Dade County and Broward County, and shall serve the public purposes of the Act, and will promote the public health by enabling the Obligated Group to realize debt service savings, thereby assisting in the continued development and maintenance of health facilities located within Hialeah Gardens, the City, Miami-Dade County and Broward County in a manner and pursuant to forms of governmental organization that will accord best with the geographic, economic, and population characteristics which influence the needs of Hialeah Gardens, the City, Miami-Dade County and Broward County and the respective inhabitants thereof; and

WHEREAS, neither the Authority, the City, Hialeah Gardens, Miami-Dade County, Broward County, nor the State of Florida or any political subdivision or agency thereof shall in any way be obligated to pay the principal or interest on the Bonds as the same shall become due, and the issuance of the Bonds shall not directly, indirectly, or contingently obligate the Authority, the City, Hialeah Gardens, Miami-Dade County, Broward County, the State of Florida, or any political subdivision or agency thereof to levy or pledge any form of taxation whatsoever therefor (the Authority has no taxing power) or to make any appropriation from ad valorem taxation revenues for their payment.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. The Council consents to the Authority exercising its powers to issue the Bonds and to use a portion of the proceeds of the Bonds to advance refund the Refunded Bonds and thereby refinance the North Miami Facility.

Section 2. The Interlocal Agreement, in substantially the form attached as Exhibit “B”, among the Authority, Broward County and the City, is hereby approved. The Interim City Manager is hereby authorized to execute and deliver the Interlocal Agreement, and the City Clerk is hereby authorized to place the City’s seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of the Interim City Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the City.

Section 3. The Council hereby approves, within the meaning of Section 147(f) of the Code the issuance by the Authority of not exceeding \$55,000,000 of the Bonds to advance refund the Refunded Bonds and thereby refinance the Project.

Section 4. The officers, agents and employees of the City are hereby authorized and directed to do all acts and things required of them by the provisions of the Interlocal Agreement and this Resolution. All actions heretofore undertaken by the officers, agents and employees of the City with respect to the provisions of the Interlocal Agreement are hereby ratified and approved. Specifically, the actions heretofore undertaken to publish notice of the

TEFRA Hearing are hereby ratified and approved.

Section 5. All ordinances and resolutions or parts thereof of the Council in conflict with the provisos herein contained are, to the extent of such conflict, superseded and repealed.

Section 6. The adoption of this Resolution shall not authorize or commit the expenditure of any funds of the City to pay the costs of issuance of the Bonds.

Section 7. The Bonds shall not constitute a debt or a pledge of faith and credit of the City, the State of Florida or any political subdivision thereof, and neither the City, the State of Florida nor any political subdivision thereof shall be liable thereon. No member of the Council or any officer thereof or of the City shall be liable personally on the Bonds by reason of their issuance.

Section 8. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this ____ day of _____, 2015.

DR. SMITH JOSEPH
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

ROLAND C. GALDOS, ESQ.
INTERIM CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Smith Joseph, D.O., Pharm. D.

_____ (Yes) _____ (No)

Vice Mayor Carol Keys, Esq.

_____ (Yes) _____ (No)

Councilman Scott Galvin

_____ (Yes) _____ (No)

Councilman Philippe Bien-Aime

_____ (Yes) _____ (No)

Councilman Alix Desulme

_____ (Yes) _____ (No)

**CITY OF NORTH MIAMI, FLORIDA
NOTICE OF TEFRA/PUBLIC HEARING**

NOTICE IS HEREBY GIVEN pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), that the City of North Miami, Florida (“North Miami”) will conduct a Public Hearing on November 24, 2015, beginning at 7:00 p.m. or as soon thereafter as reasonably practicable at the Council Chambers of North Miami City Hall, Second Floor, 776 N.E. 125th Street, North Miami, Florida 33161.

The hearing will be held for the purpose of considering the proposed issuance by the City of Hialeah Gardens Health Facilities Authority (the “Authority”) of its Revenue Refunding Bonds, Series 2015 (Catholic Health Services Obligated Group Facilities) in an aggregate principal amount not to exceed \$55,000,000 (the “Bonds”) for the purpose of providing funds sufficient, together with other available moneys, to (i) refund on an advance basis all of the Authority's outstanding \$48,640,000 original aggregate principal amount of Revenue and Revenue Refunding Bonds, Series 2007 (Catholic Health Services Obligated Group Facilities) (the “Refunded Bonds”) and (ii) pay costs of issuance of the Bonds. The Refunded Bonds were issued by the Authority for the purpose of (i) **refunding on a current basis certain outstanding bonds issued by the City of North Miami Health Facilities Authority for the benefit of the hereinafter described Obligated Group (the “North Miami Bonds”) which were issued to finance and refinance interior and/or exterior capital improvements to two health facilities known as Villa Maria Nursing and Rehabilitation Center, Inc. d/b/a Villa Maria Nursing Center and St. Catherine's Rehabilitation Hospital, located in North Miami (the “North Miami Facility”) and St. Joseph Residence, Inc., located in Broward County, Florida (the “St. Joseph Facility”), (ii) refinancing certain outstanding debt of the Obligated Group incurred in connection with interior and/or exterior capital improvements to the North Miami Facility and St. John's Rehabilitation Hospital and Nursing Center Inc., d/b/a St. Anthony's Rehabilitation Hospital (the “St. Anthony's Facility” and, together with the St. Joseph Facility, the “Broward Facilities”), located in Broward County, Florida, (iii) financing the cost of the acquisition, construction and equipping of a rehabilitation hospital known as St. Catherine's West Rehabilitation Hospital, located in the City of Hialeah Gardens, Florida (the “Hialeah Gardens Facility”), (iv) financing the costs of various interior and/or exterior capital improvements to the St. Anthony's Facility and to St. Anne's Nursing Center, St. Anne's Residence, Inc., located in unincorporated Miami-Dade County, Florida (the “St. Anne's Facility” and, together with the Hialeah Gardens Facility, the North Miami Facility and the Broward Facilities, the “Facilities”), (v) paying routine interior and/or exterior capital expenditures for three years of any and all members of the Obligated Group for any or all of the Facilities, and (vi) paying costs of issuance of the Refunded Bonds.**

The hearing is being held, in accordance with Section 147(f) of the Code, for the purpose of affording the residents of North Miami and other interested persons an opportunity to be heard on the proposed issuance of the Bonds by the Authority and the advance refunding of the Refunded Bonds. Subsequent to the hearing, the Mayor and City Council of North Miami (collectively, the “City Council”) will consider whether to approve the issuance of the Bonds by the Authority. Upon such approval, the Authority will enter into an interlocal agreement with North Miami and Broward County, Florida in order to authorize the Authority to issue that portion of the Bonds and

apply the proceeds thereof for the benefit of those Facilities that are located outside of the geographical boundaries of the Authority and within the jurisdictions of North Miami and Broward County, Florida. The Authority will also enter into a separate interlocal agreement with Miami-Dade County, Florida in order to authorize the Authority to issue that portion of the Bonds and apply the proceeds thereof for the benefit of St. Anne's Facility.

THE BONDS SHALL NOT CONSTITUTE A DEBT, LIABILITY, OR OBLIGATION OF NORTH MIAMI, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF.

The Facilities are owned and operated by one or more of the following: Villa Maria Nursing and Rehabilitation Center, Inc., St. Anne's Nursing Center, St. Anne's Residence, Inc., St. John's Rehabilitation Hospital and Nursing Center, Inc., Catholic Health Services, Inc., Catholic Home Health Services of Broward, Inc., Catholic Housing for the Elderly & Handicapped, Inc., St. Joseph Residence, Inc., and Villa Maria Health Care Services, Inc. (collectively, the "Obligated Group"). The North Miami Facility is located at 1050 NE 125th Street, North Miami, Miami-Dade County, Florida. The St. Anne's Facility is located at 11855 Quail Roost Drive, Miami, Florida, in unincorporated Miami-Dade County, Florida. The Hialeah Gardens Facility is located at 8850 NW 122nd Street, Hialeah Gardens, Miami-Dade County, Florida. The Broward Facilities are located at 3487 NW 30th Street (St. Anthony's Facility), and at 3485 NW 30th Street (St. Joseph Facility), both in the City of Lauderdale Lakes, Broward County, Florida.

All interested persons are invited to attend and be heard.

If any person decides to appeal any decision made by the City Council with respect to any matter considered at such meeting, such person will need a record of the proceedings, and for such purpose will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and the evidence upon which the appeal is based.

CITY OF NORTH MIAMI, FLORIDA
By: Larry M. Spring, CPA
Finance Director

This instrument was prepared by or under the supervision of (and after recording should be returned to):

Albert A. del Castillo, Esq.
Greenberg Traurig, P.A.
333 S.E. 2nd Avenue, Suite 4400
Miami, Florida 33131

(Space reserved for Clerk of Court)

INTERLOCAL AGREEMENT

This INTERLOCAL AGREEMENT (this “Agreement”) is dated as of the 1st day of December, 2015, by and among the CITY OF HIALEAH GARDENS HEALTH FACILITIES AUTHORITY, a public body corporate and politic of the State of Florida (the “Issuer”) with jurisdiction in the City of Hialeah Gardens, Florida (“Hialeah Gardens”), the CITY OF NORTH MIAMI, FLORIDA, a municipal corporation of the State of Florida (“North Miami”), and BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida (“Broward County”).

WHEREAS, the Issuer is a public body corporate and politic and a public instrumentality and a local agency organized and existing under the laws of the State of Florida including, particularly, Chapter 154, Part III, Florida Statutes; and

WHEREAS, the Issuer has received an application from Villa Maria Nursing and Rehabilitation Center, Inc., St. Anne’s Nursing Center, St. Anne’s Residence, Inc., St. John’s Rehabilitation Hospital and Nursing Center, Inc., Catholic Health Services, Inc., Catholic Home Health Services of Broward, Inc., Catholic Housing for the Elderly & Handicapped, Inc., St. Joseph Residence, Inc., and Villa Maria Health Care Services, Inc. (collectively, the “Obligated Group”) requesting that the Issuer issue its refunding revenue bonds (the “Bonds”) and loan the proceeds from the sale thereof to the Obligated Group for the purpose of (a) providing funds sufficient to refund on an advance basis its \$48,640,000 Health Facilities Authority Revenue and Revenue Refunding Bonds, Series 2007 (Catholic Health Services Obligated Group) (the “Refunded Bonds”) which were issued to (i) refunding on a current basis certain outstanding bonds issued by the City of North Miami Health Facilities Authority for the benefit of the hereinafter described Obligated Group (the “North Miami Bonds”) which were issued to finance and refinance interior and/or exterior capital improvements to two health facilities known as Villa Maria Nursing and Rehabilitation Center, Inc. d/b/a Villa Maria Nursing Center and St. Catherine's Rehabilitation Hospital, located in North Miami (the “North Miami Facility”) and St. Joseph Residence, Inc., located in Broward County, Florida (the “St. Joseph Facility”), (ii) refinancing certain outstanding debt of the Obligated Group incurred in connection with interior and/or exterior capital improvements to the North Miami Facility and St. John's Rehabilitation Hospital and Nursing Center Inc., d/b/a St. Anthony's Rehabilitation Hospital (the “St. Anthony's Facility” and, together with the St. Joseph Facility, the “Broward Facilities”), located in Broward County, Florida, (iii) financing the cost of the acquisition, construction and equipping of a rehabilitation hospital known as St. Catherine's West Rehabilitation Hospital, located in Hialeah Gardens (the “Hialeah Gardens Facility”), (iv) financing the costs of various capital improvements to the St. Anthony's Facility

and to St. Anne's Nursing Center, St. Anne's Residence, Inc., located in unincorporated Miami-Dade County, Florida (the "St. Anne's Facility" and, together with the Hialeah Gardens Facility, the North Miami Facility and the Broward Facilities, the "Facilities"), (v) paying routine interior and/or exterior capital expenditures for three years of any and all members of the Obligated Group for any or all of the Facilities, and (vi) paying costs of issuance of the Refunded Bonds, and (b) pay certain costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS, the Issuer has agreed to the issuance of its Bonds in the aggregate principal amount not exceeding \$55,000,000, pursuant to the authority of Chapter 154, Part III, Florida Statutes, as amended, Chapter 159, Part II, Florida Statutes, as amended, and Chapter 163, Part I, Florida Statutes, as amended and other applicable provisions of law (collectively, the "Act"), for the purpose of refinancing the Project; and

WHEREAS, the Bonds shall be secured solely by revenues described in a Trust Indenture to be entered into by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee") (including any amendments and supplements thereto, the "Indenture") and the payment of the principal of and interest on the Bonds as the same shall become due shall be made solely by the Obligated Group in the amounts and from the sources as required by the Indenture and a Loan Agreement to be entered into by and between the Issuer and the Obligated Group (including any amendments and supplements thereto, the "Loan Agreement"), together with a Note to be issued under that certain Master Trust Indenture dated as of August 1, 1990, by and among the Obligated Group and U.S. Bank National Association (the "Master Trustee"), as supplemented and amended (the "Master Indenture"); and

WHEREAS, it is necessary that the Issuer, North Miami, and Broward County enter into this Agreement, as provided for and under the authority of Part I, Chapter 163, Florida Statutes, in order to allow the Authority to issue the Bonds for the benefit of the Obligated Group for those Facilities located outside of the geographic boundaries of Hialeah Gardens, as more fully described in the Indenture and the Loan Agreement; and

WHEREAS, the Issuer has determined that the loan of the proceeds of the Bonds to the Obligated Group pursuant to the terms of the Master Indenture, the Indenture and the Loan Agreement will assist in improving the commerce, welfare and prosperity and the improvement of the health and living conditions of the citizens of Hialeah Gardens, Florida, North Miami and Broward County, and shall serve the public purposes of the Act, and will promote the public health by assisting in the development and maintenance of health facilities located within Hialeah Gardens, North Miami and Broward County in a manner and pursuant to forms of governmental organization that will accord best with the geographic, economic, and population characteristics which influence the needs of Hialeah Gardens, North Miami and Broward County and the respective inhabitants thereof; and

WHEREAS, neither the Issuer, Hialeah Gardens, North Miami, Broward County, nor the State of Florida or any political subdivision or agency thereof shall in any way be obligated to pay the principal, or interest on the Bonds as the same shall become due, and the issuance of the Bonds shall not directly, indirectly, or contingently obligate the Issuer, Hialeah Gardens, North Miami, Broward County, the State of Florida, or any political subdivision or agency thereof to levy or

pledge any form of taxation whatsoever therefor or to make any appropriation from ad valorem taxation revenues for their payment; and

WHEREAS, under Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), each of Hialeah Gardens, North Miami and Broward County must approve the issuance of the Bonds, following a duly noticed public hearing, for the purpose of giving all interested persons an opportunity to express their views, either orally or in writing, on the proposed issuance of the Bonds in order to advance refund the Refunded Bonds and thereby refinance the Facilities that are located in their respective jurisdictions (the “TEFRA Hearings”); and

WHEREAS, each of the Issuer, North Miami and Broward County have approved the execution and delivery of this Agreement, have held their respective TEFRA Hearings and have approved, or caused to be approved, the issuance of the Bonds for purposes of Section 147(f) of the Code;

NOW, THEREFORE, THIS AGREEMENT, BETWEEN THE ISSUER, NORTH MIAMI, AND BROWARD COUNTY, WITNESSETH AS FOLLOWS:

SECTION 1. PURPOSE. The Obligated Group shall borrow funds derived from the proceeds of the Bonds issued by the Issuer for the purpose of advance refunding of the Refunded Bonds and thereby refinancing the Project, as contemplated by the Indenture and the Loan Agreement, and the funds shall be repaid solely from the revenues of the Obligated Group pursuant to the terms of the Master Indenture, the Indenture and the Loan Agreement, and the proceeds of the Bonds shall be duly expended for their stated purpose. Prior to the issuance of the Bonds, each of the jurisdictions in which the Facilities are located, Hialeah Gardens, North Miami and Broward County, must acknowledge and approve the issuance of the Bonds and the loan of the proceeds thereof to the Obligated Group to advance refund the Refunded Bonds issued to finance or refinance the Facilities located in their respective jurisdictions. North Miami and Broward County each acknowledges that any approval granted by it will be provided solely for the purpose of complying with the host approval requirements of the Act and Section 147(f) of the Code.

SECTION 2. PUBLIC AGENCIES; TERM. At all times prior to and during the term of this Agreement, the Issuer, North Miami and Broward County constitute “public agencies” as that term is defined in Section 163.01(3)(b), Florida Statutes, and each of the Issuer, North Miami and Broward County have in common the power and authority to separately issue revenue bonds in order to provide for the refinancing of health facilities, such as the Facilities. This Agreement shall remain in full force and effect for so long as the Bonds remain outstanding.

SECTION 3. NON-DELEGATION OF DUTIES. This Agreement shall in no way be interpreted to authorize the delegation of the constitutional or statutory duties of the Issuer, North Miami, Broward County, the State of Florida or any political subdivision or agency thereof or any members or officers thereof.

SECTION 4. NO PECUNIARY LIABILITY OF HIALEAH GARDENS, NORTH MIAMI AND BROWARD COUNTY; LIMITED OBLIGATION OF ISSUER. Neither this Agreement nor the Bonds shall be deemed to constitute a general debt, liability, or obligation of or a pledge of the faith and credit of Hialeah Gardens, North Miami, Broward County, the Issuer,

the State of Florida, or any political subdivision or agency thereof. The issuance of the Bonds pursuant to this Agreement shall not directly, indirectly, or contingently obligate the Issuer, Hialeah Gardens, North Miami, Broward County, the State of Florida, or any political subdivision or agency thereof to levy or to pledge any form of taxation whatsoever therefor, or to make any appropriation for their payment.

The Bonds and the interest thereon shall be payable solely from the revenues provided therefor under the Indenture, and the Issuer shall not be obligated to pay the Bonds or the interest thereon except from the revenues and proceeds pledged therefor under the Indenture. The Issuer has no taxing power.

SECTION 5. RELIANCE; INDEMNIFICATION. In executing and delivering this Interlocal Agreement, North Miami and Broward County are relying on the representations, warranties and covenants to be made by the Obligated Group in the Loan Agreement, including but not limited to, a covenant with respect to the use of the Facilities for the purpose of providing health facilities, as such term is defined in the Act, in North Miami and Broward County, respectively. North Miami and Broward County shall be deemed to be a third party beneficiaries of the Loan Agreement for the purposes of relying on such covenants of the Obligated Group, and shall be entitled to rely on the indemnification provided by the Obligated Group pursuant to such Loan Agreement (and references to the “Issuer” in the Loan Agreement shall include North Miami and Broward County) if the Obligated Group fails to perform such covenants. It shall be an express condition to the effectiveness of this Agreement that the Loan Agreement contain the above-referenced covenants of the Obligated Group.

SECTION 6. NO PERSONAL LIABILITY. No covenant or agreement contained in this Agreement shall be deemed to be a covenant or agreement of any member, officer, agent or employee of the Issuer, North Miami or Broward County in his or her individual capacity and no member, officer, agent or employee of the Issuer, North Miami or Broward County or their respective governing bodies shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the execution of this Interlocal Agreement.

SECTION 7. QUALIFYING FACILITIES; IMPACT OF FACILITIES. Exhibit A attached hereto describes the Facilities financed or refinanced with the Refunded Bonds. This description was relied upon by the Issuer, North Miami and Broward County in authorizing the execution of this Interlocal Agreement.

SECTION 8. FILING OF INTERLOCAL AGREEMENT. It is agreed that this Agreement shall be filed by the Obligated Group or its authorized agent or representative with the Clerk of the Circuit Court of Broward County, Florida, and with the Clerk of the Circuit Court of Miami-Dade County, Florida, all in accordance with Chapter 163, Part I, Florida Statutes, as amended and that this Agreement shall not become effective until so filed.

SECTION 9. INDEMNITY. The Obligated Group, by its approval and acknowledgment at the end of this Interlocal Agreement, agrees to indemnify and hold harmless the Issuer, North Miami and Broward County, and their respective officers, employees and agents, from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever, including, but not limited to, losses, claims, damages, liabilities or expenses

(including reasonable fees and expenses of attorneys, accountants, consultants and other experts), arising out of, resulting from, or in any way connected with this Agreement or the issuance of the Bonds, other than any such losses, damages, liabilities or expenses, in the case of North Miami, arising from the willful misconduct of North Miami, in the case of Broward County, arising from the willful misconduct of Broward County, and, in the case of the Issuer, arising from the willful misconduct of the Issuer.

SECTION 10. GOVERNING LAW. This Agreement is being delivered and is intended to be performed in the State of Florida, and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Florida.

SECTION 11. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

SECTION 12. EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

IN WITNESS WHEREOF, this Agreement has been executed by and on behalf of the Issuer by its Chairman or Vice-Chairman and, its seal affixed hereto, as attested by its Secretary, by and on behalf of North Miami by its Interim City Manager and, its seal affixed hereto, as attested by its City Clerk, and by and on behalf of Broward County by its Mayor or Vice-Mayor and, its seal affixed hereto, as attested by its County Administrator all as of the 1st day of December, 2015.

**CITY OF HIALEAH GARDENS
HEALTH FACILITIES AUTHORITY**

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Maria L. Joffe, Assistant Secretary

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

By: _____
Counsel to the Authority

CITY OF NORTH MIAMI, FLORIDA

(SEAL)

By: _____
Arthur H. Sorey, III
Interim City Manager

ATTEST:

By: _____
Michael A. Etienne
City Clerk

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

By: _____
Roland C. Galdos
Interim City Attorney

BROWARD COUNTY, FLORIDA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
County Administrator

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

By: _____
County Attorney

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by _____, Chairman of the City of Hialeah Gardens Health Facilities Authority, who is personally known to me/has produced _____ as identification.

(SEAL)

Printed/Typed Name: _____
Notary Public - State of Florida
Commission Number:

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Arthur H. Sorey, III, Interim City Manager of the City of North Miami, who is personally known to me has produced _____ as identification.

(SEAL)

Printed/Typed Name: _____
Notary Public - State of Florida
Commission Number:

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by _____, Mayor of the Broward County Board of County Commissioners, who is personally known to me/has produced _____ as identification.

(SEAL)

Printed/Typed Name: _____
Notary Public - State of Florida
Commission Number:

**APPROVAL AND ACKNOWLEDGMENT OF THE OBLIGATED GROUP
AS TO THE INTERLOCAL AGREEMENT AMONG THE CITY OF HIALEAH
GARDENS HEALTH FACILITIES AUTHORITY, THE CITY OF NORTH MIAMI AND
BROWARD COUNTY, FLORIDA**

In consideration of the sum of \$10.00 together with other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned, Joseph M. Catania, President of Catholic Health Service, Inc. as Obligated Group Representative on behalf of the Obligated Group, hereby approves the Interlocal Agreement and acknowledges its acceptance of its obligations arising thereunder, by causing this Approval and Acknowledgement to be executed by its proper officer and its seal to be affixed hereto all as of the date of said Interlocal Agreement.

The fees and expenses of Broward County shall be paid by the Obligated Group in the manner and to the extent mutually agreed upon by the officials of Broward County and the Obligated Group at or prior to the issuance of the Bonds by the Issuer, including but not limited to the administrative fee in the amount of \$_____ relating to the execution and delivery of the Interlocal Agreement by Broward County.

The fees and expenses of North Miami shall be paid by the Obligated Group in the manner and to the extent mutually agreed upon by the officials of North Miami and the Obligated Group at or prior to the issuance of the Bonds by the Issuer, including but not limited to the administrative fee in the amount of \$_____ relating to the execution and delivery of the Interlocal Agreement by North Miami.

(SEAL)

CATHOLIC HEALTH SERVICE, INC., on behalf
of itself and as Obligated Group Representative for
the Obligated Group

By: _____
Joseph M. Catania, President

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Joseph M. Catania, President of and on behalf of Catholic Health Services, Inc., who is personally known to me/has produced _____ as identification.

(SEAL)

Printed/Typed Name: _____
Notary Public - State of Florida
Commission Number:

EXHIBIT A
DESCRIPTION OF THE FACILITIES

Hialeah Gardens Facility

St. Catherine's West Rehabilitation Hospital is a facility owned by Villa Maria Nursing and Rehabilitation Center, Inc., located at 8850 NW 122nd Street in Hialeah Gardens, Florida. The three story approximately 65,000 square foot facility is comprised of a 40 bed specialty rehabilitation hospital with a state-of-the-art comprehensive rehabilitation and aquatic center, a 13 bed inpatient hospice unit leased to Catholic Hospice, Inc. and a 27 bed skilled nursing facility.

North Miami Facility

Villa Maria Nursing and Rehabilitation Center, Inc., is a 501(c)(3) Florida not-for-profit corporation which owns and operates a skilled nursing facility and specialty rehabilitation hospital located at 1050 NE 125th Street, in the City of North Miami, Florida. The three story approximately 160,000 square foot facility includes a Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") and a Commission on Accreditation of Rehabilitation Facilities ("CARF") accredited 22 bed specialty rehabilitation hospital which includes a comprehensive rehabilitation and aquatic center, specialty outpatient clinics, and a JCAHO accredited 212 bed skilled nursing facility.

Broward County Facilities

Three facilities located together in the City of Lauderdale Lakes, Florida serve as the Catholic Health Services North Campus and include St. John's Rehabilitation Hospital and Nursing Center, Inc. (d/b/a St. Anthony's Rehabilitation Hospital and St. John's Nursing Center) and St. Joseph Residence, Inc. Each of the corporations is a 501(c)(3) Florida not-for-profit entity. St. Anthony's Rehabilitation Hospital operates a two story, JCAHO and CARF accredited 26 bed specialty rehabilitation hospital of approximately 28,000 square feet at 3487 NW 30th Street which includes a state-of-the-art comprehensive rehabilitation and aquatic center and outpatient specialty clinics. St. John's Nursing Center operates a 181 bed JCAHO accredited skilled nursing facility of approximately 100,000 square feet, located at 3075 NW 35th Avenue. St. Joseph Residence, Inc., owns and operates a three story, approximately 54,000 square foot, 80 bed assisted living facility located at 3485 NW 30th Street.

St. Anne's Facility

St. Anne's Nursing Center and Residence, Inc., operates two facilities (the "St. Anne's Facility") which are housed together in a 198,000 square foot building on approximately 8 acres of land, located at 11855 Quail Roost Drive, Miami, Florida. The two story building was completed in May 1987. St. Anne's Facility is licensed to operate a 213 bed skilled nursing facility and a 60 bed assisted living facility.