


M E M O R A N D U M

TO: The Honorable Jeff Danner, Chair, and Members of City Council

FROM: Jacqueline M. Kovilaritch, Assistant City Attorney 

DATE: October 21, 2009

RE: Approval of City of St. Petersburg Health Facilities Authority Revenue Refunding Bonds (Menorah Manor, Inc. Obligated Group Project), Series 2009, in an aggregate principal amount not to exceed \$11,000,000, as required by the TEFRA.

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Request: Give final approval for the issuance of not to exceed \$11,000,000 of City of St. Petersburg Health Facilities Authority ("Authority") Revenue Refunding Bonds (Menorah Manor, Inc. Obligated Group Project), Series 2009, as required by the federal Tax Exempt Financing Reform Act (TEFRA). The Authority will conduct a properly noticed public hearing on Wednesday, November 4, 2009.

INFORMATION AND HISTORY OF THE AUTHORITY: The Authority was created by City Council Resolution No. 81-40 pursuant to Chapter 154, Florida Statutes. In creating the Authority, the City Council found that there was a need for a health facilities authority to perform the functions set forth in the statute to provide a method for tax exempt financing and refinancing for not-for-profit organizations authorized by law to provide hospital, nursing home or other types of health related services. The Authority has always conducted the required TEFRA hearings for health facilities projects. Delegation of that duty to the Authority allows Council to avoid addressing some complex financial transactions and avoids the duplication of hearings, presentations, and information already provided. The City Attorney's Office and Finance Department have provided assistance to the Authority since its creation. The current members of the Authority are Mary Wyatt Allen, Mary Hilton Cross, N. Hadley Heindel, Wayne N. Fraser and John L. Green, Esq.

The purpose of providing tax exempt financing is to decrease the cost of health care to the residents of St. Petersburg. Chapter 154.208 requires the health facilities authority created by the City to be named the "City of St. Petersburg Health Facilities Authority." The Authority has been in existence since 1981 and has issued bonds for

the benefit of hospitals, nursing and life care facilities, and other health care facilities during that time. The Authority has issued approximately two dozen bond issues, none of which have ever been in default. All health care facilities for which bonds have been issued by the Authority continue to be open and operate for the benefit of the public.

The Authority has adopted Financing Guidelines which provide information concerning the procedures of the Authority. Section III sets forth the criteria for obtaining financing and outlines what the Authority reviews before it authorizes the issuance of any bonds. Those criteria include the need for the project in the community, financial feasibility of the project, the security for the payment of debt service, the risk and manner of sale and the management of the project.

CURRENT PROJECT: Menorah Manor, Inc. filed its application with the Authority on September 14, 2009, and has requested it to issue bonds for not more than \$11,000,000. The application is required to include extensive amounts of information related to the project and the applicant's ability to repay the bonds. The proceeds of the bonds will be used by Menorah Manor, Inc. for the purposes of: (I) the payment, including through reimbursement, of all or a portion of the costs of the acquisition, equipping and installation of certain capital projects owned by the Borrower and located at its main campus located at 255 59th Street North, St. Petersburg, Florida (the "Main Campus") and used in connection with the health facility owned and operated by the Borrower at the Main Campus; (II) refinancing the Issuer's \$9,000,000 in original principal amount Refunding Revenue and Revenue Bonds (Menorah Manor Project), Series 1997 (the "Refunded Bonds"); (III) refinancing: (a) a loan from SunTrust Bank, the proceeds of which were used to: (i) acquire, construct and equip a parking lot adjacent to the Main Campus, (ii) acquire, construct and equip the Toby Weinman Assisted Living Residence, located at 240 59th Street, St. Petersburg, Florida ("TWALR"), (iii) acquire an approximate eight (8) acre vacant lot of real property located at the corner of Belcher Road and Georgia Avenue in the Town of Sutherland, unincorporated Pinellas County, Florida (the "Pinellas Parcel"), and (iv) replace the roof and make certain other capital waterproofing improvements to the Main Campus; (b) a loan from SunTrust Bank, the proceeds of which were used to purchase a generator and fuel tank located at the Main Campus; (c) a loan from SunTrust Bank, the proceeds of which were used to finance: (i) forty (40) electric beds, (ii) a rooftop air conditioning unit, (iii) a walk in freezer condenser, and (iv) hurricane storm shutters, all of which are located at the Main Campus; (IV) funding an operating and/or debt service reserve fund; and (V) paying a portion of the costs of issuing the bonds. An amount not to exceed \$1,000,000 will be used to finance and/or refinance projects

at the Pinellas Parcel (the Authority and Pinellas County Health Facilities Authority will execute an interlocal agreement related to use of bond proceeds to finance and/or refinance projects at the Pinellas Parcel since this property is located in unincorporated Pinellas County), an amount not to exceed \$9,500,000 will be used to finance and/or refinance projects at the Main Campus and an amount not to exceed \$500,000 will be used to finance and/or refinance projects at TWALR.

At the Authority's first meeting on the project an oral presentation was given and the Authority had the opportunity to question the applicant to obtain additional information. A second meeting and public hearing will be held on November 4, 2009 to answer any additional questions of the Authority, hold the TEFRA hearing, and to approve the bond documents and the issuance of the bonds. Attached is a copy of the bond resolution which the Authority will be asked to approve after the public hearing required by the TEFRA. Notice of the public hearing in the Community Resource Room of City Hall was published in the newspaper on October 20, 2009 and on the Weekly Meeting Agenda.

RECOMMENDATION: Attached is a resolution which you are being asked to approve that gives your final approval for issuance of the bonds as required by the TEFRA.

Attachments

RESOLUTION NO. 2009-_____

RESOLUTION OF THE CITY OF ST. PETERSBURG, FLORIDA APPROVING THE ISSUANCE OF NOT TO EXCEED \$11,000,000 CITY OF ST. PETERSBURG HEALTH FACILITIES AUTHORITY HEALTH FACILITIES REVENUE REFUNDING BONDS (MENORAH MANOR, INC. OBLIGATED GROUP PROJECT), SERIES 2009, PURSUANT TO SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of St. Petersburg, Florida (the "Council"), as a political subdivision created and existing under the laws of the State of Florida, created the City of St. Petersburg Health Facilities Authority, which is a special district and a body corporate and politic in St. Petersburg, Florida (the "Issuer"), and the Issuer is authorized pursuant to the Constitution and the laws of the State of Florida, including particularly the Health Facilities Authorities Law (Part III of Chapter 154, Florida Statutes, as amended) and Part II of Chapter 159, Florida Statutes, as amended (collectively, the "Act"), to issue its revenue bonds, the interest on which may or may not be excluded from gross income for federal income tax purposes, for the purpose of constructing and installing any project (as defined in the Act) in furtherance of the public purpose for which it was created; and

WHEREAS, Menorah Manor, Inc. is a not-for-profit corporation duly incorporated and validly existing under and by virtue of the laws of the State of Florida (the "Borrower"); and

WHEREAS, the Issuer has considered the application of the Borrower requesting that the Issuer issue not to exceed \$11,000,000 aggregate principal amount of its Health Facilities Revenue Refunding Bonds (Menorah Manor, Inc. Obligated Group Project), Series 2009 (the "Bonds") for the purposes of loaning to the Borrower the proceeds thereof for the purpose of: (I) the payment, including through reimbursement, of all or a portion of the costs of the acquisition, equipping and installation of certain capital projects owned by the Borrower and located at its main campus located at 255 59th Street North, St. Petersburg, Florida (the "Main Campus") and used in connection with the health facility owned and operated by the Borrower at the Main Campus; (II) refinancing the Issuer's \$9,000,000 in original principal amount Refunding Revenue and Revenue Bonds (Menorah Manor Project), Series 1997 (the "Refunded Bonds"); (III) refinancing: (a) a loan from SunTrust Bank, the proceeds of which were used to: (i) acquire, construct and equip a parking lot adjacent to the Main Campus, (ii) acquire, construct and equip the Toby Weinman Assisted Living Residence, located at 240 59th Street, St. Petersburg, Florida ("TWALR"), (iii) acquire an approximate eight (8) acre vacant lot of real property located at the corner of Belcher Road and Georgia Avenue in the Town of Sutherland, unincorporated Pinellas County, Florida (the "Pinellas Parcel"), and (iv) replace the roof and make certain other capital waterproofing improvements to the Main Campus; (b) a loan from SunTrust Bank, the proceeds of which were used to purchase a generator and fuel

tank located at the Main Campus; (c) a loan from SunTrust Bank, the proceeds of which were used to finance: (i) forty (40) electric beds, (ii) a rooftop air conditioning unit, (iii) a walk in freezer condenser, and (iv) hurricane storm shutters, all of which are located at the Main Campus; (IV) funding an operating and/or debt service reserve fund (collectively, the "Project"); and (V) paying a portion of the costs of issuing the Bonds. With the exception of (III)(a)(ii) and (III)(a)(iii) above which are expected to be transferred to and operated by Menorah Manor Senior Living, LLC, a wholly owned subsidiary of the Borrower, the Project will be owned and operated by the Borrower. An amount not to exceed \$1,000,000 will be used to finance and/or refinance projects at the Pinellas Parcel, an amount not to exceed \$9,500,000 will be used to finance and/or refinance projects at the Main Campus and an amount not to exceed \$500,000 will be used to finance and/or refinance projects at TWALR; and

WHEREAS, the Pinellas County Health Facilities Authority (the "Authority") and the Issuer have authorized the execution and delivery of an Interlocal Agreement, pursuant to which the Issuer will issue the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires as a condition of exclusion from gross income for federal income tax purposes of the interest on private activity bonds, that the issuance of private activity bonds, as defined in Section 141(a) of the Code, such as the Bonds be approved, after a public hearing following reasonable public notice, by the governmental unit on behalf of which such obligation is to be issued and the governmental unit having jurisdiction over the area in which the facility is located; and

WHEREAS, the Issuer issues its revenue bonds on behalf of the City of St. Petersburg, Florida, and the Council constitutes the elected legislative body of the City of St. Petersburg, Florida; and

WHEREAS, the Issuer has requested the Council, pursuant to Section 147(f) of the Code, to approve the issuance by the Issuer of the Bonds; and

WHEREAS, the Issuer on October 20, 2009, published in The St. Petersburg Times, a newspaper of general circulation in the City of St. Petersburg, Florida, a notice of public hearing to be held at 4:00 p.m. on November 4, 2009, in the Community Resource Room (First Floor) at City Hall, 175 Fifth Street North, St. Petersburg, Florida, to consider the issuance of the Bonds and the nature of the Project to be financed and refinanced with the proceeds of the Bonds; and

WHEREAS, the public hearing so noticed, as indicated by the affidavit of the publisher of The St. Petersburg Times attached hereto as Exhibit A, was duly held by the Issuer on November 4, 2009, during which hearing members of the public were afforded the opportunity to express their views on the issuance of the Bonds and the use of the proceeds thereof for the purposes set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG, FLORIDA:

Section 1. The issuance by the Issuer of its not to exceed \$11,000,000 aggregate principal amount City of St. Petersburg Health Facilities Authority Health Facilities Revenue Refunding Bonds (Menorah Manor, Inc. Obligated Group Project), Series 2009, for the purpose of providing funds to finance or refinance the Project, including a portion of the costs of issuing the Bonds, is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

Section 2. Such approval by the Council does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Borrower or the Project, and the Bonds shall not constitute an indebtedness or obligation of the State of Florida or of the City of St. Petersburg, or of any county, municipal corporation or political subdivision thereof, but the Bonds shall be limited obligations of the Issuer payable solely from the revenue derived from the Borrower and pledged to the payment thereof and no owner of any of the Bonds shall ever have the right to compel any exercise of the taxing power of said State, or said City, or of any county, municipal corporation or political subdivision thereof, nor to enforce the payment thereof against any property of the State, the City or the Issuer or of any such county, municipal corporation or political subdivision.

Section 3. All acts and doings of the officers and members of the Issuer (or any successor thereto) which are in conformity with the purposes and intent of this Resolution shall be, and the same hereby are, in all respects approved and confirmed by the Council.

Section 4. This resolution shall take effect immediately upon its adoption.

Adopted at a regular session of the City Council held on the 5th day of November, 2009.

Chair-Councilmember
Presiding Officer of the City Council

ATTEST:

City Clerk

EXHIBIT A

AFFIDAVIT OF PUBLICATION

RESOLUTION

A RESOLUTION OF THE CITY OF ST. PETERSBURG HEALTH FACILITIES AUTHORITY PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$11,000,000 CITY OF ST. PETERSBURG HEALTH FACILITIES AUTHORITY HEALTH FACILITIES REVENUE REFUNDING BONDS (MENORAH MANOR, INC. OBLIGATED GROUP PROJECT), SERIES 2009 FOR THE PURPOSE OF PROVIDING FUNDS, INCLUDING THROUGH REIMBURSEMENT, TO FINANCE THE ACQUISITION AND INSTALLATION OF CERTAIN CAPITAL EXPENDITURES RELATING TO HEALTH FACILITIES AND TO REFUND CERTAIN OUTSTANDING OBLIGATIONS BY MAKING A LOAN TO MENORAH MANOR, INC. AND FOR CERTAIN OTHER PURPOSES; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST, LOAN AGREEMENT, ESCROW DEPOSIT AGREEMENT AND CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2009 BONDS; AUTHORIZING THE CHAIRPERSON OR THE VICE CHAIRPERSON TO AWARD THE SALE OF THE SERIES 2009 BONDS AT A PRIVATE AND NEGOTIATED SALE TO RAYMOND JAMES AND ASSOCIATES PURSUANT TO THE TERMS OF A BOND PURCHASE AGREEMENT; AUTHORIZING THE CHAIRPERSON OR THE VICE CHAIRPERSON AND THE SECRETARY TO EXECUTE SUCH BOND PURCHASE AGREEMENT; APPROVING THE FORM OF AND THE EXECUTION AND DELIVERY OF A LIMITED OFFERING MEMORANDUM; PROVIDING FOR THE PAYMENT OF THE SERIES 2009 BONDS; MAKING CERTAIN COVENANTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2009 BONDS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR A SEVERABILITY CLAUSE, A REPEALER CLAUSE, AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY OF ST. PETERSBURG HEALTH FACILITIES AUTHORITY AS FOLLOWS:

SECTION 1. AUTHORITY. This Resolution (hereinafter called the "Resolution") is adopted pursuant to the provisions of the Constitution of the State of Florida, Chapter 154, Part III, Florida Statutes, as amended, Chapter 159, Part II, Florida Statutes, as amended and other applicable provisions of law (the "Act").

SECTION 2. DEFINITIONS. Unless the context otherwise requires, when used in this Resolution the terms defined in this section shall have the meaning specified in this section. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"2009 Project" shall mean the payment, including through reimbursement, of all or a portion of the cost of the acquisition, equipping and installation of certain capital projects owned by the Borrower and used in connection with the health facility owned and operated by the Borrower at the Main Campus.

"Authority" shall mean the City of St. Petersburg Health Facilities Authority, a public body corporate and politic created by the City Council of the City of St. Petersburg, Florida, pursuant to Florida Statutes, Section 154.201 - 154.246.

"Authorized Officers" shall mean the Chairperson or Vice Chairperson and the Secretary of the Authority.

"Bond Counsel" shall mean Bryant Miller Olive P.A., or any other attorney at law or firm of attorneys selected by the Authority and reasonably acceptable to the Bond Trustee and the Borrower of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Bond Indenture" shall mean the Indenture of Trust to be entered into by and between the Authority and the Bond Trustee in substantially the form attached hereto as Exhibit A, as amended or supplemented from time to time.

"Bondholders" shall mean the registered owner of any fully registered Series 2009 Bonds.

"Bond Trustee" shall mean Wells Fargo Bank, N.A., as bond trustee under the Bond Indenture.

"Borrower" shall mean Menorah Manor, Inc., a not-for-profit corporation organized and existing under the laws of the State of Florida, its successors and assigns.

"Code" means the Internal Revenue Code of 1986, as amended.

"Escrow Holder" shall mean Wells Fargo Bank, N.A., as escrow holder.

"First Supplemental Indenture" shall mean the Supplemental Master Trust Indenture Number 1, dated as of November 1, 2009, to be entered into by and between the Borrower (as

Obligated Group Representative) (as defined in the Master Trust Indenture) and the Master Trustee (as defined in the Master Trust Indenture).

"Loan Agreement" shall mean the Loan Agreement to be entered into by and between the Authority and the Borrower in substantially the form attached hereto as Exhibit B, as amended from time to time.

"Main Campus" shall mean the main campus of the Borrower, located at 255 59th Street, St. Petersburg, Florida, at which the Borrower owns and operates a health facility.

"Master Trust Indenture" shall mean the Master Trust Indenture dated as of November 1, 2009, to be entered into by and between the Obligated Group (as defined in the Master Indenture) and Wells Fargo Bank, N.A., as master trustee.

"Purchase Agreement" shall mean the Bond Purchase Agreement by and among the Authority, the Borrower and the Underwriter, regarding the sale of the Series 2009 Bonds to the Underwriter, as the initial purchasers of the Series 2009 Bonds.

"Refinanced Project" shall mean the refinancing of: (i) a loan from SunTrust Bank, the proceeds of which were used to: (a) acquire, construct and equip a parking lot adjacent to the Main Campus, (b) acquire, construct and equip the Toby Weinman Assisted Living Residence, located at 240 59th Street, St. Petersburg, Florida, (c) acquire an approximate eight (8) acre vacant lot of real property located at the corner of Belcher Road and Georgia Avenue in the Town of Sutherland, unincorporated Pinellas County, Florida, and (d) replace the roof and make certain other capital waterproofing improvements to the Main Campus; (ii) a loan from SunTrust Bank, the proceeds of which were used to purchase a generator and fuel tank located at the Main Campus; and (iii) a loan from SunTrust Bank, the proceeds of which were used to finance: (a) forty (40) electric beds, (b) a rooftop air conditioning unit, (c) a walk in freezer condenser, and (d) hurricane storm shutters, all of which are located at the Main Campus.

"Refunded Bonds" shall mean the \$9,000,000 in original principal amount of the City of St. Petersburg Health Facilities Authority Refunding Revenue and Revenue Bonds (Menorah Manor Project), Series 1997.

"Series 1986 Bonds" shall mean the City of St. Petersburg Health Facilities Authority Revenue Bonds (Menorah Manor Project), Series 1986.

"Series 2009 Bonds" shall mean the securities authorized to be issued pursuant to Section 4 hereof.

"Support Agreement" shall mean the Support Agreement executed and delivered by Menorah Manor Foundation, Inc., a Florida not-for-profit corporation.

"Underwriter" shall mean Raymond James and Associates.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared as follows:

A. The Authority is authorized by the Act to issue revenue bonds to finance the cost of acquiring, constructing and equipping health care facilities and to pledge or assign as security for the payment of the principal of and interest on such revenue bonds any money or other revenues to be derived or received by the Authority under financing agreements with respect to such project.

B. The Authority has previously issued the Refunded Bonds, the proceeds of which were used to provide funds to the Borrower to finance the acquisition, construction and equipping of a 60-bed expansion to, and the renovation of, an existing 120-bed skilled nursing facility located at the Main Campus, to refund on a current basis the Series 1986 Bonds, and to pay certain costs of issuance to be incurred in connection therewith. The Series 1986 Bonds were used by the Borrower to finance the initial acquisition, construction and equipping of the skilled nursing facility located at the Main Campus and to pay certain costs of issuance incurred in connection with issuing the Series 1986 Bonds.

C. The Borrower has requested the Authority to exercise its powers to issue revenue bonds pursuant to the Act, for the purpose of: (i) financing, including through reimbursement, the costs of the 2009 Project; (ii) refinancing the Refinanced Project; (iii) refunding the Refunded Bonds; (iv) funding an operating reserve fund; and (v) paying a portion of the costs associated with the issuance of the Series 2009 Bonds.

D. The issuance of the Series 2009 Bonds will promote the public health and general welfare of the City of St. Petersburg, Florida and its inhabitants and will improve the health and living conditions of such inhabitants by assisting in the provisions of adequate medical care and health facilities within the City of St. Petersburg, Florida.

E. Adequate provision is made under the terms of the Loan Agreement for the payment of the principal of and premium, if any, and interest on the Series 2009 Bonds. Taking into consideration the Borrower's ratio of current assets to current liabilities, net worth, earning trends, coverage of all fixed charges, the security for the Series 2009 Bonds and other factors determinative of the capability of the Borrower, financially or otherwise, the Authority hereby finds in accordance with the provisions of the Act that the Borrower is financially responsible and fully capable and willing to fulfill its obligations under the Loan Agreement, including the obligations to make payments in the amounts and at the times required and to operate, repair and maintain at its own expense the Borrower's facilities, including the facilities included in the 2009 Project, the Refinanced Project and the project financed and refinanced with the proceeds of the Refunded Bonds. Each of the 2009 Project, the Refinanced Project and the project financed and refinanced with proceeds of the Refunded Bonds is a "Project" within the meaning of the Act.

F. The Loan Agreement and the Bond Indenture, all as herein described, provide for the payment of the principal of and premium, if any, and interest on the Series 2009 Bonds. The City of St. Petersburg will be able to cope satisfactorily with the impact of the 2009 Project, the Refinanced Project and the project financed and refinanced with the proceeds of the Refunded Bonds and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the construction, operation, repair and maintenance of the facilities included in the 2009 Project, the Refinanced Project and the project financed and refinanced with the proceeds of the Refunded Bonds and on account of any increases in population or other circumstances resulting therefrom.

G. To evidence and secure its payment obligations under the Loan Agreement, the Borrower will execute and deliver to the Bond Trustee the Series 2009 Note, dated November 7, 2009 (the "Series 2009 Note"), issued under and pursuant to the Master Trust Indenture, as supplemented by the First Supplemental Indenture. The Borrower will also execute and deliver to the Master Trustee a mortgage and security agreement providing a mortgage on its facility located at the Main Campus to secure its obligations under the Series 2009 Note.

H. Proceeds from the sale of the Series 2009 Bonds will, except for certain amounts relating to the financing, including through reimbursement, of the 2009 Project, funding an operating reserve fund and financing a portion of the costs of issuance of the Series 2009 Bonds, be used to refund the Refunded Bonds and refinance the Refinanced Project, resulting in a financial benefit to the Borrower.

I. The principal of and interest on the Series 2009 Bonds and all payments to be made on behalf of the Authority required under and pursuant to the Loan Agreement and the Bond Indenture shall be payable solely from the proceeds to be derived by the Authority under and pursuant to the Loan Agreement, and the Authority shall never be required to pay the same from any funds of the Authority other than those derived by the Authority under the Loan Agreement. Neither the faith and credit nor the taxing power of the State of Florida, Pinellas County or the City of St. Petersburg or of any other political subdivision thereof, or the Authority is pledged to the payment of the principal of or interest on the Series 2009 Bonds. The Authority has no taxing power and the issuance of the Series 2009 Bonds shall not directly or indirectly or contingently obligate Pinellas County, the City of St. Petersburg, the State of Florida or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

J. The Authority has been advised by Bond Counsel that, assuming compliance with certain tax covenants, the interest on the Series 2009 Bonds will be excluded from gross income of the holders thereof for purposes of federal income taxation under existing laws of the United States.

K. The Authority has been advised that the Borrower intends to designate the Series 2009 Bonds as "bank qualified" obligations for purposes of Section 265(b)(3)(B)(i) of the Code.

SECTION 4. AUTHORIZATION OF SERIES 2009 BONDS. Obligations of the Authority to be known as "Health Facilities Revenue Refunding Bonds (Menorah Manor, Inc. Obligated Group Project), Series 2009" (the "Series 2009 Bonds"), are hereby authorized to be issued in an aggregate principal amount of not to exceed Eleven Million Dollars (\$11,000,000), in the form and manner to be described in the Bond Indenture. The Series 2009 Bonds will be dated the date of delivery of the Series 2009 Bonds to the Underwriter and interest thereon shall be payable as is provided in the Bond Indenture.

SECTION 5. AUTHORIZATION OF FINANCING OF 2009 PROJECT, REFINANCING OF REFINANCED PROJECT AND REFUNDING OF REFUNDED BONDS. There is hereby authorized the (i) financing, including through reimbursement, of the 2009 Project, (ii) refinancing of the Refinanced Project and (iii) refunding of the Refunded Bonds pursuant to the terms of the Escrow Deposit Agreement as set forth in Section 11 of this Resolution, as well as the application of the proceeds of the Series 2009 Bonds to fund an operating reserve fund and pay a portion of the costs of issuance of the Series 2009 Bonds.

SECTION 6. PRIVATE AND NEGOTIATED SALE. Due to the complexity and nature of the financing, the critical importance of timing in connection with the issuance of refunding obligations and the critical work of the Underwriter in the structuring of the financing, a private and negotiated sale is in the best interests of the Authority. The Chairperson or the Vice Chairperson are hereby authorized to sell the Series 2009 Bonds to the Underwriter, upon the terms and conditions set forth in the Purchase Agreement attached hereto as Exhibit C and incorporated herein by reference.

SECTION 7. EXECUTION OF PURCHASE AGREEMENT. The Purchase Agreement in substantially the form attached as Exhibit C, with such additional changes, insertions and omissions therein as do not change the substance thereof and as may be approved by the Authorized Officers, such approval to be presumed by their execution thereof, is hereby approved by the Authority, and the Authority hereby authorizes the Authorized Officers to execute and to attest the Purchase Agreement under the corporate seal of the Authority and to deliver the Purchase Agreement to the Underwriter all of the provisions of which, when executed and delivered by the Authority as authorized herein and by the Borrower and the Underwriter duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. No such Purchase Agreement shall be executed and delivered unless the true interest cost on the Series 2009 Bonds is not greater than 9.0%, unless the final maturity of the Series 2009 Bonds shall not exceed January 1, 2045, and unless the Authority shall have received all disclosure information required by Section 218.385, Florida Statutes.

SECTION 8. AUTHORIZATION OF EXECUTION AND DELIVERY OF BOND INDENTURE. As security for the payment of the principal of and premium, if any, and interest on the Series 2009 Bonds, the Bond Indenture, in substantially the form thereof attached hereto as Exhibit A, with such changes, alterations and corrections as may be approved by the Authorized

Officers, such approval to be presumed by their execution thereof, is hereby approved by the Authority, and the Authority hereby authorizes the Authorized Officers to execute and to attest the Bond Indenture under the corporate seal of the Authority and to deliver the Bond Indenture to the Bond Trustee all of the provisions of which, when executed and delivered by the Authority as authorized herein and by the Bond Trustee duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. By incorporation of the Bond Indenture herein, the Authority provides the terms, conditions, covenants, rights, obligations, duties and agreement to and for the benefit of the holders of the Series 2009 Bonds, the Authority, the Borrower and the Bond Trustee.

SECTION 9. AUTHORIZATION OF EXECUTION AND DELIVERY OF LOAN AGREEMENT. The Loan Agreement, in substantially the form thereof attached hereto as Exhibit B, with such changes, alterations and corrections as may be approved by the Authorized Officers, such approval to be presumed by their execution thereof, is hereby approved by the Authority, and the Authority hereby authorizes the Authorized Officers to execute and to attest the Loan Agreement under the corporate seal of the Authority and to deliver the Loan Agreement to the Borrower all of the provisions of which, when executed and delivered by the Authority as authorized herein and by the Borrower duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

SECTION 10. AUTHORIZATION OF EXECUTION AND DELIVERY OF INTERLOCAL AGREEMENT. The Interlocal Agreement, in substantially the form thereof attached hereto as Exhibit D, with such changes, alterations and corrections as may be approved by the Authorized Officers, such approval to be presumed by their execution thereof, is hereby approved by the Authority, and the Authority hereby authorizes the Authorized Officers to execute and to attest the Interlocal Agreement under the corporate seal of the Authority and to deliver the Interlocal Agreement to the Pinellas County Health Facilities Authority, all of the provisions of which, when executed and delivered by the Authority as authorized herein and by the Pinellas County Health Facilities Authority duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

SECTION 11. AUTHORIZATION OF EXECUTION AND DELIVERY OF ESCROW DEPOSIT AGREEMENT. The Escrow Deposit Agreement, in substantially the form thereof attached hereto as Exhibit E with such changes, alterations and corrections as may be approved by the Authorized Officers, such approval to be presumed by their execution thereof, is hereby approved by the Authority, and the Authority hereby authorizes the Authorized Officers to execute and to attest the Escrow Deposit Agreement under the corporate seal of the Authority and to deliver the Escrow Deposit Agreement to the Escrow Holder all of the provisions of which, when executed and delivered by the Authority as authorized herein and by the Escrow Holder and the Borrower duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

SECTION 12. AUTHORIZATION OF EXECUTION AND DELIVERY OF LIMITED OFFERING MEMORANDUM; AUTHORIZATION TO AUTHORIZED OFFICERS TO DEEM LIMITED OFFERING MEMORANDUM FINAL. The distribution by the Underwriter of a Limited Offering Memorandum of the Authority relating to the Series 2009 Bonds is hereby approved, confirmed and ratified, in substantially the form as Exhibit F hereto, together with such changes thereto as may be authorized by the Chairperson or the Vice Chairperson, is hereby approved. The Limited Offering Memorandum will be executed by the Chairperson or the Vice Chairperson of the Authority, such execution to be conclusive evidence of approval of the Limited Offering Memorandum in its final form. The Chairperson or the Vice Chairperson is hereby authorized to deem the sections of the Limited Offering Memorandum regarding the Authority "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (except for "Permitted Omissions" as defined in such Rule).

SECTION 13. REDEMPTION OF REFUNDED BONDS. Upon the issuance of the Series 2009 Bonds and in the manner set forth in the Escrow Deposit Agreement, the Refunded Bonds shall be irrevocably called for redemption prior to their stated dates of maturity at the principal amount thereof, and accrued interest thereon to the date of redemption as shall be set forth in the Escrow Deposit Agreement executed prior to or simultaneously with the issuance of the Series 2009 Bonds.

SECTION 14. NO PERSONAL LIABILITY. No covenant, stipulation, obligation or agreement herein contained or contained in the Loan Agreement, the Bond Indenture or the Escrow Deposit Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, member, attorney, agent or employee of the Authority or its governing body in his individual capacity, and neither the Authority nor any official executing the Series 2009 Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 15. NO THIRD PARTY BENEFICIARIES. Except as herein or in the Loan Agreement, in the Bond Indenture or in the Escrow Deposit Agreement otherwise expressly provided, nothing in this instrument or in the Loan Agreement, in the Bond Indenture or in the Escrow Deposit Agreement, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority, the Borrower, the Bondholders, the holders of the Series 2009 Bonds and the Bond Trustee any right, remedy or claim, legal or equitable, under and by reason of this instrument or any provision thereof or of the Loan Agreement, of the Bond Indenture or of the Escrow Deposit Agreement; this instrument, the Loan Agreement, the Bond Indenture and the Escrow Deposit Agreement and all provisions thereof being intended to be and being for the sole and exclusive benefit of the Authority, the Borrower, the Bondholders, the holders from time to time of the Series 2009 Bonds and the Bond Trustee.

SECTION 16. PREREQUISITES PERFORMED. Except for approval by the City Council of the City of St. Petersburg, Florida, all acts, conditions and things relating to the passage of this instrument, to the issuance of the Series 2009 Bonds, and to the execution of the Loan Agreement,

the Bond Indenture, and the Escrow Deposit Agreement required by the Constitution or laws of the State of Florida to happen, exist and be performed precedent to and in the passage hereof, and precedent to the issuance of the Series 2009 Bonds, and precedent to the execution and delivery of the Loan Agreement, the Bond Indenture, the Escrow Deposit Agreement and the Purchase Agreement, including, without limitation, an assignment of the Authority's rights in the Support Agreement to be executed by Menorah Manor Foundation, Inc. in connection with the Series 2009 Bonds have happened, exist and have been performed as so required.

SECTION 17. ASSENTS, ACCEPTANCES AND APPROVALS. The Authorized Officers of the Authority are authorized to execute such assents, acceptances, approvals, certifications and other documents, as the Authority and Bond Counsel may deem necessary for the Authority to refund the Refunded Bonds and deliver the Series 2009 Bonds in the manner contemplated by the Loan Agreement, the Bond Indenture and Escrow Deposit Agreement.

SECTION 18. TAX COVENANTS. The Authority covenants that it will not make and will not direct the Bond Trustee to make any investments or acquiesce in the making of any investments by the Bond Trustee pursuant to or under the Loan Agreement or the Bond Indenture which could cause the Series 2009 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the United States Internal Revenue Code of 1986, as amended, and the applicable regulations issued thereunder.

The Authority and the Bond Trustee shall at all times do and perform all acts and things permitted by law and this Resolution which are necessary or desirable in order to assure that interest paid on the Series 2009 Bonds will be excluded from gross income of the holders thereof for purposes of federal income taxation and shall take no action that would result in such interest not being excluded therefrom. In furtherance thereof the Authorized Officers of the Authority are hereby authorized to execute and deliver a Tax Regulatory Agreement in connection with the issuance and sale of the Series 2009 Bonds in such form and substance as shall be approved by the Authorized Officers of the Authority executing the same.

SECTION 19. LOAN AGREEMENT TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2009 Bonds authorized to be issued under the Loan Agreement by the Bondholders, the Loan Agreement shall be deemed to be and shall constitute a contract between the Authority and such Bondholders. The covenants and agreements herein and in the Loan Agreement and the Bond Indenture to be preformed by the Authority shall be for the equal benefit, protection and security of the Bondholders, all of which shall be of equal rank and without preference, priority or distinction of any of the Series 2009 Bonds over any others thereof, except as expressly provided therein.

SECTION 20. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions contained in this Resolution, the Loan Agreement or the Bond Indenture 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 or of the Series 2009 Bonds.

SECTION 21. REPEALING CLAUSE. All resolutions, or parts thereof, of the Authority in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

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SECTION 22. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

This Resolution was passed and approved this 4th day of November, 2009.

CITY OF ST. PETERSBURG HEALTH
FACILITIES AUTHORITY

(SEAL)

By: _____
Chairperson

ATTEST:

By: _____
Secretary

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EXHIBIT A

FORM OF BOND INDENTURE

EXHIBIT B

FORM OF LOAN AGREEMENT

EXHIBIT C

FORM OF PURCHASE AGREEMENT

EXHIBIT D

FORM OF INTERLOCAL AGREEMENT

EXHIBIT E

FORM OF ESCROW DEPOSIT AGREEMENT

EXHIBIT F

FORM OF LIMITED OFFERING MEMORANDUM