

**A Resolution approving the issuance of not to exceed \$5,000,000 of County of Franklin, Ohio Adjustable Rate Demand Health Care Facilities Revenue Bonds, Series 2013 (Traditions Healthcare Obligated Group) and approving the execution and delivery of all related documents.**

**(Board of Commissioners)**

**WHEREAS**, Traditions at Chillicothe, dba National Church Residences Chillicothe ("Traditions Chillicothe"), Traditions at Mill Run, dba National Church Residences Mill Run ("Traditions Mill Run"), Traditions at Stygler Road, dba National Church Residences Stygler Road ("Traditions Stygler Road"), Traditions at Xenia, dba National Church Residences Legacy Village ("Traditions Xenia"), Portage Trail Care Center, Inc., dba National Church Residences Bath Road ("Traditions Bath Road"), Waverly Care Center, Inc., dba National Church Residences Bristol Village ("Traditions Bristol Village"), Heritage Day Health Centers, dba National Church Residences Center for Senior Health ("Heritage Centers") and National Church Residences Lincoln Lodge ("Lincoln Lodge"), each an Ohio nonprofit corporation (collectively, the "Obligated Group"), have requested that the County of Franklin, Ohio (the "County") acting by and through the County Hospital Commission of Franklin County (the "Commission" and, together with the County, the "Issuer") issue revenue bonds pursuant to the laws of the State of Ohio, including without limitation Section 339.15 and Chapter 140 of the Ohio Revised Code (collectively, the "Act") for the purpose of providing funds, which together with other funds of the Obligated Group, sufficient to finance and refinance the costs of acquiring, constructing, improving and equipping Hospital Facilities, consisting of the Series 2013 Project (as defined below) and the Existing Facilities, each as more specifically described in the Lincoln Lodge Lease, the Traditions Bath Road Lease and the Heritage Centers Lease, respectively, and to pay certain expenses incurred in connection with the issuance of such revenue bonds; and

**WHEREAS**, the Issuer, acting by and through the Commission, and Traditions Bath Road will enter into an Amended and Restated Lease, dated as of May 1, 2013 (the "Traditions Bath Road Lease"); and

**WHEREAS**, the Issuer, acting by and through the Commission, and Heritage Centers will enter into an Amended and Restated Lease, dated as of May 1, 2013 (the "Heritage Centers Lease"); and

**WHEREAS**, the Issuer, acting by and through the Commission, and Lincoln Lodge will enter into a Base Lease, dated as of May 1, 2013 (the

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"Lincoln Lodge Base Lease" and together with the Traditions Bath Road Base Lease and the Heritage Centers Base Lease, the "Base Leases") and a Lease, dated as of May 1, 2013 (the "Lincoln Lodge Lease" and together with the Traditions Bath Road Lease and the Heritage Centers Lease, the "Leases"); and

**WHEREAS**, each of the Base Leases and the Leases provide for the lease of Leased Premises (as defined therein) to the Issuer pursuant to the Base Leases and the lease of the Leased Premises from the Issuer to each respective member of the Obligated Group as described in each of the Leases; and

**WHEREAS**, it is expected that a portion of the proceeds of the Series 2013 Bonds (as defined below) will be made available to Lincoln Lodge to finance and refinance the acquisition, construction, installation, and equipping of Hospital Facilities, including the acquisition of an assisted living facility known as the Lincoln Lodge Retirement Residence (the "Lincoln Lodge Project"). The Lincoln Lodge Project is located at 4950 West Broad Street, in the City of Columbus, Franklin County, Ohio. The Lincoln Lodge Project is owned by Lincoln Lodge and operated by National Church Residences – Health Care, an Ohio Corporation; and

**WHEREAS**, it is expected that a portion of the proceeds of the Series 2013 Bonds will be made available to Traditions Bath Road to finance and refinance the acquisition, construction, installation, and equipping of Hospital Facilities, including the general renovation and upgrade of the facility (the "Bath Road Project"). The Bath Road Project is located at 300 East Bath Road, in the City of Cuyahoga Falls, Summit County, Ohio. The Bath Road Project is owned by Traditions Bath Road and operated by National Church Residences – Health Care; and

**WHEREAS**, it is expected that a portion of the Series 2013 Bonds will be made available to Heritage Centers to acquire, construct, equip and install additional Hospital Facilities including the addition of computer software and general renovation and upgrade of the facilities (the

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"Heritage Centers Project"). The Heritage Centers Project is located at 3341 E. Livingston Avenue, 1185 E. Broad Street, and 1700 E. Dublin-Granville Road, all in the City of Columbus, Franklin County, Ohio. The Heritage Project is owned by Heritage Centers and operated by National Church Residences – Health Care; and

**WHEREAS**, on April 24, 2013, the Commission duly adopted a resolution (the "Bond Resolution") authorizing the issuance and sale by the County of its Adjustable Rate Demand Hospital Facilities Revenue Bonds, Series 2013 (Traditions Healthcare Obligated Group) (the "Bonds" or the "Series 2013 Bonds") in an aggregate principal amount of not to exceed \$5,000,000, under a Trust Indenture (the "Original Indenture"), dated as of June 1, 2005, as supplemented by a First Supplemental Trust Indenture (the "First Supplemental Bond Indenture") dated as of March 1, 2012, and as further supplemented by a Second Supplemental Trust Indenture (the "Second Supplemental Bond Indenture" and, together with the Original Indenture and the First Supplemental Bond Indenture, the "Indenture"), dated as of May 1, 2013, each between the County and the U.S. Bank National Association, as trustee (the "Trustee"), for the purpose of providing funds, together with other available funds, (i) to finance and refinance the costs of acquiring, constructing and equipping Hospital Facilities, and (ii) to pay financing costs pertaining thereto, including certain costs of issuance of the Series 2013 Bonds; all in accordance with the provisions of each of the Leases, between the County and each member of the Obligated Group, respectively; and

**WHEREAS**, pursuant to Section 140.03, Ohio Revised Code, the Issuer and the City of Cuyahoga Falls, Ohio ("Cuyahoga Falls") previously entered into a Public Hospital Agencies Agreement dated as of June 1, 2005 (the "Cuyahoga Falls Hospital Agencies Agreement") pursuant to which (i) the Issuer may enter into the Indenture on behalf of Cuyahoga Falls, and (ii) the Issuer may enter into lease agreements whereby the Issuer will lease and sublease Hospital Facilities located within Cuyahoga Falls, Summit County, Ohio to and from Traditions at Bath Road; and the Issuer wishes to ratify and affirm the Cuyahoga Falls Hospital Agencies Agreement; and

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**WHEREAS**, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that prior to their issuance, the Series 2013 Bonds must be approved by the "applicable elected representative" of the County (as defined in such Section 147(f) of the Code); and

**WHEREAS**, this Board of County Commissioners (this "Board") is the applicable elected representative of the County; and

**WHEREAS**, on April 24, 2013, a public hearing was held by the Commission, on behalf of the County, with respect to the issuance of the Series 2013 Bonds; and

**WHEREAS**, pursuant to the Act, the above-referenced hearing held by the Commission and a hearing to be held by the City Council of the City of Cuyahoga Falls, Ohio on May 13, 2013, the County anticipates issuing its Adjustable Rate Demand Health Care Facilities Revenue Bonds, Series 2013 (Traditions Healthcare Obligated Group), the proceeds of which are to be used by the Obligated Group to finance and refinance the costs of the acquisition, construction, installation and equipping of certain "hospital facilities" located or to be located within the County and the City of Cuyahoga Falls, Ohio; and

**WHEREAS**, to complete the authorization necessary under the Act and the Code, is necessary that this Board (i) approve the issuance of the Series 2013 Bonds and (ii) consent to and approve the execution and delivery by the Issuer, acting by and through the Commission, of certain documents related to the issuance of the Series 2013 Bonds; and now, therefore

**BE IT RESOLVED by the Board of County Commissioners of the County of Franklin, Ohio:**

Section 1. This Board of County Commissioners hereby finds and determines as follows:

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(A) The acquisition of a leasehold interest in the Leased Premises pursuant to the Base Leases, the subleasing of the Leased Premises to the members of the Obligated Group pursuant to the Leases, and the issuance of the Bonds pursuant to the Indenture will better provide for the health, safety and welfare of the residents of this County and the State by enhancing the availability, efficiency and economy of the operation of health care facilities and the services rendered thereby, and will provide health care services to the residents of the County and the State available for the service of the general public without discrimination by reason of race, creed, color or national origin and at the lowest practicable costs;

(B) The Leased Premises constitute "hospital facilities" as defined in the Act, and the members of the Obligated Group are each a "nonprofit hospital agency" as defined in the Act, no part of the net earnings of which inures or may lawfully inure to the benefit of any private stockholder or individual, and which has authority to own and operate "hospital facilities" as defined in the Act, to be operated pursuant to the Leases as health care facilities open to the public, without regard to race, creed, color or national origin.

Section 2. This Board of County Commissioners hereby consents to, authorizes and approves the issuance of the Bonds with terms set forth in the Bond Resolution, execution and delivery of the Base Leases, the Leases, the Indenture, and documents and matters relating to each of the foregoing (collectively, the "County Documents") substantially in the form now on file with the Clerk of this Board of County Commissioners and hereby ratifies and affirms the Cuyahoga Falls Hospital Agencies Agreement.

Section 3. The President of this Board of County Commissioners, or in his absence any other member of this Board of County Commissioners, the Clerk of this Board of County Commissioners and the County Auditor, or in his absence, the Deputy County Auditor, are each authorized to execute and deliver, on behalf of the County, such certificates, documents and instruments in connection with the transactions authorized in this resolution and the Bond Legislation (as defined in the Leases) as are approved by the County Prosecuting

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Attorney, and to do all such things required by the County or them pursuant to the County Documents.

Section 4. This Board, as the "applicable elected representative" of the County for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, hereby approves the issuance of the Bonds in the maximum aggregate principal amount of \$5,000,000, on behalf of the members of the Obligated Group for the purposes set forth in this resolution.

Section 5. This Board of County Commissioners hereby finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements including Section 121.22, Ohio Revised Code.

Section 6. Each section of this resolution is hereby declared to be independent and the finding or holding of any section thereof to be invalid or void shall not be deemed or held to affect the validity of any other section.

Section 7. This resolution shall take effect and be in force immediately upon its adoption.

Prepared by:        Glendon B. Pratt, Esq., Peck, Shaffer & Williams LLP