

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

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Meeting Date:	July 22, 2014	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
Department:	County Attorney	<input type="checkbox"/> Public Hearing	

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**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to adopt: a resolution of the Board of County Commissioners of Palm Beach County, Florida; approving, for the purposes of section 147(f) of the Internal Revenue Code and Section 163.01, Florida Statutes, the issuance by the Capital Trust Agency of its Senior Housing Revenue Bonds (Faulk Senior Residence Project), Series 2014, in one or more series pursuant to a plan of finance, in an aggregate principal amount not to exceed \$35,000,000, for the purpose of financing of the costs of the Project; affirming the purpose and function of Elizabeth H. Faulk Foundation, Inc.; approving its use of the site on which the Senior Living Facility is to be located; approving a Modification of Deed Restrictions; and providing an effective date.

**Summary:** On February 20, 2014, The Capital Trust Agency (the "Issuer") adopted a preliminary resolution expressing its intent to approve the issuance of the Bonds in one or more series in an amount not exceeding \$30,000,000 (the "Bonds") and loan the proceeds of the Bonds to Elizabeth H. Faulk Foundation, Inc., a Florida not for profit corporation, or one or more affiliates (the "Borrower") to finance the acquisition, construction, development, installation and equipping of an approximately 96-unit 116-bed senior living facility comprised of approximately 44 assisted living units and 52 memory care units for the elderly intended to be known as "Faulk Senior Residence," to be located on approximately five acres comprising the western ½ of the ten acre campus known as Faulk Center located at 22455 Boca Rio Road, Boca Raton, Palm Beach County, Florida, and expected to be owned by the Borrower and managed initially by MJM Associates, LLC, a New York limited liability company (the "Project"). In order to finance the costs of the Project from the proceeds of the Bonds on a tax-exempt basis, it is necessary to obtain the approval of the Board of County Commissioners ("the Board") after a Public Hearing is held pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, in order for the Issuer to finance the costs of the Project with the proceeds of Bonds within the County, it is necessary for the Issuer to obtain the County's approval to do so in accordance with Section 163.01, Florida Statutes, as amended (the "Interlocal Act"). On June 19, 2014, the Issuer's Executive Director, as hearing officer, conducted a Public Hearing as required by the Code, after publication of a notice in the *Sun-Sentinel*. The Resolution also approves the form of a Modification of Deed Restrictions which allows the property to be used for a Memory Care and Alzheimer's Senior Living Facility and permits the Property to be mortgaged to secure the proposed Bonds. **Neither the taxing power nor the faith and credit of the County, nor any County funds, shall be pledged to pay the principal, premium, if any, or interest on the Bonds.** District 5 (PFK)

**Background and Policy Issues:** The Issuer requests the Board's approval of the issuance of the Bonds for purposes of Section 147(f) of the Code and the Interlocal Act and its approval of the form of the Modification of Deed Restrictions.

**Attachment:**  
1. Resolution.

---

Recommended by: \_\_\_\_\_

7-3-14

Date

Approved by: \_\_\_\_\_

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_

Budget Account No.: Fund \_\_\_\_\_ Department \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_

Reporting Category \_\_\_\_\_

B. Recommended Sources of Funds/Summary of Fiscal Impact: No Fiscal Impact

C. Departmental Fiscal Review: \_\_\_\_\_

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

*5/10*  
*3/3*  
*[Signature]* 7/3/2014  
OFMB  
*A. J. Jacobson* 7/28/14  
Contract Development and Control  
*7-7-14 Boshart*

B. Legal Sufficiency:

*Paul F. [Signature]* 7/3/14  
Assistant County Attorney

C. Other Department Review:

\_\_\_\_\_  
Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

RESOLUTION R2014 -

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; APPROVING, FOR THE PURPOSES OF SECTION 147(F) OF THE INTERNAL REVENUE CODE AND SECTION 163.01, FLORIDA STATUTES, THE ISSUANCE BY THE CAPITAL TRUST AGENCY OF ITS SENIOR HOUSING REVENUE BONDS (FAULK SENIOR RESIDENCE PROJECT), SERIES 2014, IN ONE OR MORE SERIES PURSUANT TO A PLAN OF FINANCE, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000, FOR THE PURPOSE OF FINANCING OF THE COSTS OF THE PROJECT; AFFIRMING THE PURPOSE AND FUNCTION OF ELIZABETH H. FAULK FOUNDATION, INC.; APPROVING ITS USE OF THE SITE ON WHICH THE SENIOR LIVING FACILITY IS TO BE LOCATED; APPROVING A MODIFICATION OF DEED RESTRICTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Capital Trust Agency (the "Issuer") proposes to issue approximately \$35,000,000 of its Senior Housing Revenue Bonds (Faulk Senior Residence Project), Series 2014 (the "Bonds"), the proceeds of which will be loaned to Faulk Senior Services, LLC, a Florida limited liability company, or one or more of its affiliates (as applicable, the "Borrower") for the purpose of financing the cost of the acquisition, construction, development, installation and equipping of an approximately 117 bed senior living facility providing memory care services for the elderly (the "Project") to be located on approximately 6.22 acres on the western side of the ten acre campus known as the Faulk Center for Counseling located at 22455 Boca Rio Road, Boca Raton, Florida (the "Property"), within the jurisdiction of Palm Beach County (the "County"), in the State of Florida (the "State"); and

WHEREAS, in order to finance the costs of the Project from the proceeds of the Bonds on a tax-exempt basis, it is necessary to hold a public hearing and approve the issuance of the Bonds for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and Section 163.01, Florida Statutes, as amended (the "Interlocal Act"); and

WHEREAS, Ed Gray, III, Executive Director of the Issuer, as hearing officer, conducted the public hearing related to the Bonds, as required by Section 147(f) of the Code; and

WHEREAS, according to the report of the hearing officer submitted to the Board of County Commissioners of the County (the "Board"), following notice by publication in the *Sun-Sentinel* on June 3, 2014, at least fourteen days prior to June 19, 2014, a public hearing was held before the hearing officer on behalf of the Issuer on June 19, 2014, during which comments and discussions concerning the plan of finance concerning the issuance of the Bonds by the Issuer to finance the Project were requested and heard, as required by Section 147(f) of the Code; and

WHEREAS, the Borrower has requested that the Board approve the issuance of the Bonds for purposes of Section 147(f) of the Code and the Interlocal Act and the Issuer has recommended to the Board that the Board so approve; and

WHEREAS, subject to certain use restrictions under the County Deed made on May 8, 1979, Official Records Book 3110, Page 1982 (the "County Deed") (a copy of which is attached hereto as Exhibit "B" and incorporated by reference), the County conveyed the Property to Elizabeth H. Faulk Foundation, Inc. (the "Foundation"), a Florida not for profit corporation and sole member of the Borrower; and

WHEREAS, the County has agreed to modify and replace certain restrictions set forth in the County Deed under a Modification of Deed Restrictions in substantially the form attached hereto as Exhibit "C" and to allow a mortgage on the Property; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA THAT:**

SECTION 1. Findings. The Board hereby finds, determines and declares as follows:

A. As stated in the report of the hearing officer filed with the Board, a copy of which is attached hereto as Exhibit "A," notice of a public hearing to be held on June 19, 2014 before a hearing officer on behalf of the Issuer in the Faulk Center for Counseling, 22455 Boca Rio Road, Boca Raton, Florida 33433, inviting comments and discussions concerning the plan of finance for the issuance of the Bonds was published in the *Sun-Sentinel*, a newspaper of general circulation in the County, at least fourteen days prior to the date of such hearing.

B. As stated in the report of the hearing officer filed with the Board, following such notice, a public hearing was held before a hearing officer on behalf of the Issuer on June 19, 2014, during which comments and discussions concerning the plan of finance for the issuance of the Bonds by the Issuer were requested and heard.

C. The Board is the elected legislative body of the County, and the County has jurisdiction over the entire area in which the Project is or will be located.

D. The Board has determined that the issuance of the Bonds to finance the Project (i) is appropriate to the needs and circumstances of, and will make a significant contribution to, the economic growth of the County; (ii) will provide or preserve gainful employment; (iii) will protect the environment; or (iv) will preserve a public purpose by advancing the economic prosperity, the public health, or the general welfare of the State and its people. The Board has further determined that the Project (i) will promote the charitable purposes for which the Foundation was created and (ii) will provide safe, decent and accessible assisted living and memory support facilities for the elderly. The County will be able to cope satisfactorily with the impact of the Project, 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 Project and on account of any increases in population or other circumstances resulting therefrom.

SECTION 2. Approval for Purposes of Section 147(f) of the Code. For the purposes of Section 147(f) of the Code, the Board hereby approves the plan of finance for the issuance of the Bonds by the Issuer in one or more series, in an aggregate principal amount not exceeding \$35,000,000.

SECTION 3. Approval for Purposes of the Interlocal Act.

A. For the purposes of the Interlocal Act, County does hereby agree that the Issuer is hereby authorized to issue the Bonds in a principal amount not exceeding \$35,000,000 and to loan the proceeds thereof to the Borrower to finance or refinance the Project. The Issuer is hereby authorized to exercise all powers relating to the issuance of the Bonds vested in the County pursuant to the Constitution and the laws of the State and to do all things within the jurisdiction of the County which are necessary or convenient for the issuance of the Bonds and the financing or refinancing of the Project to the same extent as if the County were issuing its own obligations for such purposes without any further authorization from the County to exercise such powers or to take such actions. It is the intent of this Agreement and the parties hereto that the Issuer be vested, to the maximum extent permitted by law, with all powers which the County might exercise with respect to the issuance of the Bonds and the lending of the proceeds thereof to the Borrower to finance or refinance the Project in the County as though the County were issuing such Bonds as its own special limited obligation.

B. The Issuer shall take all actions it deems necessary or appropriate in connection with the issuance of the Bonds, including, in its discretion, the preparation, review, execution and filing with government agencies of certificates, opinions, agreements and other documents to be delivered at the closing of the Bonds and the establishment of any funds and accounts pursuant to a financing agreement related to the Bonds. Neither the Issuer nor the County shall be liable for the costs of issuing the Bonds or the costs incurred by any of them in connection with the preparation, review, execution or approval of any documentation or opinions required to be delivered in connection therewith by the Issuer or the County or counsel to any of them. All of such costs shall be paid from the proceeds of the Revenue Bonds or from other moneys of the Borrower.

C. The Bonds shall not constitute an indebtedness or liability of the Issuer or the County. The Bonds when issued, and the interest thereon, shall be limited and special obligations of the Issuer payable solely from certain revenues and other amounts pledged thereto by the terms thereof.

SECTION 4. Approval of Modification of Deed of Restrictions. The Modification of Deed Restriction, in substantially the form attached hereto as Exhibit "C," with such changes,

alterations and corrections as may be recommended by counsel to the County and as may be approved by the Mayor or Vice Mayor of the Board, such approval to be presumed by his or her execution thereof, is hereby approved by the Board and the Board hereby authorizes and directs the Mayor or Vice-Mayor to execute and the Clerk or Deputy Clerk of the County to attest the Modification of Deed Restriction, all of the provisions of which, when executed and delivered by the County as authorized herein, and by the Foundation, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 5. Effective Date. This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was offered by Commissioner \_\_\_\_\_ who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_, and being put to a vote, the vote was as follows:

Commissioner Priscilla A. Taylor, Mayor	- _____
Commissioner Paulette Burdick, Vice Mayor	- _____
Commissioner Hal R. Valeche	- _____
Commissioner Shelley Vana	- _____
Commissioner Steven L. Abrams	- _____
Commissioner Mary Lou Berger	- _____
Commissioner Jess R. Santamaria	- _____

The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

By: Paul F. [Signature]  
Assistant County Attorney

ATTEST: SHARON R. BOCK  
CLERK & COMPTROLLER

By: \_\_\_\_\_  
Deputy Clerk

**EXHIBIT A**

**Report of Hearing Officer**

**REPORT OF HEARING OFFICER  
(FAULK SENIOR SERVICES, LLC)**

This instrument shall constitute the official report of the undersigned designated official of the Capital Trust Agency (the "Agency"), a separate legal and administrative agency created and existing under Chapter 163, Part I, and Chapter 617, Florida Statutes, and established and empowered by the provisions of Chapter 159, Part II, Florida Statutes, Chapter 163, Part I, et seq., Chapter 166, Part II, Florida Statutes, Chapter 617, Florida Statutes and other applicable provisions of law, with respect to a public hearing scheduled and held by the Agency on June 19, 2014, in connection with the proposed issuance of the Agency's not exceeding \$35,000,000 revenue bonds (the "Bonds") on behalf of Faulk Senior Services, LLC, a Florida limited liability company, or one or more of its affiliates (as applicable, the "Borrower"), and whose principal place of business is 22455 Boca Rio Road, Boca Raton, Florida 33433. The proceeds of the Bonds will be loaned to the Borrower for financing the acquisition, construction, development, furnishing and equipping of an approximately 96-unit 116 bed senior living facility comprised of memory care units for the elderly intended to be known as "Faulk Senior Residence," to be located on approximately 6.22 acres on the western side of the ten acre campus known as the Faulk Center for Counseling located at 22455 Boca Rio Road, Boca Raton, Palm Beach County (the "County"), Florida 33433 (the "Senior Living Facility"), as more fully described in Exhibit "A" hereto.

The public hearing was duly advertised in the *Sun-Sentinel*, a newspaper of general circulation in the jurisdiction of the County, on June 3, 2014. The proof of publication was presented to me at such hearing, and a copy is attached hereto as Exhibit "B" (the "Notice").

The hearing commenced at the time and location stated in the Notice. At such hearing, interested individuals were afforded reasonable opportunity to express their views, both orally and in writing, on all matters pertaining to the plan of finance and the financing of the Senior Living Facility. Information about the proposed Bonds, the location of the Senior Living Facility, and the proposed use of the proceeds were presented. When the information had been presented, opportunity was given for members of the public in attendance to give their input. It was noted that no written communication was received.

The undersigned then concluded the hearing. A written transcript of the hearing is attached hereto as Exhibit "C."

Respectfully submitted,

By: \_\_\_\_\_



Ed Gray, III, Executive Director  
Capital Trust Agency



**EXHIBIT "A" TO  
REPORT OF HEARING OFFICER  
(FAULK SENIOR SERVICES, LLC)**

The Senior Living Facility consists of the acquisition, construction, development, furnishing and equipping of an approximately 96-unit 116 bed senior living facility comprised of memory care units for the elderly intended to be known as "Faulk Senior Residence," to be located on approximately 6.22 acres on the western side of the ten acre campus known as the Faulk Center for Counseling located at 22455 Boca Rio Road, Boca Raton, Palm Beach County, Florida 33433, and expected to be owned by the Borrower and managed initially by MJM Associates, LLC, a New York limited liability company.

**EXHIBIT "B" TO  
REPORT OF HEARING OFFICER  
(FAULK SENIOR SERVICES, LLC)**

**PROOF OF PUBLICATION**

**[FOLLOWS]**

{9354/00/00894685.DOCv2}

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SUN-SENTINEL

SUN-SENTINEL

Published Daily

Fort Lauderdale, Broward County, Florida  
Boca Raton, Palm Beach County, Florida  
Miami, Miami-Dade County, Florida

STATE OF FLORIDA

COUNTY OF: BROWARD/PALM BEACH/MIAMI-  
DADE

Before the undersigned authority personally appeared  
Kennedy Williams, who on oath says that he or she is a duly  
authorized representative of the SUN- SENTINEL, a DAILY  
newspaper published in BROWARD/PALM BEACH/MIAMI-  
DADE County, Florida; that the attached copy of advertisement,  
being a Legal Notice in:

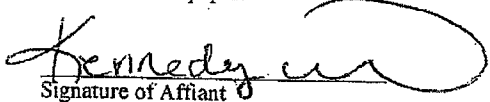
The matter of 11720-Notice of Public Meeting

McGuire Woods LLP  
Thursday  
6/19  
Faulk Senior Services

Was published in said newspaper in the issues of: Jun 03, 2014.

2430767

Affiant further says that the said SUN-SENTINEL is a newspaper  
published in said BROWARD/PALM BEACH/MIAMI-DADE  
County, Florida, and that the said newspaper has heretofore been  
continuously published in said BROWARD/PALM  
BEACH/MIAMI-DADE County, Florida, each day and has been  
entered as second class matter at the post office in BROWARD  
County, Florida, for a period of one year next preceding the first  
publication of the attached copy of advertisement; and affiant  
further says that he or she has neither paid nor promised, any  
person, firm or corporation, any discount, rebate, commission or  
refund, for the purpose of securing this advertisement for publication  
in the said newspaper.

  
Signature of Affiant

Sworn to and subscribed before me this: June 04, 2014.

  
Signature of Notary Public



Name of Notary, Typed, Printed, or Stamped  
Personally Known (X) or Produced Identification ( )

NOTICE OF PUBLIC HEARING  
BY CAPITAL TRUST AGENCY

For the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended  
(the "Code"), notice is hereby given that a public hearing will be held at 3:30 p.m. on  
Thursday, June 19, 2014, at the Faulk Center for Counseling, 22455 Boca Rio Road, Boca  
Raton, Florida 33433. The purpose of the public hearing is to consider a plan of finance  
for the purpose, among other things, of providing funds to be loaned by the Capital Trust  
Agency (the "Agency") to Faulk Senior Services, LLC, a Florida limited liability company, or  
one or more of its affiliates, (as applicable, the "Borrower"), in order to finance the cost of  
the acquisition, construction, development, furnishing and equipping of an approximately  
96-unit 117-bed senior living facility comprised of memory care units for the elderly to be  
located on approximately 6.22 acres on the western side of the ten-acre campus known  
as the Faulk Center for Counseling located at 22455 Boca Rio Road, Boca Raton, Palm  
Beach County (the "County"), Florida 33433 (the "Senior Living Facility").

The plan of finance contemplates that the Agency will issue not exceeding \$35,000,000  
in aggregate principal amount of its revenue bonds (the "Bonds"), in one or more install-  
ments or series and loan the proceeds of such bonds to the Borrower to provide funds  
for the Senior Living Facility. The Senior Living Facility will be owned by the Borrower.  
The initial manager of the Senior Living Facility will be MJM Associates, LLC, a New York  
limited liability company.

The purpose of the public hearing is to comply with the provisions of Section 147(f) of  
the Code. The County will neither issue, nor be obligated on, the Bonds.

The Bonds, when issued, will be special, limited obligations payable solely out of the  
revenues, income and receipts pledged to the payment thereof and derived from financ-  
ing agreements with the Borrower, and the Agency will not be obligated to pay the  
principal of, premium, if any, or interest on the Bonds except from the payments of the  
Borrower. The Bonds will not constitute (i) a debt, liability or obligation of the Agency,  
the County, the State of Florida (the "State"), or any political subdivision, public agency or  
municipality thereof, (ii) a pledge of the full faith and credit of the Agency, the County, the  
State, or any political subdivision, public agency or municipality thereof, or (iii) a pledge  
of the taxing power of the County, the State, or any political subdivision, public agency or  
municipality thereof within the meaning of any constitutional or statutory provision. The  
Agency has no taxing power.

At the time and place fixed for said public hearing all who appear will be given an op-  
portunity to express their views for or against the proposal to approve said Bonds and  
the plan of finance. Prior to said public hearing, written comments may be delivered to  
the Capital Trust Agency, attention Executive Director at 315 Fairpoint Drive, Gulf Breeze,  
Florida 32561. All persons are advised that, if they decide to appeal any decision made  
with respect to any matter considered at this meeting, they will need a record of the  
proceedings, and for such purpose, they may need to ensure that a verbatim record of  
the proceedings is made, which record includes the testimony and evidence upon which  
the appeal is to be based. All interested persons are invited to present their comments  
at the time and place set forth above.

Following the hearing, a report concerning this public hearing will be submitted to the  
applicable elected representative responsible for approving the issuance of the Bonds.

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, ALL PERSONS  
WHO ARE DISABLED AND WHO NEED SPECIAL ACCOMMODATIONS TO PARTICIPATE IN  
THIS PUBLIC HEARING BECAUSE OF THAT DISABILITY SHOULD CONTACT THE EXECUTIVE  
DIRECTOR AT (850) 934-4046 AT LEAST 48 HOURS IN ADVANCE OF THE MEETING, EX-  
CLUDING SATURDAY AND SUNDAY.  
6/3/2014

Order # - 2430767

**EXHIBIT "C" TO  
REPORT OF HEARING OFFICER  
(FAULK SENIOR SERVICES, LLC)**

**TRANSCRIPT OF PUBLIC HEARING**

{9354/00/00894685.DOCv2}

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**In the Matter Of:**

**Capital Trust Agency/Faulk Senior Residence**

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**PUBLIC HEARING**

*June 19, 2014*

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[www.OrangeLegal.com](http://www.OrangeLegal.com)

800-275-7991

1 IN RE:

2 PUBLIC HEARING BY CAPITAL TRUST AGENCY

3 The purpose of the public hearing is to consider a plan  
4 of finance for the purpose, among other things, of  
5 providing funds to be loaned by the Capital Trust Agency  
6 to Faulk Senior Services, LLC, a Florida limited  
7 liability company, or one or more of its affiliates, in  
8 order to finance the cost of the acquisition,  
9 construction, development, furnishing and equipping of an  
approximately 96-unit, 117-bed senior living facility  
comprised of memory care units for the elderly to be  
located on approximately 6.22 acres on the western side  
of the ten-acre campus known as the Faulk Center for  
Counseling located at 22455 Boca Rio Road, Boca Raton,  
Palm Beach County, Florida, 33433.

10 \* \* \* \*

11 DATE: Thursday, June 19, 2014

12 TIME: 3:48 p.m. to 3:50 p.m.

13 PLACE: Falk Center For Counseling  
14 22455 Boca Rio Road  
Boca Raton, FL 33433

15 APPEARANCES: Ed Gray, III  
16 Executive Director of Capital  
Trust Agency  
17 315 Fairpoint Drive  
Gulf Breeze, FL 32561  
18 850.934.4046  
edgray3@muniad.com

19 Vicki Katz  
20 Chief Executive Officer of the  
Elizabeth H. Faulk Foundation,  
Inc.

21 George Mueller  
22 MS Kapital, LLC

23 REPORTED BY: Tracy A. Chewning, RPR  
24 Notary Public, State of Florida

25 TRANSCRIPT OF HEARING

1 \* \* \* \*

2 P R O C E E D I N G S

3 \* \* \* \*

4 MR. GRAY: We will now convene the public  
5 hearing duly noticed on behalf of the Faulk Senior  
6 Services facility proposed to be built here at the  
7 Faulk Center.

8 For purposes of the public notice, here is an  
9 affidavit of the publisher, of the Sun-Sentinel,  
10 where this was duly published in the issue of June 3,  
11 2014, to notify anyone interested in the hearing. It  
12 will be held here at this time, 3:30, today, June 19.

13 In the notice of hearing, we also specified  
14 that anyone that could not attend in person that  
15 wanted to send written comments to our office could  
16 do so. As of this date, we've received no comments,  
17 written or otherwise.

18 Because the only persons attending here today  
19 are persons affiliated with the project -- Miss Vicki  
20 Katz, the director of the Faulk Center, and  
21 Mr. George Mueller, who's helping with the  
22 development of the facility -- being that there's no  
23 one in attendance to speak from the general public,  
24 I'm going to ask you just to attach these questions  
25 and answers as far as facts relating to the project

1 to be a part of the transcript.

2 Having those inserted, along with the  
3 affidavit, along with having received no written  
4 comments, and no one being in attendance to speak to  
5 the project, we're going to call this public hearing  
6 closed.

7 (The hearing concluded at 3:50 p.m.)

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## HEARING CERTIFICATE

STATE OF FLORIDA

COUNTY OF PALM BEACH

I, Tracy A. Chewning, Registered Professional  
Reporter, certify that I was authorized to and did  
stenographically report the foregoing proceedings and  
that the transcript is a true and complete record of my  
stenographic notes.

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Dated this 19th day of June, 2014.

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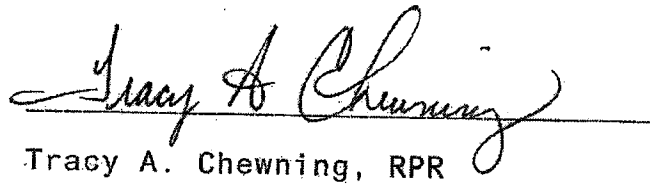
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Tracy A. Chewning, RPR

**TEFRA HEARING PROCEDURES  
(FAULK SENIOR SERVICES, LLC)**

**(1) Could you please describe the facility to be financed with the Bonds?**

The Bonds are being issued for the purpose, among other things, of financing the costs of the acquisition, construction, installation and equipping of a senior living facility to be known as "Faulk Senior Residence" which will consist of the acquisition, construction, development, furnishing and equipping of an approximately 96-unit 116 bed senior living facility comprised of memory care units for the elderly intended to be known as the "Faulk Senior Residence," to be located on approximately 6.22 acres on the western side of the ten acre campus known as the Faulk Center for Counseling located at 22455 Boca Rio Road, Boca Raton, Palm Beach County, Florida 33433.

The Faulk Senior Residence will be acquired and owned by Faulk Senior Services, LLC, a Florida limited liability company, hereinafter referred to as the Borrower), and whose principal place of business is 22455 Boca Rio Road, Boca Raton, Palm Beach County, Florida 33433. The initial manager of the Faulk Senior Residence will be MJM Associates, LLC, a New York limited liability company.

**2) How will the Bond proceeds be used?**

The proceeds of the Bonds will be loaned to the Borrower for the purpose of, among other things, acquiring, constructing, installing and equipping the Faulk Senior Residence, a senior living facility.

**3) What is the public purpose for the Bond Issue?**

The public purpose for this bond issue is to serve the senior living community, provide safe, decent and accessible living facilities for the elderly, provide employment in the community where the Faulk Senior Residence will be located and promote and advance the economic prosperity, living conditions and the general welfare of the State of Florida and its people.

**4) Will the Capital Trust Agency or the City be responsible for repaying the Bonds?**

The Bonds will expressly state that none of the Capital Trust Agency, Palm Beach County, the City of Gulf Breeze, the State, or any other municipality, political subdivision, or public agency of the State is liable to pay the principal of or interest on the Bonds.

5) **What is the maximum amount of tax-exempt Bonds that will be issued?**

The maximum amount of tax-exempt Bonds to be issued to provide funds for the facility will be approximately \$35,000,000.

1) Persons attending and offering comments, if any, are noted in the attached record of persons appearing at the hearing..

2) No oral or written communication was received by the City concerning the public hearing.

The public hearing was then concluded.

SUN-SENTINEL

SUN-SENTINEL

Published Daily

Fort Lauderdale, Broward County, Florida  
Boca Raton, Palm Beach County, Florida  
Miami, Miami-Dade County, Florida

STATE OF FLORIDA

COUNTY OF: BROWARD/PALM BEACH/MIAMI-  
DADE

Before the undersigned authority personally appeared  
Kennedy Williams, who on oath says that he or she is a duly  
authorized representative of the SUN- SENTINEL, a DAILY  
newspaper published in BROWARD/PALM BEACH/MIAMI-  
DADE County, Florida; that the attached copy of advertisement,  
being a Legal Notice in:

The matter of 11720-Notice of Public Meeting

McGuire Woods LLP  
Thursday  
6/19  
Faulk Senior Services

Was published in said newspaper in the issues of: Jun 03, 2014.

2430767

Affiant further says that the said SUN-SENTINEL is a newspaper  
published in said BROWARD/PALM BEACH/MIAMI-DADE  
County, Florida, and that the said newspaper has heretofore been  
continuously published in said BROWARD/PALM  
BEACH/MIAMI-DADE County, Florida, each day and has been  
entered as second class matter at the post office in BROWARD  
County, Florida, for a period of one year next preceding the first  
publication of the attached copy of advertisement; and affiant  
further says that he or she has neither paid nor promised, any  
person, firm or corporation, any discount, rebate, commission or  
refund, for the purpose of securing this advertisement for publication  
in the said newspaper.

Signature of Affiant

Sworn to and subscribed before me this: June 04, 2014.

Signature of Notary Public



LINDA M HALL  
MY COMMISSION # EE182121  
EXPIRES March 22, 2016

Name of Notary, Typed, Printed, or Stamped

Personally Known (X) or Produced Identification ( )

NOTICE OF PUBLIC HEARING  
BY CAPITAL TRUST AGENCY

For the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), notice is hereby given that a public hearing will be held at 3:30 p.m. on Thursday, June 19, 2014, at the Faulk Center for Counseling, 22455 Boca Rio Road, Boca Raton, Florida 33433. The purpose of the public hearing is to consider a plan of finance for the purpose, among other things, of providing funds to be loaned by the Capital Trust Agency (the "Agency") to Faulk Senior Services, LLC, a Florida limited liability company, or one or more of its affiliates (as applicable, the "Borrower"), in order to finance the cost of the acquisition, construction, development, furnishing and equipping of an approximately 96-unit 117-bed senior living facility comprised of memory care units for the elderly to be located on approximately 6.22 acres on the western side of the ten-acre campus known as the Faulk Center for Counseling located at 22455 Boca Rio Road, Boca Raton, Palm Beach County (the "County"), Florida 33433 (the "Senior Living Facility").

The plan of finance contemplates that the Agency will issue not exceeding \$35,000,000 in aggregate principal amount of its revenue bonds (the "Bonds"), in one or more installments or series and loan the proceeds of such Bonds to the Borrower to provide funds for the Senior Living Facility. The Senior Living Facility will be owned by the Borrower. The initial manager of the Senior Living Facility will be MJM Associates, LLC, a New York limited liability company.

The purpose of the public hearing is to comply with the provisions of Section 147(f) of the Code. The County will neither issue, nor be obligated on, the Bonds.

The Bonds, when issued, will be special, limited obligations payable solely out of the revenues, income and receipts pledged to the payment thereof and derived from financing agreements with the Borrower, and the Agency will not be obligated to pay the principal or premium, if any, or interest on the Bonds except from the payments of the Borrower. The Bonds will not constitute (i) a debt, liability or obligation of the Agency, the County, the State of Florida (the "State"), or any political subdivision, public agency or municipality thereof, (ii) a pledge of the full faith and credit of the Agency, the County, the State, or any political subdivision, public agency or municipality thereof, or (iii) a pledge of the taxing power of the County, the State, or any political subdivision, public agency or municipality thereof within the meaning of any constitutional or statutory provision. The Agency has no taxing power.

At the time and place fixed for said public hearing all who appear will be given an opportunity to express their views for or against the proposal to approve said Bonds and the plan of finance. Prior to said public hearing, written comments may be delivered to the Capital Trust Agency, attention Executive Director at 315 Fairpoint Drive, Gulf Breeze, Florida 32561. All persons are advised that, if they decide to appeal any decision made with respect to any matter considered at this meeting, they will need a verbatim record of the proceedings, and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. All interested persons are invited to present their comments at the time and place set forth above.

Following the hearing, a report concerning this public hearing will be submitted to the applicable elected representative responsible for approving the issuance of the Bonds.

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, ALL PERSONS WHO ARE DISABLED AND WHO NEED SPECIAL ACCOMMODATIONS TO PARTICIPATE IN THIS PUBLIC HEARING BECAUSE OF THAT DISABILITY SHOULD CONTACT THE EXECUTIVE DIRECTOR AT (850) 934-4046 AT LEAST 48 HOURS IN ADVANCE OF THE MEETING, EXCLUDING SATURDAY AND SUNDAY.  
6/3/2014

Order # - 2430767

# Faulk Public Hearing

6-19-14

Attendee

Representing

George F Mueller, Jr

M.S. Capital, LLC

Vicki Katz

Elmore H. Faulk Foundation, Inc

**EXHIBIT B**

**County Deed**

NM

Return to  
Land Acquisition  
Bldg. S-1170, P. B. I. A.

C O U N T Y D E E D

R79 578

THIS DEED, made this 8th day of May, 1979, by PALM BEACH COUNTY, a political subdivision of the State of Florida a party of the first part, and ELIZABETH FAULK FOUNDATION INC., a Florida non-profit corporation, 499 South Ocean Boulevard, Boca Raton, Florida 33432, a party of the second part.

WITNESSETH: That the said party of the first part for and in consideration of the sum of Ten Dollars (\$10.00) to it in hand paid by the party of the second part, receipt whereof is hereby acknowledged, has granted, bargained and sold to the party of the second part, the following described land lying and being in Palm Beach County, Florida:

Tract 49 and that portion of Tract 50 lying West of the Florida Turnpike, Block 80, Palm Beach Farms Plat #3, as recorded in Plat Book 2, pages 45 thru 54, Public Records of Palm Beach County, Florida, LESS the East 60 feet as right of way for Boca Rio Road in Tract 50; containing 12 acres, more or less.

TO HAVE AND TO HOLD THE SAME, together with all and singular the appurtenances thereto belonging or in anywise incident or appertaining, and all the estate, right, title, interest and claim whatsoever of the said party of the first part, in law or in equity to the only proper use, benefit, and behoof of the said party of the second part, as long as said property is used for habilitative purposes of the mentally ill. Should the party of the second part ever cease to be a non-profit corporation or ever cease to use said property for said purposes or should the party of the second part not use said property for habilitation purposes within a period of two years from the date of conveyance or ever attempt to convey or encumber this property without the prior written consent of the party of the first part, then said property and all improvements thereon shall automatically revert to the party of the first part.

IN WITNESS WHEREOF the said party of the first part has caused these presents to be executed in its name by its Board of County Commissioners acting by the Chairman or Vice Chairman of said Board, the day and year aforesaid.

PALM BEACH COUNTY, FLORIDA, BY  
ITS BOARD OF COUNTY COMMISSIONERS

ATTEST:

JOHN B. DUNKLE, CLERK

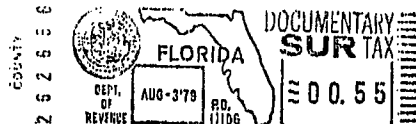
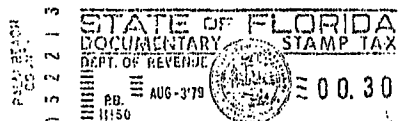
BY: [Signature]  
Chairman

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

[Signature]  
County Attorney

Prepared by:

Richard R. Ellington  
County Attorney  
P. O. Box 1989  
West Palm Beach FL 33402



Record Verified  
Palm Beach County, Fla  
John B. Dunkle  
Clerk Circuit Court

OFF REC 3110 PG 1982

79 136495

1979 AUG -3 PM 3:28

4.60  
1.30  
1.55

## **EXHIBIT C**

### **Form of Modification of Deed Restrictions**



PREPARED BY AND RETURN TO:

Ross C. Hering  
PALM BEACH COUNTY  
PROPERTY & REAL ESTATE MANAGEMENT DIVISION  
2633 Vista Parkway  
West Palm Beach, FL 33411-5605

PCN: 00-42-43-27-05-080-0490

### **MODIFICATION OF DEED RESTRICTIONS**

**THIS MODIFICATION OF DEED RESTRICTIONS**, made and entered into \_\_\_\_\_ by and between PALM BEACH COUNTY, FLORIDA, a political subdivision of the State of Florida ("County") and ELIZABETH H. FAULK FOUNDATION, INC., a Florida non-profit corporation ("Foundation").

**WHEREAS**, on May 8, 1979, County donated the property legally described in Exhibit "A" (the "Property") to Foundation and conveyed said Property to Foundation by County Deed recorded in Official Record Book 3110, Page 1982, Public Records of Palm Beach County, Florida; and

**WHEREAS**, said conveyance was made upon the express conditions that: i) the Property be used for rehabilitative purposes of the mentally ill; ii) that Foundation remain a non-profit corporation; and iii) any conveyance or encumbrance of the Property be subject to approval of County; and

**WHEREAS**, Foundation previously constructed the Faulk Center for Counseling on a portion of the Property and provides mental health counseling services in said Center; and

**WHEREAS** Foundation now desires to utilize the balance of the Property for development of an assisted living facility to be known as the Faulk Senior Residence; and

**WHEREAS** County has agreed to modify and replace the restrictions set forth in the above described County Deed upon the terms and conditions hereinafter set forth.

**NOW THEREFORE**, for and in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are acknowledged, the parties hereto hereby agree as follows:

1. From and after the date hereof, the Property shall be used solely for the purposes of: i) mental health counseling and rehabilitation of the mentally ill; and ii) the development, use and operation of a senior living facility, with assisted living units accommodating approximately 117 assisted living beds providing memory care services

(the Senior Living Facility”) on that portion of the Property designated for a congregate living facility on the site plan attached hereto as Exhibit “B” (the “Site”). Any proposed change in use shall require the prior approval of County, which shall not be unreasonably withheld.

2. The Foundation shall have the right to convey the Site to Faulk Senior Services, LLC (“FSS”), a Florida limited liability company, which shall at all times remain wholly-owned and controlled by Foundation.

3. FSS shall have the right to mortgage the Senior Living Facility to secure a loan to finance the construction of the Senior Living Facility, such loan to be extended to FSS in conjunction with revenue bonds to be issued subject to approval of County. Such mortgage shall at all times remain subject to and subordinate to the rights of County hereunder. In the event of foreclosure of said mortgage or issuance of a deed in lieu of foreclosure, title to the Site and the Senior Living Facility may be transferred as provided in said mortgage, subject to the use restrictions set forth in paragraph 1 above, provided that subsequent to such foreclosure the Site and the Senior Living Facility may be used as a congregate living facility (as such term is used in the County land development code).

4. Except as expressly permitted above, any further or subsequent conveyance or encumbrance of any portion of the Property shall require approval by County, which approval shall not be unreasonably withheld.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the day and year aforesaid.

Signed and Sealed in the presence of: **ELIZABETH H. FAULK FOUNDATION, INC.,**  
a Florida non-profit corporation

\_\_\_\_\_  
Witness Name (Signature)

\_\_\_\_\_  
Print Witness Name (Print Signatory's name)

\_\_\_\_\_  
Witness Name (SEAL) (corporation not for profit)

\_\_\_\_\_  
Print Witness Name

**SWORN TO AND SUBSCRIBED** before me this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_, 20\_\_\_\_, by the \_\_\_\_\_ of the aforesaid corporation, who is  
personally known to me OR who produced \_\_\_\_\_ as identification and who did  
take an oath.

\_\_\_\_\_  
Notary Signature

\_\_\_\_\_  
Print Notary Name

**NOTARY PUBLIC**  
State of Florida at Large  
My Commission Expires: \_\_\_\_\_

**ATTEST:**

**SHARON R. BOCK  
CLERK & COMPTROLLER**

**PALM BEACH COUNTY, a political  
subdivision of the State of Florida**

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Priscilla A. Taylor, Mayor

**APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY**

(OFFICIAL SEAL)

By: \_\_\_\_\_  
Assistant County Attorney