

RESOLUTION No. 516

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, APPROVING THE ISSUANCE OF THE HEALTHCARE REVENUE BONDS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN LUIS, ARIZONA, IN ONE OR MORE TAXABLE OR TAX-EXEMPT SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 (THE "BONDS")

WHEREAS, The Industrial Development Authority of the City of San Luis, Arizona (the "Issuer") pursuant to the Industrial Development Financing Act, Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act") is authorized to issue bonds and to use the proceeds thereof to aid in the financing or refinancing of a portion of the costs associated with (i) the acquisition, construction, rehabilitation and/or refinancing of certain existing real estate debt of the Borrower at locations each constituting a "project" within the meaning of Section 35-701 of the Arizona Revised Statutes as follows:

1. COPE Rehabilitation Facility--3332 N. Los Altos Avenue, Tucson, AZ 85719
2. COPE Group Home Facility--7020 N. Antonietta Drive, Tucson, AZ 85704
3. COPE Group Home Facility--535 E. Drachman Street, Tucson, AZ 85705
4. COPE Group Home Facility--2800 W. Goret Road, Tucson, AZ 85745
5. COPE Executive Offices--82 S. Stone Avenue, Tucson, AZ 85701
6. COPE Executive Offices--101 S. Stone Avenue, Tucson, AZ 85701
7. COPE Recreation Building--732 N. Stone Avenue, Tucson, AZ 85701
8. COPE Office Building--Southwest corner of Pastime and Stone Avenue, Tucson, AZ 85705
9. COPE Office Building--8050 E. Lakeside Parkway, Tucson, AZ 85730
10. COPE Office Building--1918 N. Tucson Boulevard, Tucson, AZ 85716

(ii) the acquisition of certain management information systems hardware and software to be used at the locations described in (i) above; and (iii) the payment of certain costs associated with the issuance of the Bonds (collectively, the "Project");

WHEREAS, the Issuer intends to issue and sell the Bonds, in one or more tax-exempt or taxable series in an aggregate amount not to exceed \$5,000,000, the proceeds of which will be lent, for the purposes specified above, by the Issuer to Cope Behavioral Services, Inc., an Arizona nonprofit corporation and an organization described under Section 501 (c)(3) of the Internal Revenue Code of 1986 (the "Code"), on behalf of itself or its affiliate or nominee (the "Borrower");

WHEREAS, on March 12, 2003, the Issuer resolved to issue the Bonds, such Resolution being conditioned upon, among other things, the granting of approval to the issuance of the Bonds by the Mayor and City Council of the City of San Luis (individually and collectively, the "City");

WHEREAS, the Resolution authorizes, among other things, the issuance and sale of the Bonds, the execution and delivery of and Indenture of Trust, Loan Agreement, Tax Certificate, and such other documents as required for the issuance of the Bonds;

WHEREAS, the terms, maturities, provisions for redemption, security, and sources of payment for the Bonds are set forth in the Indenture of Trust and the form of the Bonds;

WHEREAS, copies of said documents have been made available to the City, together with the aforementioned Resolution of the Issuer;

WHEREAS, the City has been informed that said documents have been reviewed by competent Bond Counsel, Kutak Rock LLP, and said Bond Counsel has determined that said documents adequately meet the requirements of the Act and the Code;

WHEREAS, as a result of the issuance and sale of the Bonds, certain bond proceeds will be made available to the Issuer. The Issuer will use such funds to (a) to issue revenue bonds in one or more series and use the proceeds thereof in accordance with the Act, (b) to contract with and employ others to provide for and to pay compensation for professional services and other services as the Issuer deems necessary for the financing of "projects" as defined in the Act, and (c) to pledge its property and revenues to secure the payment of the principal of and premium, if any, and interest on its revenue bonds;

WHEREAS, pursuant to Section 35-721.B of the Act, the proceedings of the Issuer under which the Bonds are to be issued require the approval of the City for the issuance of the Bonds;

WHEREAS, it is intended that this Resolution shall constitute approval by the City with respect to the issuance of the Bonds pursuant to Section 35-721.B of the Act;

WHEREAS, pursuant to Section 147(f) of the Code, the City must approve the issuance of the Bonds after a public hearing following reasonable public notice;

WHEREAS, following publication of Notice of Public Hearing in *The Daily Territorial* on February 24, 2003, a public hearing was held by representatives of Pima County, pursuant to Section 147(f) of the Code, on March 12, 2003, in the law offices of Anne Terry Morales, Rusing & Lopez, PLLC, Suite 200, 6262 North Swan Road, Tucson, Arizona, 85718, with respect to the issuance of the Bonds to assist in the financing of the Project as described in the Notice of Public Hearing, a copy of which is attached hereto and made a part of this Resolution; which public hearing process will also be approved by the Chairman of the Pima County Board of Supervisors;

WHEREAS, following publication of Notice of Public Hearing in *The Sun* on February 24, 2003, a public hearing was held by the Issuer, pursuant to Section 147(f) of the Code, on March 12, 2003, in the City Council Chambers, San Luis City Hall, 767 North First Avenue, San Luis, Arizona 85349, with respect to the issuance of the Bonds to assist in the financing of the Project as described in the Notice of Public Hearing, a copy of which is attached hereto and made a part of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, as follows:

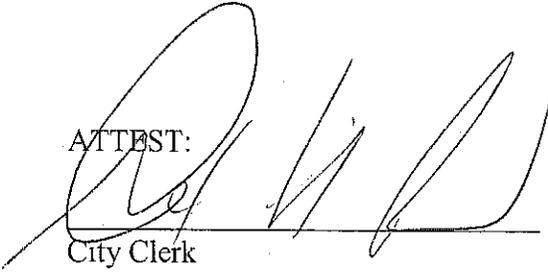
1. The issuance by the Issuer of the Bonds, in one or more tax-exempt or taxable series and in an aggregate principal amount not to exceed \$5,000,000, is approved for all purposes under the Act and the Code; and

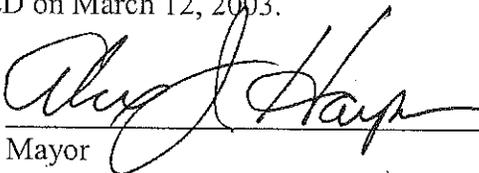
2. The appropriate officers of the City are hereby authorized and directed to do all such things to execute and deliver all such documents on behalf of the City as may be necessary or desirable to effectuate the intent of this Resolution and the Resolutions of the Issuer in connection with the Bonds; and

3. It is intended that the Certificate shall constitute approval by the City with respect to the issuance of the Bonds pursuant to (i) Section 35-721.B of the Act, and (ii) Section 147(f) of the Code.

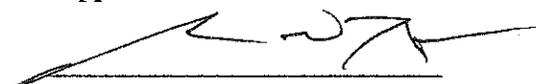
PASSED, ADOPTED, AND APPROVED on March 12, 2003.

ATTEST:


City Clerk


Mayor

Approved as to form:


City Attorney

Attachments: Notice of Public Hearing – *The Daily Territorial*
Notice of Public Hearing – *The Sun*