

No. 83-B-34

RESOLUTION

JUL 25 1983

APPROVING THE ISSUANCE OF
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT REVENUE BONDS
(BEVERLY ENTERPRISES-FLORIDA, INC. PROJECT), SERIES 1983
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000

WHEREAS, the Board of County Commissioners of Orange County declared a need for the Orange County Industrial Development Authority (the "Authority"), appointed its members and empowered it to act under the provisions of Chapter 159 Part III of the Florida Statutes; and,

WHEREAS, the Authority on July 20, 1983, following the public hearing (the "Public Hearing") held pursuant to the Notice of Public Hearing published in the Orlando Sentinel and attached hereto as Exhibit "A" (the "Notice") adopted the resolution attached hereto as Exhibit "B" (the "Resolution") providing for the issuance of a principal amount not to exceed \$4,500,000 of Orange County Industrial Development Authority Industrial Development Revenue Bonds (Beverly Enterprises-Florida, Inc. Project), Series 1983 (the "Bonds") for acquisition, construction and equipping of the therein described industrial or manufacturing plant for Beverly Enterprises-Florida, Inc., (the "Project") in Orange County; and,

WHEREAS, the Board of County Commissioners of Orange County has jurisdiction over Orange County; and,

WHEREAS, the Board of County Commissioners of Orange County has been furnished with a copy of the Notice and of the minutes or extracts of the minutes of the Meeting and Public Hearing of the Authority held on July 20, 1983 with respect to the Authority's approval of the Resolution indicating that the Notice apprised residents of Orange County of the proposed issuance of the Bonds not less than 14 days before the Public Hearing and that the Public Hearing was conducted in a manner which provided a reasonable opportunity for persons with differing views on both the issuance of the Bonds and the location and nature of the Project to be heard; and,

WHEREAS, the Board of County Commissioners has been requested by the Authority to consider and approve the Authority's issuance of the Bonds in compliance with the provisions of Section 103(k) of the Internal Revenue Code of 1954, as amended;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Orange County as follows:

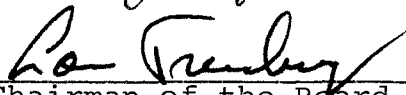
1. Issuance of the Bonds by the Authority in a principal amount not to exceed \$4,500,000 of Orange County Industrial

Development Authority Industrial Development Revenue Bonds (Beverly Enterprises-Florida, Inc. Project), Series 1983 as contemplated by the Resolution is hereby approved.

2. This approval is intended to comply with the provisions of Section 103(k) of the Internal Revenue Code of 1954, as amended.

3. Nothing contained in this approval shall be deemed to create any obligation or obligations of Orange County, Florida or the Board of County Commissioners of Orange County.

ADOPTED as of this 25th day of July, 1983 and effective immediately upon its adoption.



Chairman of the Board of
County Commissioners



Deputy Clerk of the Board
of County Commissioners

11 PUBLIC HEARING NOTICES

NOTICE OF PUBLIC HEARING ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A public hearing will be held by the OCIDA to consider and act on approval for purposes of Section 103(k) of the Internal Revenue Code of 1954, as amended, of bond issues for the projects listed below:

1. Maximum 2,500,000 of industrial development revenue bonds for Laser Photonics, Inc., lessee, City National Bank of Miami Land Trust #500-7163 as lessor and Industrial Park Development Corporation and JS & B Investments with beneficial interest. Project is to construct a 38,000 sq.ft. building in the Central Florida Research Park in unincorporated Orange County, Florida to be used as a Research and Development Facility.
2. Maximum \$3,500,000 in industrial development revenue bonds for General Accident Insurance Company. Project is to construct a building for use as a home office in Maitland Center, located in the N.W. section of the City of Maitland, Florida.
3. Maximum \$2,500,000 of industrial development revenue bonds for Centra Care Medical Centers, Adventist Health System/Sunbelt Health Care Corporation. Project is to construct emergency medical clinics at Lee Road and I-4 and at Osceola Street and Michigan Street, both in unincorporated Orange County, Florida.

4. Maximum \$1,500,000 of industrial development revenue bonds for Regal Marine Industries, Inc. and Marketing Business Associates Ltd. Project is to construct a 50,000 sq.ft. building for the manufacture of boats at Jetport Drive and the Bee Line Expressway in unincorporated Orange County, Florida.

5. Maximum \$4,500,000 of industrial development revenue bonds for Beverly Enterprises. Project is the construction of a 42,000 sq.ft. long term health care facility on U.S. 441 between Rosemond Drive and Clarcona-Ocoee Road east of Cinderland Parkway in unincorporated Orange County, Florida.

The above bond issues will be considered by the Authority and, if preliminarily approved, such approval will be immediately followed by a public hearing wherein members of the public will be given a reasonable opportunity to express their views on the issuance of bonds and the location and nature of the proposed projects. The public meeting preceding the public hearing will be held on Wednesday, July 20, 1983, and will begin at 2:00 P.M. in Suite 890, Hartford Building, 200 East Robinson Street, Orlando, Florida and the public hearing, if any will immediately follow at the same location.

If a person desires to appeal any decision made by the Orange County Industrial Development Authority with respect to any matter considered at this meeting or hearing, he will need a record of the proceedings, and, for such purpose, he may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

LS-348(5) July, 1983

EXHIBIT B

BOND RESOLUTION

RESOLUTION OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS (BEVERLY ENTERPRISES-FLORIDA, INC. PROJECT) SERIES 1983 IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000, TO FINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLING OF A PROJECT IN ORANGE COUNTY, FLORIDA; AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT PROVIDING FOR THE PAYMENT OF AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SAID BONDS AND PROVIDING FOR THE LOAN OF BOND PROCEEDS TO BEVERLY ENTERPRISES-FLORIDA, INC.; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH SUCH BONDS ARE TO BE ISSUED; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS.

WHEREAS, Orange County Industrial Development Authority (the "Issuer"), a public body corporate and politic organized and existing under the laws of the State of Florida, is a political subdivision of the State of Florida (the "State");

WHEREAS, the Issuer has full power and is duly authorized by law to issue and sell its obligations for the purposes contemplated herein, pursuant to the provisions of the Florida Industrial Development Financing Act, being Parts II and III of Chapter 159, Florida Statutes, as amended, (the "Act");

WHEREAS, the Issuer now intends to issue, sell and deliver its Industrial Development Revenue Bonds (Beverly Enterprises-Florida, Inc. Project) Series 1983 (the "Bonds"), to pay the cost of acquisition, construction, equipping and installing of a health care facility constituting a "project" within the meaning of the Act, to be located within the boundaries of Orange County, Florida (the "Project"), including necessary expenses incidental thereto;

WHEREAS, on November 18, 1982, the Issuer adopted a Resolution and Memorandum of Agreement (collectively, the "Inducement Resolution") indicating its intent to issue revenue bonds to enable Beverly Enterprises-Florida, Inc., a California corporation (the "Company"), to finance the Project;

WHEREAS, the terms and provisions of said revenue bonds have now been substantially determined and resolved and said revenue bonds shall be issued in the form of the Bonds with the terms and provisions set forth herein and in the hereinafter-defined Indenture;

WHEREAS, the Issuer proposes to execute and deliver a Loan Agreement dated as of August 1, 1983 (the "Agreement") between the Issuer and the Company pursuant to which Agreement the Issuer will loan the proceeds of the Bonds to the Company;

WHEREAS, the Issuer has determined that the payments required from the Company under the Agreement will be sufficient to pay the principal of, premium, if any, and interest on the Bonds;

WHEREAS, the Issuer, as further security for the Bonds, will execute the Indenture of Trust dated as of August 1, 1983 (the "Indenture") between the Issuer and NCNB National Bank of North Carolina, Charlotte, North Carolina, trustee (the "Trustee"), pursuant to which the Issuer will pledge the income and revenues received under the Agreement as security for the Bonds;

WHEREAS, as further security for the Bonds, the Company will execute a Mortgage and Security Agreement dated as of August 1, 1983 (the "Mortgage"), in favor of the trustees named therein, pursuant to which Company grants a mortgage lien in and to its interests in that portion of the Project consisting of real property and improvements thereto and a security interest in and to that portion of the Project consisting of personal property;

WHEREAS, as further security for the Bonds, Beverly Enterprises, a California corporation and owner of all the outstanding capital stock of the Company ("Beverly"), will execute a Guaranty Agreement dated as of August 1, 1983 (the "Guaranty"), in favor of the Trustee, pursuant to which Beverly unconditionally guarantees payment of the principal of, premium, if any, and interest on the Bonds and the Company's payment obligations under the Agreement;

WHEREAS, the Company has requested the Issuer to sell the Bonds on a negotiated basis as a private placement to Merrill Lynch Capital Markets, Merrill Lynch Pierce Fenner & Smith Incorporated (the "Original Purchaser"), pursuant to the terms of a Contract of Purchase (the "Contract of Purchase"), between the Issuer and the Original Purchaser.

WHEREAS, the Original Purchaser has provided to the Issuer a form of disclosure statement (the "Disclosure Statement") contemplated by Section 218.385, Florida Statutes, as supplemented and amended, for filing with the Issuer prior to the negotiated sale of the Bonds by the Issuer;

WHEREAS, it is proposed that the Issuer approve the execution and delivery of a final Official Statement (the "Official Statement") in connection with the issuance and sale of the Bonds.

WHEREAS, it is necessary that the Issuer designate NCNB National Bank of North Carolina, Charlotte, North Carolina as Trustee under the Indenture;

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the Issuer;

- A. The Agreement;
- B. The Indenture;
- C. The Mortgage;
- D. The Guaranty;
- F. The Disclosure Statement;
- G. The Official Statement; and
- H. The Contract of Purchase.

WHEREAS, on the basis of the foregoing, the Issuer has determined that the Project will improve living conditions and health care in the State and Orange County, and that the Issuer, in assisting with the financing of the acquisition, construction, equipping and installing of the Project, will be acting in furtherance of the public purposes of the Act; and

WHEREAS, the Issuer has determined that it is appropriate for the Issuer to issue its revenue bonds and use the proceeds thereof for the purposes set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the Issuer as follows:

1. It is hereby ascertained, determined and declared as follows:

A. The Issuer is authorized and empowered by the Act to acquire, construct, reconstruct, improve, rehabilitate and equip, own, sell, lease, exchange, transfer and otherwise dispose of projects, as defined in the Act, including health care facilities, including land, rights in land, buildings and other structures, machinery, equipment, appurtenances and

facilities incidental thereto, and other improvements necessary or convenient therefor, and to issue its revenue bonds for the purposes of paying all or any part of the cost of any project, all to improve the prosperity and welfare of the State and its inhabitants, to improve living conditions and health care in the State, and to improve purchasing power and opportunities for gainful employment.

B. The Project constitutes and will constitute a "project" within the meaning of the Act.

C. The Project is desirable and will further the public purposes of the Act, in that it will improve the prosperity and welfare of the State and its inhabitants, improve living conditions and health care in the State, and improve purchasing power and opportunities for gainful employment, for the Issuer to issue and sell the Bonds for the purpose of providing funds to pay all or part of the cost of the Project, and to loan the proceeds from the sale of the Bonds to the Company, as provided herein.

D. Considering the nature of the Project and the Agreement to be entered into by the Issuer and the Company, the Project is appropriate to the needs and circumstances of, and shall make a significant contribution to the growth of, Orange County, shall provide or preserve gainful employment, and shall serve a public purpose by advancing the economic prosperity, the public health and the general welfare of the State and its people as set forth in the Act.

E. Based upon the financial information about the Company and the Guarantor filed with the Issuer, the Company and the Guarantor are financially responsible and fully capable and willing to fulfill their obligations under the Agreement, including the obligation to make payments in the amounts and at the times required, to operate, maintain and repair the Project at their own expense and to carry out the other responsibilities to be imposed under the Agreement, due consideration having been given to the Company's and the Guarantor's ratio of current assets to current liabilities, net worth, earning trends, coverage of all fixed charges, the nature of the nursing home industry, its inherent stability, and other factors determinative of the capability of the Company and the Guarantor, financially and otherwise, to fulfill their obligations consistently with the purposes of the Act.

F. The Project will comply with all applicable building and zoning laws and Orange County is or 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.

G. Adequate provision is made under the Agreement for the operation, repair and maintenance of the Project at the expense of the Company and for the payment of the principal of, premium, if any, and interest on the Bonds when and as the same become due and payable, and for the payment by the Company of all other costs incurred by the Issuer in connection with the financing, construction and administration of the Project which are not paid out of the proceeds from the sale of the Bonds or otherwise.

H. The costs to be paid from the proceeds of the Bonds shall be costs of a project within the meaning of the Act.

I. A negotiated sale of the Bonds is required and necessary, and is in the best interest of the Issuer, for the following reasons: the Bonds will be special and limited obligations of the issuer payable solely out of revenues and proceeds derived by the Issuer from the Project, and the Company will be obligated for the payment of all costs of the Issuer in connection with the financing, construction and administration of the Project which are not paid out of the Bond proceeds or otherwise and for operation and maintenance of the Project at no expense to the Issuer; the cost of issuance of the Bonds, which will be borne directly or indirectly by the Company, would be greater if the Bonds are sold at public sale by competitive bids than if the Bonds are sold at negotiated sale, and a public sale by competitive bids would cause undue delay in the financing of the Project; revenue bonds having the characteristics of the Bonds are typically and usually sold at negotiated sale; the Company has indicated that it may be unwilling to proceed with the Project unless a negotiated sale of the Bonds is authorized by the Issuer; and authorization of a negotiated sale of the Bonds is necessary in order to serve the purposes of the Act.

2. The acquisition, construction, equipping and installing of the Project as provided in the Agreement are hereby authorized.

3. For the purpose of paying the cost, in whole or in part, of acquisition, construction, equipping and installing the Project, the issuance of revenue bonds of the Issuer to be known as "Orange County Industrial Development Authority

Industrial Development Revenue Bonds" (Beverly Enterprises-Florida, Inc. Project) Series 1983, is hereby authorized. The Company has agreed that if Bond proceeds are not sufficient to pay all of the costs of acquisition, construction, equipping and installing of the Project, the Company will pay all such excess costs in order to complete the acquisition, construction, equipping and installing of the Project. Any such payments made by the Company shall in no manner affect or reduce the payments required by the Agreement.

4. The Bonds will be dated as provided in the Indenture, and shall mature on August 1, 2010. Prior to the Conversion Date (as defined in the Indenture), the Bonds shall bear interest at a floating rate not to exceed fifteen percent (15%) per annum, and from and after the Conversion Date, the Bonds will bear interest at a fixed rate calculated as set forth in the Indenture, all as provided in the Indenture.

The Bonds shall not be deemed to constitute a debt, liability or obligation of the Issuer, the State, or of any political subdivision thereof, or a pledge of the faith and credit of the Issuer, the State, or any political subdivision thereof, but shall be payable solely from the moneys pledged therefor. The Issuer shall not be obligated to pay the Bonds nor the interest thereon except from the revenues and proceeds pledged therefor, and neither the faith and credit nor the taxing power of the Issuer, the State, or of any political subdivision thereof, is pledged to the payment of the principal of or the interest on the Bonds. The Bonds are not general obligations, but are limited obligations of the Issuer, and except to the extent payable from Bond proceeds and income from the investments thereof, are payable solely from, and secured by a pledge of, specific revenues and amounts derived by the Issuer under the Agreement or in connection with the Project.

The form of the Bonds and the provisions for signatures, authentication, payment, registration and redemption shall be substantially as set forth in the Indenture hereinafter authorized.

The Bonds shall be issued in a principal amount not to exceed \$4,500,000.

5. The payments by the Company under the Agreement (other than payments of certain expenses of Issuer relating to the Project and the Bonds) are sufficient to pay the principal of, premium, if any, and interest on the Bonds as

the same become due and payable, and said payments shall be pledged for that purpose pursuant to the Indenture.

6. The execution, delivery and performance of the Agreement and the Indenture are hereby authorized. The Agreement and the Indenture shall be in substantially the forms submitted at this meeting, with such changes, insertions or omissions as may be approved by the Chairman or Vice-Chairman of the Issuer, whose approval thereof shall be conclusively evidenced by his execution of each such instrument.

7. The execution and delivery of the Bonds to the Trustee for authentication and the authentication and redelivery of the authenticated Bonds to or upon the order of the Original Purchaser or its duly authorized attorney-in-fact against receipt by the Trustee of the purchase price for the Bonds, are hereby authorized.

8. The Secretary or Assistant Secretary of the Issuer is hereby authorized to attest and affix the seal of the Issuer to the Bonds, the Indenture, the Agreement, and any other document executed by the Chairman or Vice-Chairman pursuant to this Resolution.

9. NCNB National Bank of North Carolina, Charlotte, North Carolina, is hereby designated Trustee under the Indenture, and paying agent and bond registrar for the Bonds.

10. The sale and delivery of the Bonds to the Original Purchaser is hereby approved, subject to receipt by the Issuer prior to the issuance of the Bonds of an executed Disclosure Statement. The execution, delivery and performance of the Contract of Purchase and the execution and delivery of the Official Statement are hereby authorized. The Contract of Purchase and Official Statement shall be in substantially the forms submitted at this meeting, with such changes, insertions or omissions as may be approved by the Chairman or Vice-Chairman of the Issuer, whose approval thereof shall be conclusively evidenced by his execution of each such document. The Disclosure Statement shall be in substantially the form submitted at this meeting, with such changes, insertions or omissions as may be approved by the Chairman or Vice Chairman of the Issuer, whose approval thereof shall be conclusively evidenced by his execution of the Contract of Purchase.

11. The Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Issuer are hereby authorized to do and perform all such things and acts as each shall deem

necessary or appropriate in furtherance of the issuance of the Bonds and the carrying out of the transactions authorized by this Resolution or contemplated by the instruments referred to in this Resolution.

12. The Chairman or Vice-Chairman of the Issuer is authorized to make an election pursuant to Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended, and to sign and file or cause to be filed all documents necessary to accomplish and perfect such election and such election and all actions heretofore made and taken or caused to be taken are in all respects approved, ratified and confirmed.

13. The Indenture, the Agreement, the Mortgage, the Guaranty, the Disclosure Certificate, the Official Statement and the Contract of Purchase are incorporated herein by reference thereto.

14. No covenant, obligation or agreement herein contained or contained in the Indenture or the Agreement shall be deemed to be a covenant, obligation or agreement of any officer, member, agent or employee of the Issuer in his individual capacity, and no such officer, member, agent or employee of the Issuer shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

15. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity thereof shall not affect the remaining provisions.

16. The dates of any of the documents referred to herein may be changed without any further action by the Issuer, and the execution of the same by the Chairman or Vice-Chairman shall be sufficient in all respects to evidence the approval of said change by the Issuer.

17. All motions, orders, resolutions, and parts thereof, in conflict herewith, are hereby repealed, and this

Resolution shall take effect and be in force immediately after its passage and approval.

Adopted this 20th day of July, 1983.

ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

By: _____
Chairman

ATTEST:

Secretary (SEAL)