

JUN 25 1984

#84-B-16

RESOLUTION

APPROVING THE ISSUANCE OF
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT REVENUE BONDS
(BEVERLY ENTERPRISES)
IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$4,400,000

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 June 20, 1984, 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 maximum aggregate principal amount of \$4,400,000 of Orange County Industrial Development Authority Industrial Development Revenue Bonds (Beverly Enterprises) (the "Bonds") for acquisition, construction and equipping of the therein described health care facility for Beverly Enterprises (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 June 20, 1984, 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 under the provisions of Section 125.01(1)(z) of the Florida Statutes, as amended, and 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 maximum aggregate principal amount of \$4,400,000 of Orange County Industrial Development Authority Industrial Development Revenue Bonds (Beverly Enterprises Project) as contemplated by the Resolution is hereby approved.

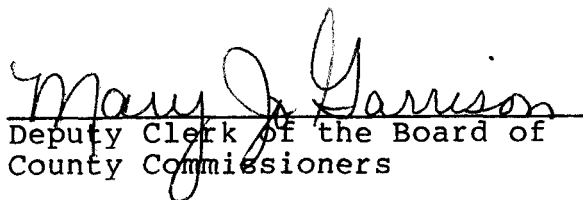
2. This approval is intended to comply with the provisions of Section 125.01(1)(z) of the Florida Statutes, as amended, and Section 103(k) of the Internal Revenue Code of 1954, as amended.

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 June, 1984, and effective immediately upon its adoption.



VICE Chairman of the Board of
County Commissioners



Deputy Clerk of the Board of
County Commissioners

State of Florida)
COUNTY OF ORANGE) SS.

Before the undersigned authority personally appeared
Catherine Deering

_____ , who on oath says that
she is the Legal Advertising Representative of the Orlando Sentinel, a Daily newspaper
published at Orlando, in Orange County, Florida; that the attached copy of ad-
vertisement, being a Notice of Public Hearing in the matter of
Orange County Industrial Development

Authority _____ in the _____ Court,
was published in said newspaper in the issues of _____
June 6, 1984

Affiant further says that the said Orlando Sentinel is a newspaper published at Orlando, in
said Orange County, Florida, and that the said newspaper has heretofore been continuously
published in said Orange County, Florida, each Week Day and has been entered as second-
class mail matter at the post office in Orlando, in said Orange County, Florida for a period of
one year next preceding the first publication of the attached copy of advertisement; and af-
fiant further says that he/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]
_____ day

Sworn to and subscribed before me this 6th
of June 84 A.D., 19

Virginia H. Hollingsworth

Notary Public, State of Florida at Large Notary Public
My Commission Expires July 13, 1985
Bonded by American Fire & Casualty Co. FORM NO. AD-262



NOTICE OF PUBLIC HEARING
ORANGE COUNTY
INDUSTRIAL DEVELOPMENT
AUTHORITY

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

1. Maximum of \$3,500,000 of industrial development revenue bonds for General Accident Insurance Company of America, Pennsylvania General Insurance Company, Camden Fire Insurance Association and Potomac Insurance Company of Illinois to acquire approximately 4.5 acres of land in the Maitland Center, in the City of Maitland, in North Orange County and construct, furnish and equip a two-story, 34,000 square foot office building to be used as a regional headquarters facility by the companies in the selling, underwriting and servicing of insurance policies.
 2. Maximum of \$2,700,000 of industrial development revenue bonds for KDI American Products, Inc., to be guaranteed by its parent corporation, KDI Corporation, to acquire approximately 4.5 acres of land and construct, furnish and equip an approximately 40,000 square foot manufacturing and distribution facility in the Regency Industrial Park in South Orange County.
 3. Maximum of \$4,400,000 of industrial development revenue bonds for Beverly Enterprises, to acquire approximately 5 acres of land and construct and equip an approximately 42,000 square foot, 180 bed intermediate and skilled nursing care home facility on the South side of Lake Underhill Road, approximately 700 feet East of Goldenrod Road in East Orange County.
 4. Maximum of \$1,700,000 of industrial development revenue bonds for W. Durward Alexander and Carley Zell to acquire approximately 7.5 acres of land and construct, furnish and equip an approximately 106,000 square foot addition to their existing approximately 79,000 square foot warehouse located in the Regency Industrial Park in South Orange County. The existing facility is, and the proposed addition will be, leased to Z Trucking & Forwarders, Inc.
- Members of the public will be given a reasonable opportunity to express their views on the issuance of the bonds and the location and nature of the proposed project at the public hearing which will be conducted as a part of the Authority's regular monthly public meeting to be held on Wednesday, June 20, 1984 at 2:00 p.m. in Suite 890, Hartford Building, 200 East Robinson Street, Orlando, Florida.
- If a person decides 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.

June 6, 1984
ORANGE COUNTY
INDUSTRIAL
DEVELOPMENT
AUTHORITY
By: Roy L. Harris, Jr.
Title: Secretary

RESOLUTION OF THE ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY TO INDUCE BEVERLY
ENTERPRISES TO ACQUIRE, CONSTRUCT, IMPROVE
AND EQUIP A HEALTH CARE FACILITY TO BE
LOCATED IN ORANGE COUNTY, FLORIDA

WHEREAS, the Orange County Industrial Development Authority (the "Authority") has been informed by Beverly Enterprises, a California corporation, that Beverly Enterprises, or a legal entity formed by it for purposes of acquiring, constructing, improving and equipping the hereinafter-defined Project (collectively, the "Company") is planning the acquisition, construction, equipping and installing of land, buildings and related machinery, equipment and personal property constituting a health care facility, specifically, a 180-bed intermediate and skilled care nursing home to be situated on approximately 5 acres of land located in Orange County, Florida (the "Project"); and

WHEREAS, the Company has estimated that the acquisition, construction, equipping and installing of the Project will require expenditures of approximately \$4,400,000; and

WHEREAS, the Authority believes that the Project as proposed will promote the economic growth of the State of Florida (the "State"), provide gainful employment and advance the economic prosperity and the growth and general welfare of

the State and its people by improving living conditions and health care and thereby implement the purposes of government under the Constitution of the State by providing for the health, safety and welfare of the people of the State, and that the Authority, in assisting with the financing of the acquisition, construction, equipping and installing of the Project, will be acting in furtherance of the public purposes for which it was created; and

WHEREAS, the Authority has further determined that the most feasible method of financing the Project is for the Authority to issue its revenue bonds ("Bonds") and either (i) use the proceeds thereof to acquire, construct, equip and install the Project and to lease or sell the Project to the Company pursuant to a lease or installment sale agreement in which the Company will agree to pay lease payments or installment purchase payments in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds, or (ii) lend the proceeds of the Bonds to the Company to enable the Company to acquire, construct, equip and install the Project pursuant to a loan agreement in which the Company will agree to make loan repayments in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds, all as may be determined by resolution of the Authority; and

WHEREAS, the Authority has further determined that it is in the best interests of the inhabitants of Orange County that the Project move forward without delay;

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

1. That in order to indicate its willingness to issue the Bonds to finance, in whole or in part, the acquisition, construction, equipping and installing of the Project, the execution and delivery to the Company of a Memorandum of Agreement is hereby authorized, said Memorandum of Agreement to be in substantially the form attached hereto as Exhibit "A", subject to such minor changes, insertions and omissions as may be approved by the Authority, and the execution of said Memorandum of Agreement by the Chairman and Secretary of the Authority as herewith authorized shall be conclusive evidence of any such approval.

2. That the Authority does hereby declare its intention to authorize the issuance of and to issue the Bonds under and in accordance with the applicable laws of the State in an aggregate principal amount necessary to finance the cost of the acquisition, construction, equipping and installing of the Project and the expenses incidental to the issuance of the Bonds, currently estimated to be approximately \$4,400,000.

3. That the Chairman and Secretary of the Authority are hereby authorized to take any and all action and execute and deliver any and all other documents as may be necessary to authorize, issue and deliver the Bonds and to effect the undertaking for which the Bonds are to be issued.

4. That the Authority finds, intends, and declares that this Resolution shall constitute its official binding commitment, subject to the terms hereof, to issue the Bonds pursuant to State law in amounts prescribed by the Company and to expend or loan the proceeds thereof to acquire, construct, equip and install the Project in the manner hereinabove set forth. The Authority finds, considers and declares that the issuance and sale of the Bonds for the purpose set forth in this Resolution will be appropriate and consistent with the objectives of State law, and that the adoption of this Resolution is and constitutes the taking of affirmative official action by the Authority towards the issuance of said revenue bonds within the meaning of the United States Income Tax Regulations.


PROVIDED, HOWEVER, that the findings and resolutions contained in this Resolution and the Memorandum of Agreement attached hereto as Exhibit "A" are based upon representations and materials submitted by the Company, and the Authority assumes no liability for the correctness or accuracy of such representations and materials.

Adopted this 20th day of June, 1984.

ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

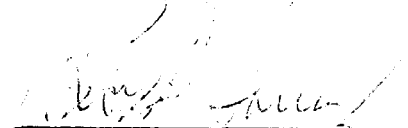
(SEAL)

By:



Chairman

Attest:



Secretary

EXHIBIT "A"

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is between the Orange County Industrial Development Authority (the "Authority"), and Beverly Enterprises, a California corporation (the "Company").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) The Authority is a public instrumentality of the State of Florida (the "State") and is authorized and empowered pursuant to the Florida Industrial Development Financing Act and the act entitled "Industrial Development Authorities", being Parts II and III of Chapter 159 of the Florida Statutes, as amended (the "Act") to issue revenue bonds ("Bonds") to finance the acquisition, construction, reconstruction, extension, equipment or improvement of a health care facility constituting a "project" within the meaning of the Act.

(b) In order to promote the economic growth of the State, provide gainful employment and advance the economic prosperity and the growth and general welfare of the State and its people by improving living conditions and health care and thereby implement the purposes of government under the

Constitution of the State by providing for the health, safety and welfare of the people of the State, the Authority proposes to finance the acquisition, construction, equipping and installing of certain buildings and related machinery, equipment and personal property comprising a health care facility, specifically, a 120-bed intermediate and skilled care nursing home and 12 leisure living units to be situated on approximately 5 acres of land located in Orange County, Florida at a site to be approved by the Authority (the "Project"); and to lease or sell the Project to the Company or to loan the proceeds from the sale of the Bonds to the Company to enable it to acquire, construct, equip and install the Project.

(c) In view of uncertainties in financing the Project, the Company is unwilling to let construction contracts and take other steps towards the realization of the Project without satisfactory assurances from the Authority that the proceeds of the sale of the Bonds of the Authority in the amount required to pay the cost of the Project and the expenses incidental to the issuance of the Bonds will be made available to finance the acquisition, construction, equipping and installing of said Project.

(d) Representatives of the Authority have indicated the willingness of the Authority to proceed with and effect such financing as an inducement to the Company to acquire, construct, equip and install the Project, and the Authority

has advised the Company that, subject to due compliance with all requirements of law and the obtaining of all necessary consents and approvals and to the happening of all acts, conditions and things required to exist, happen and be performed precedent to and in connection with such financing in due time, form and manner as required by law, the Authority, by virtue of such statutory and constitutional authority as may now exist or hereafter be conferred, will issue and sell the Bonds in the amount necessary to pay the cost of acquiring, constructing, equipping and installing the Project and the expenses incidental to the issuance of the Bonds, currently estimated to be approximately \$4,400,000. Based on such indications, the Company is willing to enter into such agreements as may be necessary for the acquisition, construction, equipping and installing of the Project.

(e) The Authority considers that the acquisition, construction, equipping and installing the Project and the leasing or sale of the same to the Company, or the loan of the proceeds from the sale of the Bonds to the Company to enable it to acquire, construct, equip and install the Project, will promote the economic growth of the State, provide gainful employment and advance the economic prosperity of the State and its people by improving living conditions and health care and thereby implement the purposes of government under the Constitution of the State by

providing for the health, safety and welfare of the people of the State.

2. Undertakings on the Part of the Authority. Subject to the conditions above stated, the Authority agrees as follows:

(a) That it will authorize and issue, or cause to be authorized and issued, the Bonds, pursuant to the terms of the Act as then in force, in an aggregate principal amount necessary to finance the cost of the Project and the expenses incidental to the issuance of the Bonds, currently estimated to be approximately \$4,400,000.

(b) That it will cooperate with the Company to endeavor to find a purchaser or purchasers for the Bonds, and if purchase arrangements satisfactory to the Authority and the Company can be made, it will adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds and the acquisition, construction, equipping and installing of the Project as aforesaid, and the leasing or sale of the Project to the Company or the loan of the proceeds from the sale of the Bonds to the Company, all as shall be authorized by law and mutually satisfactory to the Authority and the Company.

(c) That the financing agreement whereby the Project is leased or sold to the Company or whereby the proceeds from

the sale of the Bonds are loaned to the Company will provide for payments by the Company in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same become due and payable, and, if the Project is leased, will provide that the Company shall have an option to purchase the interest of the Authority in the Project for an aggregate amount equal to the amount required to retire the outstanding Bonds, plus an amount to be prescribed in such instrument which shall not, without the Company's consent and agreement, exceed one hundred dollars or such greater minimum amount as may be specified or required by law.

(d) That it will make such election or take such other action as may be necessary pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, to enable the interest on the Bonds to be exempt from federal income taxation.

(e) That it will take or cause to be taken such other acts, adopt such further proceedings, enter into such other agreements and execute such other documents as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Company. Subject to the conditions above stated, the Company agrees as follows:

(a) It will, from the date hereof, until the sale of the Bonds, provide a balance sheet and income statement of the Company in reasonable detail for and within fifty (50)

days following the end of each of the first three quarters of the Company's fiscal year and an audited balance sheet and income statement for and within one hundred and twenty (120) days of the end of the Company's fiscal year. Notwithstanding the Company's obligation to provide such financial statements, until sale of the Bonds, the Company shall within ten (10) days after its occurrence, notify the Authority of any material change, whether or not adverse, in the business, operations, or financial condition of the Company.

In the event that the Authority shall at any time prior to the sale of the Bonds determine in its sole discretion that there has been a material adverse change in the business, operations, or financial condition of the Company, whether or not such determination is based upon the financial statements or notices provided by the Company in accordance with this paragraph (a), the obligation of the Authority to issue and sell the Bonds shall, at the option of the Authority, be terminated.

(b) That it will use all reasonable efforts to find one or more purchasers for the Bonds in the aggregate principal amount as stated above; provided, however, that the terms of the Bonds and of the sale and delivery thereof shall be mutually satisfactory to the Authority and the Company.

(c) That it will enter into a contract or contracts for the acquiring, constructing, equipping and installing of the Project.

(d) That it will enter into the financing agreement which obligates it to make payments in an amount equal to the principal of, premium, if any, and interest on the Bonds as the same become due and payable, such financing agreement to contain the provisions required by law and such other provisions as shall be mutually acceptable to the Authority and the Company.

(e) That it will take or cause to be taken such other acts, enter into such other agreements and execute such other documents as may be required or as may be appropriate in connection with the issuance of the Bonds.

(f) That it will pay any taxes (including ad valorem property taxes), assessments or utility charges which may be lawfully levied, assessed or charged upon the Company, the Authority or the Project, or will make payments in lieu of taxes as may otherwise be required.

(g) That it will indemnify, defend and hold the Authority and the individual directors, officers, agents and employees thereof harmless against any claim of loss or damage to property or any injury or death of any person or persons occurring in connection with the acquisition, construction, equipping and installing of the Project. The Company also agrees to reimburse or otherwise pay on behalf

of the Authority any and all expenses not hereinbefore mentioned, incurred by the Authority in connection with the Project. This indemnity shall be superseded by a similar indemnity in the financing agreement executed in connection with the issuance of the Bonds, and, if the Bonds are not issued and delivered, this indemnity shall survive the termination of this Agreement.

4. General Provisions. If for any reason the Bonds are not issued and delivered within one year from the date hereof, the provisions of this Agreement shall, at the option of the Company to be evidenced in writing, be cancelled, and neither party shall have any rights against the other and no third parties shall have any rights against either party except:

(a) the Company will assume and be responsible for all contracts for purchase of machinery, equipment and related personal property entered into by the Authority at the written request or direction of the Company in connection with the Project; and

(b) the Company will pay the out-of-pocket expenses of directors, officers, agents and employees of the Authority, Counsel for the Authority and Bond Counsel incurred in connection with the Project and the proposed issuance of the Bonds and will pay Counsel for the Issuer and Bond Counsel reasonable fees for legal services related to the Project and the proposed issuance of the Bonds.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of this 20th day of June, 1984.

ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

By: _____
Chairman

[SEAL]

Attest:

Secretary

BEVERLY ENTERPRISES

By: _____
Title:

[SEAL]

Attest:

Title:

CERTIFICATE

I, _____, do hereby certify that I am the Secretary of the Orange County Industrial Development Authority and that the foregoing Resolution was duly adopted by the Authority at a regular meeting held on the 20th day of June, 1984.

Given under my hand and seal of the Orange County Industrial Development Authority this ____ day of _____, 1984.

Secretary, Orange County
Industrial Development Authority