

RESOLUTION NO. 87- B-14

RESOLUTION APPROVING THE ISSUANCE OF \$3,500,000
ORANGE COUNTY INDUSTRIAL DEVELOPMENT
FIRST MORTGAGE INDUSTRIAL DEVELOPMENT
REVENUE REFUNDING BONDS
(THE FLORIDA CONVALESCENT CENTERS, INC. PROJECT)
SERIES 1987
ON MOTION BY COMMISSIONER Marston,
SECOND BY COMMISSIONER Norman,
THE FOLLOWING RESOLUTION WAS ADOPTED AT THE
REGULAR MEETING OF THE BOARD OF COUNTY
COMMISSIONERS OF ORANGE COUNTY, FLORIDA
ON THE 26TH DAY OF OCTOBER, 1987

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

WHEREAS, Authority on October 20, 1987, following the public hearing held on October 20, 1987 pursuant to the Notice of Public Hearing published in The Orlando Sentinel and attached hereto as Exhibit "A", adopted the resolution attached hereto as Exhibit "B" (the "Resolution") providing for the issuance of an aggregate principal amount not to exceed \$3,500,000 Orange County Industrial Development Authority First Mortgage Industrial Development Revenue Refunding Bonds (The Florida Convalescent Centers, Inc. Project), Series 1987 (the "Bonds"), the proceeds of which will be used to refund those certain Orange County Development Revenue Bonds (The Florida Convalescent Centers, Inc. Project), Series 1986 (The "Series 1986 Bonds"), the proceeds of which were used to finance the cost of acquiring approximately 15 acres located at approximately the southeast corner of the intersection of Valencia College Lane and Econlockhatchee Trail in east Orange County and the construction and equipping thereon of a 60-bed intermediate and skilled nursing home (the "Project"); and

WHEREAS, the owner of the Project is the Florida Convalescent Centers, Inc. and the Project is presently and will continue to be managed by National Healthcorp, L.P.

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

WHEREAS, the Board of County Commissioners of Orange County has been furnished with a copy of the notice and of the minutes of the meeting and public hearing of the Authority held on October 20, 1987 with respect to the Authority's approval of the

APPROVED BY THE ORANGE COUNTY
COMMISSION AT THEIR MEETING
OCT 26 1987

Resolutions indicating that such notice apprised residents of Orange County of the proposed issuance of the Bonds not less than fourteen (14) days before the public hearing and that such 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 Authority to consider and approve Authority's issuance of the Bonds in compliance 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 1986, as amended;

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

1. Issuance by the Authority of not to exceed \$3,500,000 of Orange County Industrial Development Authority First Mortgage Industrial Development Revenue Refunding Bonds (The Florida Convalescent Centers, Inc. Project), Series 1987, 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 147(f) of the Internal Revenue Code of 1986, as amended.

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

ADOPTED this 26th day of October, 1987, and effective immediately upon its adoption.

* * * * *

ATTEST:

Robt M. Hight
Asst. Clerk to the Board of County Commissioners in and for the County of Orange, State of Florida

Len Trending
Chairman, Board of County Commissioners

Date: OCT 26 1987

(032/WP2029)

EXHIBIT A

The Orlando Sentinel

Published Daily
Orlando, Orange County, Florida

State of Florida) ss.
COUNTY OF ORANGE

Before the undersigned authority personally appeared _____
Donna Shaver

_____, 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 advertisement, 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 _____
September 28, 1987

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 affiant 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.

Donna Shaver

28th

Sworn to and subscribed before me this _____ day

of September _____ A.D., 19 87

Nancy A. Puglia

Notary Public

NOTARY PUBLIC, State of Florida at Large
My Commission Expires May 25, 1991
MERRILL LYNCH PIERCE FENNER SMITH INC. CO

FORM NO. AD-262

ADVERTISING CHARGE \$89.60

Sales Tax Not Included

NOTICE OF PUBLIC HEARING BY ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Notice is hereby given that on the 20th day of October, 1987 at 2:00 p.m. at the Industrial Development Commission of Mid-Florida Conference Room, in Suite 510, Landmark Building, 315 East Robinson Street, Orlando, Florida, a public hearing will be held concerning the proposed issuance by Orange County Industrial Development Authority (the "Authority") of its First Mortgage Industrial Development Revenue Refunding Bonds (the Florida Convalescent Centers, Inc., Project) Series 1987 (the "Bonds") in an aggregate principal amount not to exceed \$3,500,000.00. The proceeds of the Bonds will be used to refund those certain Orange County Industrial Development Authority First Mortgage Industrial Development Revenue Bonds (the "Florida Convalescent Centers, Inc. Project") Series 1986 which were used to finance the cost of acquiring approximately 15 acres located at approximately the southeast corner of the intersection of Valencia College Lane and Econlochatchee Trail in east Orange County and the construction and equipping thereon of a 60 bed intermediate and skilled nursing home (the "Project"). The owner of the Project is the Florida Convalescent Centers, Inc. The Project is presently and will continue to be managed by National Healthcorp L.P.

The Bonds, when and if issued, shall not be deemed to constitute a debt or pledge of the faith and credit or the taxing power of the County of Orange, State of Florida or any political subdivision thereof. Neither the State of Florida nor any political subdivision thereof, including the Authority or Orange County shall be obligated to pay the Bonds or the interest thereon or the costs incidental thereto except with the revenues and monies pledged therefor. Neither the faith and credit nor the taxing power of Orange County, the State of Florida or any political subdivision thereof is pledged to the payment of the principal on the Bonds, the interest thereon or other costs incidental thereto.

Any person interested in the issuance of the Bonds or the location and the nature of the Project to be financed with the Bonds may appear and present his or her views at such a public hearing.

If a person decides to appeal any decision made by the 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.

This is the 24th day of September, 1987.

Orange County Industrial
Development Authority
By: Roy L. Harris, Jr.
Title: Secretary

CL-313

Sept. 28, 1987

EXHIBIT B

RESOLUTION NO. 87- 002

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, ORANGE COUNTY, FLORIDA, OF A LETTER OF INTENT AND INDUCEMENT AGREEMENT TO FLORIDA CONVALESCENT CENTERS, INC., A FLORIDA CORPORATION, OR ITS SUCCESSORS AND ASSIGNS, WITH RESPECT TO THE AUTHORITY'S ISSUANCE OF VARIABLE RATE DEMAND/FIXED RATE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$3,500,000 TO REFINANCE THE COSTS OF CONSTRUCTION AND EQUIPPING OF A HEALTH CARE FACILITY CONSISTING OF A 60 BED NURSING HOME; SCHEDULING A PUBLIC HEARING TO CONSIDER THE ISSUANCE OF SUCH BONDS: AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of Chapter 159, Parts II and III, Florida Statutes, as amended and other applicable provisions of law (the "Act").

Section 2. FINDINGS. It is hereby ascertained, determined and declared as follows:

A. The Orange County Industrial Development Authority, Orange County, Florida (the "Issuer") is a duly created Industrial Development Authority created under Chapter 159, Part III, Florida Statutes, and constitutes a local agency within the meaning of the Act and is authorized by the Act to make and execute financing agreements, contracts, deeds and other instruments necessary or convenient for the purpose of facilitating the financing of the acquisition, construction and equipping of projects as defined in the Act, including machinery, equipment, land, rights in land and other appurtenances and facilities related thereto, to the end that the Issuer may be able to promote the economic growth of the State of Florida, increase opportunities for gainful employment and otherwise contribute to the welfare of the State of Florida and its inhabitants, and to finance the cost of such projects by the issuance of its revenue bonds.

B. The Issuer did on June 20, 1986, issue its Bonds, Series 1986 (Florida Convalescent Centers, Inc. Project) and loaned the proceeds thereof to Florida Convalescent Centers,

Inc., a Florida corporation (the "Borrower"), to finance the Borrower's acquisition of certain real property containing approximately fifteen acres located at the southwest corner of Valencia College Lane and Econlockhatchee Trail in Orange County, Florida, and the construction and equipping thereon of a health care facility consisting of a 60 bed nursing home.

C. The Borrower has determined that its obligations under the Series 1986 should be refinanced and has requested that the Issuer indicate to the Borrower, through this resolution, that it will take affirmative official action toward the issuance of industrial development revenue refunding bonds in the aggregate principal amount of \$3,500,000.

D. The location of the Project in the Issuer's area of operation has made a significant contribution to the economic growth of the area of operation of the Issuer, shall continue to provide gainful employment, and shall continue to serve a public purpose by advancing the economic prosperity and the general welfare of the State of Florida and its people. The Project continues a "health care facility" within the meaning of the Act.

E. Giving due regard to the ratio of the Borrower's current assets to its current liabilities, net worth, earnings trends, coverage of all fixed charges, the nature of its business and the industry in which it is involved, its inherent stability, and all other factors determinative of the Borrower's capabilities, financial and otherwise, of fulfilling their obligations consistently with the purposes of the Act, the Borrower is financially responsible and fully capable and willing to fulfill its obligations under the proposed financing agreement, including the obligation to make the payments thereunder in the amounts and at the times required pursuant to the terms of the Loan Agreement and the obligation to repair and maintain the Project, and the Borrower is desirous of serving the purposes of the Act and is willing and capable of fully performing all other obligations and responsibilities imposed upon it by the provisions of the proposed financing agreement.

F. Orange County is able to cope satisfactorily with the impact of the Project, and all the necessary public facilities, utilities and services that will be necessary for the operation, repair, improvement and maintenance of the Project and on account of any increase in population or other circumstances resulting by reason of the location of the Project within the area of operation of the Issuer are available now or can be provided when needed.

G. Adequate provision will be made under the terms of the proposed financing agreement for the repair and maintenance of the Project at the expense of the Borrower, and for the payment

of the principal of and premium, if any, and interest on the bonds.

H. Neither the State of Florida, nor the Issuer, nor any other political subdivision of said state shall be obligated to pay the principal of, premium, if any, or interest on the bonds or other costs incident thereto and all payments required under the proposed financing agreement shall be payable solely from the proceeds derived by the Issuer under the proposed financing agreement, and the Issuer shall never be required to (i) levy ad valorem taxes on any property within its area of operation to pay the principal of and premium, if any, and interest on the bonds or to make any other payments provided for under the proposed Loan Agreement or Indenture, or (ii) pay the same from any funds of the Issuer other than those derived by the Issuer under the Indenture and Loan Agreement; and such bonds shall not constitute a lien upon any property owned by or situated within the area of operation of the Issuer except the Project, in the manner provided in the Loan Agreement and the Indenture. Neither the taxing power nor the full faith and credit of the State of Florida, the Issuer or any other political subdivision of said state is pledged to the payment of the principal of, premium, if any, or interest on the bonds or other costs incident thereto, but such bonds are limited special obligations of the Issuer. No member or officer of the Issuer shall be subject to any personal liability by reason of the issuance of the bonds.

I. The payments to be made by the Borrower to the Trustee under the financing agreement will be sufficient to pay all principal of and interest on and premium, if any, for the Bonds as the same shall become due, and to make all other payments required by the Loan Agreement and the Indenture.

J. The Borrower's performance of its obligations, financial and otherwise, under the financing agreement shall continue to be secured by a first mortgage lien on real property and a security interest in the project furnishings, machinery and equipment for the benefit and protection of the bondholders.

K. The costs to be paid from the proceeds of the bonds will be costs of a project within the meaning of the Act.

L. Prior to issuance of the bonds, the Issuer will receive an opinion of nationally recognized bond counsel to the effect that the interest on the bonds will be exempt from federal income taxation under existing laws of the United States.

Section 3. AUTHORIZATION OF EXECUTION AND DELIVERY OF INDUCEMENT LETTER. The Chairman of the Issuer is hereby authorized to execute, and the Secretary of the Issuer is hereby authorized to attest, the Issuer's letter or letters addressed to the Borrower and its affiliates in substantially the form

attached to this resolution as Exhibit "A" and hereby incorporated herein, with such changes therein, whether made prior to the execution thereof or thereafter, as shall be approved from time to time by such officers executing the same, such approval to be conclusive evidence by their execution thereof.

Such officers and all other proper officers, commissioners, directors, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute such further agreements and take such further action as shall be necessary to carry out the intent and purposes expressed in such letter attached as Exhibit "A", upon becoming an agreement on its execution by the Borrower, and are further authorized to take such other steps and actions as may be required and necessary in order to issue such bonds.

Section 4. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

(Seal)

Chairman

Attest:

Secretary

Adopted: _____

(032/WP2027)