

AUG 24 1999 AD/BS

A RESOLUTION of the Board of County Commissioners of Orange County, Florida approving the issuance by the Orange County Health Facilities Authority of its Hospital Revenue Bonds (Orlando Regional Healthcare System), in one or more series and in an aggregate principal amount not to exceed \$400,000,000 and the loan of the proceeds thereof to Orlando Regional Healthcare System, Inc., a Florida not-for-profit corporation.

WHEREAS, the Orange County Health Facilities Authority (the "Authority") has been created by the Board of County Commissioners of Orange County, Florida (the "Board of County Commissioners") pursuant to the Health Facilities Authorities Law, Part III of Chapter 154, Florida Statutes (the "Authority Act"), and is also a "local agency" under the Florida Industrial Development Financing Act, Part II of Chapter 159, Florida Statutes (the "Industrial Act"), and is authorized under the Authority Act and the Industrial Act to issue revenue bonds for the purpose of financing and refinancing health care facilities for not-for-profit corporations; and

WHEREAS, the Authority is authorized under the Florida Interlocal Cooperation Act of 1969, Section 163.01, Part I, Chapter 163, Florida Statutes (the "Interlocal Cooperation Act"), to enter into agreements with other "public agencies," as defined in the Interlocal Cooperation Act, to exercise jointly with such other public agencies any power, privilege or authority which the Authority and such other public agencies share in common and which each might exercise separately; and

WHEREAS, Orlando Regional Healthcare System, Inc., a Florida not-for-profit corporation (the "Corporation"), has requested the Authority to issue its Hospital Revenue Bonds (Orlando Regional Healthcare System), in one or more series (the "Bonds") and in an aggregate principal amount not to exceed \$400,000,000 and to loan the proceeds from the sale of the Bonds to the Corporation; and

WHEREAS, the proceeds from the sale of the Bonds will be used for one or more of the following purposes: (a) to refund all or a portion of the Authority's \$125,000,000 in original aggregate principal amount of Hospital Revenue Bonds (Orlando Regional Healthcare System Project), Series 1993 (the "Series 1993 Bonds"), (b) to refund all or a portion of the Authority's \$96,475,000 in original aggregate principal amount of Hospital Revenue Bonds (Orlando Regional Healthcare System), Series 1993B (the "Series 1993B Bonds"), (c) to refund all or a portion of the Authority's \$127,915,000 in original aggregate principal amount of Hospital Revenue Bonds (Orlando Regional Healthcare System), Series 1996A (the "Series 1996A Bonds"), (d) to refund all or a portion of the Authority's \$53,705,000 in original aggregate principal amount of Hospital Revenue Bonds (Orlando Regional Healthcare System), Series 1996C (the "Series 1996C Bonds," and together with the Series 1996A Bonds, the "Series 1996 Bonds"), (e) to finance or refinance all or a portion of the costs of the acquisition by the Corporation of Lucerne Medical Center, (f) to finance, refinance, or reimburse the Corporation for its payment of the costs of certain capital improvements to and equipment for certain of the

health care facilities of the Corporation described below, (g) to fund a debt service reserve fund, (h) to pay credit enhancement fees, if credit enhancement for the Bonds is deemed advisable by the Authority and the Corporation, and (i) to pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of all or a portion of the Series 1993 Bonds, the Series 1993B Bonds and the Series 1996 Bonds; and

WHEREAS, all the facilities, capital improvements and equipment to be financed or refinanced with the proceeds of the Bonds are or will be owned by the Corporation or an affiliate of the Corporation and are or will be located at the following health care facilities of the Corporation: Lucerne Medical Center, located at 818 South Maine Lane, Orlando, Florida; Orlando Regional Medical Center, located at 1414 South Orange Avenue, Orlando, Florida; the Central Business Office of the Corporation located at 2501 Mercy Drive, Orlando, Florida; the Ambulatory Care Center located at 23 West Copeland Drive, Orlando, Florida; the Medical Center Outpatient Education Center located at 89 West Copeland Drive, Orlando, Florida; Arnold Palmer Hospital for Children and Women, located at 92 West Miller Street, Orlando, Florida; other health care and related facilities of the Corporation in Orlando, Florida, within the area bounded generally by Orange Avenue on the east, Columbia Street on the north, Sligh Boulevard on the west, and Bonnie Loch Court on the south; Sand Lake Hospital, located at 9400 Turkey Lake Road, Orlando, Florida; and St. Cloud Hospital, located at 2906 17th Street, St. Cloud, Florida; and

WHEREAS, the portion of the Bonds to be issued for the Project located outside of the geographical limits of Orange County, Florida and within Osceola County, Florida will be issued by the Authority pursuant to an Interlocal Agreement between the Authority and the Osceola County Health Facilities Authority; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires the approval of the issuance of the Bonds by the Board of County Commissioners, as the "applicable elected representative" under Section 147(f) of the Code, after a public hearing following reasonable public notice; and

WHEREAS, attached hereto as *Exhibits A* and *B*, respectively, are copies of the publisher's affidavit evidencing publication of the Notice of Public Hearing and the Minutes of a Public Hearing held by the Authority on August 3, 1999;

NOW, THEREFORE, Be It Resolved by the Board of County Commissioners of Orange County, Florida, as follows:

Section 1. The issuance of the Bonds by the Authority in an aggregate principal amount not to exceed \$400,000,000 for the purposes set forth above is hereby approved.

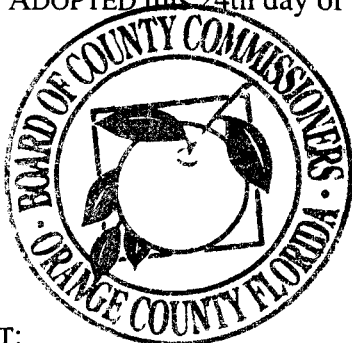
Section 2. The Bonds shall not constitute a debt, liability or obligation of Orange County, Florida or of the State of Florida or of any political subdivision thereof or a pledge of the faith and credit or any taxing power of Orange County, Florida or of the State of Florida or of any political subdivision thereof, but shall be limited obligations of the Authority payable solely

from and secured by a pledge of payments made by the Corporation and by possible payments of the bond insurance.

Section 3. The approval given herein shall be solely for the purpose of satisfying the requirements of Section 147(f) of the Code and shall not be construed as an approval of any zoning application or any regulatory permit required in connection with the issuance of the Bonds, and this Board shall not be construed by virtue of its adoption of this Resolution to have waived, or be estopped from asserting, any rights or responsibilities it may have in that regard.

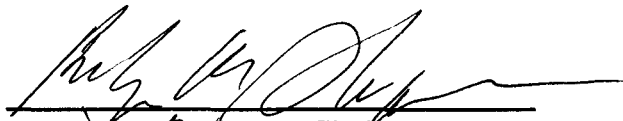
Section 4. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 24th day of August, 1999.




[SEAL]

ATTEST:



Deputy County Clerk

ORANGE COUNTY, FLORIDA

By 

for Chairman

State of Florida } S.S.
COUNTY OF ORANGE }

Before the undersigned authority personally appeared ANGELINA CABAN

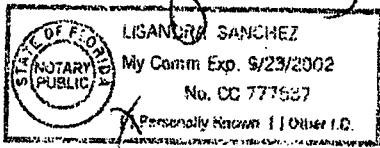
who on oath says that he/she is the Legal Advertising Representative of The Orlando Sentinel, a daily newspaper published at ORLANDO in ORANGE County, Florida; that the attached copy of advertisement, being a NOTICE OF PUBLIC in the matter of AUGUST E. 1999 in the ORANGE Court, was published in said newspaper in the issue; of 07/20/99

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.

Angelina Caban (handwritten signature)

The foregoing instrument was acknowledged before me this 22nd day of JULY, 19 99, by ANGELINA CABAN who is personally known to me and who did take an oath.

Lisandra Sanchez (handwritten signature)



(SEAL)

NOTICE IS HEREBY GIVEN that a public hearing will be held on Tuesday, August 3, 1999, at 4:00 P.M. in the Third Floor Meeting Room at the Orange County Administration Center, 201 South Rosalind Avenue, Orlando, Florida, by the Orange County Health Facilities Authority (the "Authority") regarding a plan to issue its Hospital Revenue Bonds (Orlando Regional Healthcare System) (the "Bonds") in one or more series and in an aggregate principal amount not to exceed \$400,000,000. The proceeds of the Bonds will be loaned to Orlando Regional Healthcare System, Inc., a Florida not-for-profit corporation (the "Corporation"), and used for one or more of the following purposes: (a) to refund all or a portion of the Authority's \$125,000,000 in original aggregate principal amount of Hospital Revenue Bonds (Orlando Regional Healthcare System Project) Series 1993 (the "Series 1993 Bonds"); (b) to refund all or a portion of the Authority's \$96,475,000 in original aggregate principal amount of Hospital Revenue Bonds (Orlando Regional Healthcare System) Series 1993B (the "Series 1993B Bonds"); (c) to refund all or a portion of the Authority's \$127,915,000 in original aggregate principal amount of Hospital Revenue Bonds (Orlando Regional Healthcare System) Series 1996A (the "Series 1996A Bonds"); (d) to refund all or a portion of the Authority's \$53,705,000 in original aggregate principal amount of Hospital Revenue Bonds (Orlando Regional Healthcare System) Series 1996C (the "Series 1996C Bonds") and together with the Series 1996A Bonds, the Series 1996B Bonds; (e) to finance or refinance all or a portion of the costs of the acquisition by the Corporation of Lucerna Medical Center; (f) to finance or refinance the reimbursement of the Corporation for its payment of the costs of certain capital improvements to and equipment for certain of the health care facilities of the Corporation described below; (g) to fund a debt service reserve fund; (h) to pay credit enhancement fees, if credit enhancement for the Bonds is deemed advisable by the Authority and the Corporation; and (i) to pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of all or a portion of the Series 1993 Bonds, the Series 1993B Bonds and the Series 1996 Bonds. All the facilities, capital improvements and equipment to be financed or refinanced with the proceeds of the Bonds are to be owned by the Corporation or an affiliate of the Corporation and are to be located at the following health care facilities of the Corporation: Lucerna Medical Center, located at 818 South Main Lane, Orlando, Florida; Orlando Regional Medical Center, located at 1414 South Orange Avenue, Florida; the Central Business Office for the Corporation located at 2501 Mercy Drive, Orlando, FL; the Ambulatory Care Center located at 23 West Copeland Drive, Orlando, Florida; the Medical Center Outpatient Education Center located at 89 West Copeland Drive, Orlando, Florida; Arnold Palmer Hospital for Children and Women, located at 92 West Millier Street, Orlando, Florida; other health care and related facilities of the Corporation in Orlando, Florida, within the area bounded generally by Orange Avenue on the east, Columbia Street on the north, High Boulevard on the west, and Bonnie Loch Court on the south; Sand Lake Hospital, located at 9400 Turkey Lake Road, Orlando, Florida; and St. Cloud Hospital, located at 2908 17th Street, St. Cloud, Florida. The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. Interested individuals are invited to express their views, both orally and in writing, on the proposed issuance of the Bonds. Comments at the public hearing are invited. Written comments may be submitted to the Authority, in care of its counsel, Lowndes, Orosdick, Doster, Kantor & Reed, P.A., 215 North Eola Drive, Orlando, Florida 32802, Attention: Kenneth Artin.

Exhibit B
ORANGE COUNTY
HEALTH FACILITIES AUTHORITY MEETING
August 3, 1999

The Orange County Health Facilities Authority (the "Authority") met in a public session in the 3rd Floor Conference Room of the Orange County Administration Center, 201 South Rosalind Avenue, Orlando, Florida on Tuesday, August 3, 1999. Such meeting had been noticed by publication in the Orlando Sentinel on July 20, 1999, and by posting at the Orange County Administration Center bulletin board, 1st Floor. Chairman Jack Martin, Vice Chairman Tyrone Nabbie, Secretary Dr. Juan Lopez, Linda Shaughnessy, and Hal Marston were present. Also in attendance were the Authority's counsel, Lou Frey and Ken Artin of Lowndes, Drosdick, Doster, Kantor & Reed, David Moore of Public Financial Management, Inc., and John Mines, Florida Hospital Association. There being a quorum, the meeting was called to order at 4:10 p.m. by Chairman Jack Martin.

1. **Approval of Minutes**

Upon a motion made by Mrs. Shaughnessy and seconded by Dr. Lopez, the minutes of the Authority's meeting held on June 22, 1999, were unanimously approved.

2. **Public Hearing regarding Orange County Health Facilities Authority Hospital Revenue Bond Series 1999 (Orlando Regional Health care Systems, Inc.)**

The Chairman said it was necessary that the Public Hearing regarding Orange County Health Facilities Authority revenue bonds (Orlando Regional Health Care Systems, Inc.) in an aggregate principal amount not to exceed \$400M in order to provide funds to finance and refinance the acquisition improvement and equipping of certain health care facilities for the benefit of Orlando Regional Healthcare Systems, Inc. of Florida not for profit corporation. The Chairman asked if there was anyone from the public who wanted to be heard. There is no one who desired to address the audience. Therefore the Chairman announced the Public Hearing closed.

3. **Discussion of Orange County Health Facilities Authority Hospital Revenue Bonds Series 1999 (Orlando Regional Health care Systems, Inc.)**

Attorney Bob Foltz of Chapman and Cutler said that this client would like to come back in two weeks to present the Bond Resolution to the Authority. One of the reasons for quick action is the fact that the Federal Reserve is meeting in late August and most people think that the rates will go up at least twenty-five basis points. He stated that there will be two bond insurers including MBIA. He stated that he was not exactly sure about the amount of the bonds, but said probably in the \$275M-\$300M range, although it could go up to \$400M.

4. **Resolution**

A Resolution approving a Contract of Purchase and establishing parameters for the award of the sale by Orange County Health Facilities Authority of its revenue bonds. (Westminster Community Care Services, Inc. Project), Series 1999, in the principal amount of not to exceed \$40,000,000. Jim Emerson, the President of Presbyterian Retirement Communities, Inc. speaking on behalf of the Corporation and for Orlando Regional Medical Center (ORMC) stated that they wished to withhold the Resolution because a feasibility study had only been delivered to the Authority on the 2nd of August. Jim Emerson stated that they wanted to give the Authority time to study the Resolution and wanted to come back on August 17th for the approval of the Resolution. Attorney Irv Weinstein introduced Paul Cowell of BankAmerica who gave an overview of the Study. Mr. Cowell stated that there were three nursing homes to pay the bond debt. He also indicated that there was no reliance on fund raising to pay back the bonds and that the cashflow would do it. President Jim Emerson reminded all that they have subordinated their management fees to the bond debt. David Moore of Public Financial Management stated he had a draft and expected an update in several days. Once he has the new draft, he will send it to each Authority Member with notes and then talk to each Authority Member by phone to answer any questions. Chairman Martin asked all Board Members if they were willing to meet on August 17th at 4:00 p.m. and all members indicated that they would. Chairman Martin requested the attorneys to set up the meeting.

5. **Presentation by Adventist Health System/Sunbelt regarding the potential refinancing or securitization of certain outstanding bonds of the Authority**

Attorney Bob Foltz of Chapman Cutler spoke on behalf of Adventist Health System/ Sunbelt, Inc. Mr. Foltz gave a general description of the outstanding bonds and the proposed refinancing. He indicated that there was a reissuance question regarding the outstanding bonds which made it uneconomic to do a current refunding of the bonds on October 15, 1999, the date the bonds could be redeemed at the option of the Adventist's. The Adventist's want to take advantage of the current lower interest rates, but also wanted to avoid the reissuance tax problem. The lawyers worked three to four months on a solution. The solution involves amending the current bond indentures with the consent of the bond insurer to provide the Adventist's with the right to purchase the outstanding bonds instead of causing them to be redeemed on October 15th. Attorney Foltz said that the only required action of the Authority was to approve an amendment to the Bond Documents providing for the repurchase. The bonds would be repurchased on or before October 15. Upon the repurchase of the bonds the bonds would be placed in a trust. Certificates representing interests in the trust would thereafter be issued. Mr. Foltz indicated that his firm could not give an unqualified opinion related to the transaction but it was not unreasonable that another major law firm listed in the red book would do so. He further stated that he would put the requested steps in writing to the Board before the next meeting. Questions were asked by Board Members what liability if any would result to the Orange County Health Facilities if the bonds were held to be taxable. Robbie Robinson, Counsel for Adventist and Bob Foltz indicated that there would be no liability on the part of the Authority. Tax liability would have to be paid by the Adventists. The attorneys also pointed out that the bondholders were going to get paid in full so there was no downside to the bond holders. Dr.

Lopez asked the question "why not ask the IRS first if this could be done." Attorney Robinson said that this isn't needed because there would be a clean opinion that this transaction is non-taxable. The president of the Adventist, Gary Black, said that their reason for doing this is to pay less interest which would hopefully allow them to keep their rates from going up. Authority Member Marston said he thought this was good creative financing which would really benefit the community. The attorneys pointed out that they had spent time the previous week with attorneys Foltz and Robinson going over this issue at length. They pointed out that the only potential downside would be if the IRS found this a taxable reissuance and the negative press which may result from such a determination. The attorneys felt that this appeared to be a common sense approach to the problem.

The Chairman then asked if there was any new business. There was none. The Chairman asked if there was any old business. There was none.

6. **Adjournment**

Upon motion duly made by Dr. Lopez and seconded by Mr. Marston, the meeting was adjourned at 5:05 p.m.

**ORANGE COUNTY HEALTH
FACILITIES AUTHORITY**

By: _____
Jack Martin

Attest:

Member