

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Resolution approving the issuance of industrial revenue bonds by the Seminole County Industrial Development Authority.

DEPARTMENT: Economic Development **DIVISION:** Economic Development

AUTHORIZED BY: Don Fisher **CONTACT:** William J. McDermott **EXT.** 7132

Agenda Date 2/22/05 **Regular** **Consent** **Work Session** **Briefing**
Public Hearing – 1:30 **Public Hearing – 7:00**

MOTION/RECOMMENDATION:

Adopt the attached Resolution approving the issuance of industrial revenue bonds.

BACKGROUND:

On February 15, 2005 the Seminole County Industrial Development Authority adopted the resolution to provide the issuance of First Mortgage Revenue Bonds (Progressive Healthcare Providers/Fern Park LLC Facility located at 230 Fern Park Boulevard, Fern Park), for the purpose of financing the costs of acquiring the 64-unit intermediate care facility and paying certain expenses occurred in connection with the issuance of the bonds.

Attachments:

- Resolution No. 05-R-
- Exhibit 1 & 2
- Meeting Minutes May 26, 2004

Reviewed by:
Co Atty: <u>[Signature]</u>
DFS: _____
Other: _____
DCM: <u>[Signature]</u>
CM: <u>[Signature]</u>
File No. <u>CE001</u>

**THE FOLLOWING RESOLUTION WAS ADOPTED AT
THE REGULAR MEETING OF THE BOARD OF COUNTY
COMMISSIONERS OF SEMINOLE COUNTY, FLORIDA
ON THE 22nd DAY OF FEBRUARY, 2005.**

WHEREAS, the Board of County Commissioners of Seminole County declared a need for the Seminole 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, Authority on February 15, 2005, following the public hearing held on May 26, 2004, pursuant to the Notice of Public Hearing published in the *Orlando Sentinel* and attached hereto as Exhibit "1" (the "Notice"), adopted the resolution attached hereto as Exhibit "2" (the "Resolution") providing for the issuance of an aggregate principal amount not to exceed \$5,000,000 of Seminole County Industrial Development Authority First Mortgage Revenue Bonds (Progressive Healthcare Providers/Fern Park LLC Facility) (the "Bonds") to finance the cost of acquisition of a 64-unit intermediate care facility for the developmentally disabled located at 230 Fern Park Boulevard, Fern Park, Seminole County, Florida, including refunding the outstanding balance of the Authority's First Mortgage Revenue Bonds (RHA/Fern Park MR, Inc. Project), to fund interest and reserves, and to pay certain costs relating to the issuance of the Bonds; and

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

WHEREAS, the Board of County Commissioners of Seminole County has been furnished with a copy of the Notice and the minutes of the public hearing of the Authority held on May 26, 2004, indicating that the Notice apprised residents of Seminole 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 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 Sections 103 and 147(f) of the Internal Revenue Code of 1986.

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

1. Issuance by the Authority of not to exceed \$5,000,000 of Seminole County Industrial Development Authority First Mortgage Revenue Bonds (Progressive Healthcare Providers/Fern Park LLC Facility) as contemplated by the Resolution, is hereby approved, subject to the Bonds being issued and delivered on or before May 25, 2005. If the

Bonds are not issued and delivered by that date, the approval granted hereby shall be deemed void and revoked.

2. This approval is intended to comply with the provisions of Section 125.01(1)(z) of the Florida Statutes, as amended, and Sections 103 and 147(f) of the Internal Revenue Code of 1986.

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

ADOPTED this ____ day of _____, 2005, and effective immediately upon its adoption.

<p>ATTEST:</p> <p>By: _____ Name: _____ Clerk to the Board of County Commissioners of Seminole County, Florida</p>	<p>BOARD OF COUNTY COMMISSIONERS SEMINOLE COUNTY, FLORIDA</p> <p>By: _____ _____, Chairman</p>
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Exhibit "1"

Orlando Sentinel

Published Daily

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

Before the undersigned authority personally appeared BEVERLY C. SIMMONS who on oath says that he/she is the Legal Advertising Representative of Orlando Sentinel, a daily newspaper published at 1775 E. Colonial Ave., Orlando, FL 32801 in Orange County, Florida; that the attached copy of advertisement, containing 1 page in the matter of PROGRESSIVE HEALTHCARE PROVIDERS/PARK, LLC in the 13th day of May Court was published in said newspaper in the issue of 5/13/04

Affiant further says that the said Orlando Sentinel is a newspaper published at 1775 E. Colonial Ave., Orlando, FL 32801 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, Florida 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.

The foregoing instrument was acknowledged before me this 13th day of MAY 2004 by BEVERLY C. SIMMONS who is personally known to me and who did take an oath.

(SEAL)

[Signature]
Notary Public
My Comm. Expires 12/31/04

NOTICE OF PUBLIC HEARING REGARDING
NOT TO EXCEED \$5,000,000 SEMINOLE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY HEALTHCARE FACILITY REVENUE BONDS (FERN PARK DEVELOPMENT) CENTER PROJECT/ISSUES 2004

TO WHOM IT MAY CONCERN:

You are hereby notified that on Wednesday, May 26, 2004 at 9:30 a.m., or as soon thereafter as the matter may be heard, in the conference room of the Metro Orlando Economic Development Center's office, 1720 North Douglas Avenue, Suite 116, Longwood, Florida 32779, a Public Hearing will be held by the Seminole County Industrial Development Authority (the "Authority") on behalf of Seminole County, Florida as the proposed issuer of Seminole County Industrial Development Authority Health Care Facility Revenue Bonds (FERN PARK DEVELOPMENT CENTER PROJECT) Series 2004 (the "Bonds") and on the location and nature of the facility to be financed. The Bonds are to be issued in an aggregate principal amount of not to exceed \$5,000,000 for the purpose of providing funds to finance the cost of acquisition of a health care facility for the development of a 100-bed hospital at 199 Fern Park Boulevard, Fern Park, Seminole County, Florida. The Project is a joint venture and revenues and operating costs related to the issuance of the Bonds. The Project will be owned by Progressive Healthcare Providers/Fern Park, LLC, a limited liability company organized and existing under the laws of the State of Georgia. ("Borrower"), the sole member of which is Progressive Healthcare Providers, Inc., a Georgia specialty corporation which has been established by the Internal Revenue Service to be an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Project is presently proposed, and will continue to be managed, by COMS of Florida.

Persons wishing to express their views regarding the Project and the issuance of the Bonds may appear at the hearing or may submit their views in writing. Written comments should be submitted to the Authority at 123 North Douglas Avenue, Suite 116, Longwood, Florida 32779. Attention: Tracy Park, Secretary, and should be mailed in sufficient time to be received before May 20, 2004. The date of the hearing should any person decide to appear in person made by the Authority at the hearing, he/she will need a record of the proceedings and he or she may need to assure that a written report of the proceedings be made, which report includes the testimony and evidence upon which the decision will be made.

Any person requiring reasonable accommodations for this meeting because of a disability or physical impairment should contact the Secretary of the Authority at (407) 325-0922 at least 45 days prior to the meeting.

SEMINOLE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
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Exhibit "2"

**SEMINOLE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
RESOLUTION NO. 2005-02**

BOND RESOLUTION

RESOLUTION OF THE SEMINOLE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "ISSUER"), PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$5,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEMINOLE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY FIRST MORTGAGE REVENUE BONDS (PROGRESSIVE HEALTHCARE PROVIDERS/FERN PARK, LLC FACILITY) SERIES 2005A AND SEMINOLE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TAXABLE FIRST MORTGAGE REVENUE BONDS (PROGRESSIVE HEALTHCARE PROVIDERS/FERN PARK, LLC FACILITY) SERIES 2005B, THE PROCEEDS OF WHICH ARE TO BE LOANED TO PROGRESSIVE HEALTHCARE PROVIDERS/FERN PARK LLC, A GEORGIA LIMITED LIABILITY COMPANY (THE "BORROWER"), FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUIRING THE FACILITY, AS DESCRIBED HEREIN, AND PAYING CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS, WHICH BONDS WILL BE PAYABLE FROM LOAN PAYMENTS AND OTHER AMOUNTS DESCRIBED IN THE HEREIN DESCRIBED TRUST INDENTURE; AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT, A TRUST INDENTURE, AN ASSIGNMENT OF MORTGAGE, A TAX REGULATORY AGREEMENT AND A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE SALE OF THE BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY AND FINAL LIMITED OFFERING MEMORANDUM; AND SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED AND PROVIDING FOR OTHER MATTERS CONSISTENT WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS.

WHEREAS, the Seminole County Industrial Development Authority (the "Issuer") is a public body corporate and politic of the State of Florida (the "State") created under and pursuant to Chapter 159, Parts II and III, Florida Statutes (the "Act") and other applicable laws of the State; and

WHEREAS, the Issuer has been informed by officers and agents of Progressive Healthcare Providers/Fern Park, LLC (the "Borrower"), a Georgia limited liability company whose sole member is Progressive Healthcare Providers, Inc., a Georgia nonprofit corporation that is an exempt organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and that the Borrower proposes to finance the acquisition of a 64-bed intermediate care facility for the mentally and developmentally disabled located in Seminole County, Florida (the "Facility"); and

WHEREAS, pursuant to the provisions of the Act, the Issuer is authorized and empowered to issue its revenue bonds for the purpose of providing funds to pay all or any part of the cost of any "project", including any "health care facility" (as such terms are defined in the Act); and

WHEREAS, after careful study and investigation of the nature of the proposed Facility at a meeting open to the public, held in accordance with all open meetings laws, the Issuer has (i) previously determined that in assisting with the financing of the Facility, it will be acting in furtherance of the public purposes of Chapter 159, Parts II and III, Florida Statutes, as amended, and (ii) adopted a resolution on May 26, 2004 (the "Inducement Resolution"), providing for the issuance of revenue bonds to finance the costs of the Facility; and

WHEREAS, the Issuer wishes to provide for the financing of the Facility by the sale and issuance of its First Mortgage Revenue Bonds (Progressive Healthcare Providers/Fern Park LLC Facility) Series 2005A (the "Series 2005A Bonds") and its Taxable First Mortgage Revenue Bonds (Progressive Healthcare Providers/Fern Park LLC Facility) Series 2005B (the "Series 2005B Bonds," hereinafter referred to collectively with the Series 2005A Bonds as the "Bonds"), in an aggregate principal amount not to exceed \$5,000,000, pursuant to and in accordance with the Act, the Inducement Resolution and this Resolution authorizing the Bonds; and

WHEREAS, the Bonds and interest thereon, and premium thereon, if any, shall not constitute a general or moral obligation of the Issuer nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit of, Seminole County, the State or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever, and neither the faith and credit nor the taxing power of Seminole County, the State, or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on Bonds or other costs incident thereto; and

WHEREAS, the Issuer proposes to execute and deliver a Loan Agreement (the "Loan Agreement"), between the Issuer and the Borrower, pursuant to which the proceeds from the sale of the Bonds will be used by the Issuer to make a loan to the Borrower for the purpose of financing the Facility, and the Borrower will covenant and agree to make payments sufficient to provide for the payment of the principal of, interest on and other amounts payable on the Bonds, as and when the same become due and payable; and

WHEREAS, to evidence its obligation to repay the loan, the Borrower will execute and deliver to the Issuer its promissory note (the "Note"), dated the same date as the Bonds, in the same principal amount as the Bonds, providing for payments sufficient to pay when due, the principal of, premium, if any, and interest on the Bonds, and to secure the Bonds, the Issuer will endorse the Note, without recourse, to the order of the hereinafter defined Trustee; and

WHEREAS, to secure its obligations under the Loan Agreement and the Note, the Borrower will execute and deliver to the Issuer a Mortgage, Assignment of Rents and Leases, and Security Agreement (the "Mortgage") under which the Borrower will grant to the Issuer a mortgage on and security interest in the real and personal property included in the Facility, and

to secure the Bonds, the Issuer will assign its rights under the Mortgage to the Trustee pursuant to an Assignment of Mortgage (the "Assignment of Mortgage"); and

WHEREAS, the Bonds will be issued under and pursuant to, and are to be secured by a Trust Indenture (the "Indenture"), between the Issuer and SunTrust Bank, as trustee or such other corporate trustee acceptable to the Issuer (the "Trustee"); and

WHEREAS, the Borrower has requested the Issuer to enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with the Borrower and First Albany Capital Inc., as underwriter with respect to the initial purchase and sale of the Series 2005A Bonds (the "Underwriter"); and

WHEREAS, the Borrower has requested that the Bonds be issued pursuant to the Indenture, under which the Issuer will pledge, among other things, the income and revenues received under the Loan Agreement as security for the Bonds; and

WHEREAS, the Borrower has requested the Issuer to enter into a Tax Regulatory Agreement to be dated the date of issuance of the Bonds (the "Tax Agreement") and entered into by and among the Issuer, the Borrower and the Trustee; and

WHEREAS, a Preliminary Limited Offering Memorandum and final Limited Offering Memorandum relating to the Bonds (collectively, the "Limited Offering Memorandum") in substantially the form delivered to the Issuer will be distributed in connection with the marketing of the Bonds; and

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

- (a) the Indenture, with a copy of the form of Bond attached thereto as an Exhibit;
- (b) the Loan Agreement;
- (c) the Promissory Note with an endorsement by the Issuer attached;
- (d) the Mortgage with the Assignment of Mortgage attached;
- (e) the Bond Purchase Agreement;
- (f) the Tax Agreement; and
- (g) a Limited Offering Memorandum with respect to the Bonds; and

WHEREAS, it appears that each of the instruments above referred to, which are now before this meeting, is in appropriate form and each instrument referred to in (a), (b), (c), (d), (e), (f), and (g) above is an appropriate instrument to be executed and delivered by the Issuer for the purpose intended; and

NOW, THEREFORE, BE IT RESOLVED by the Seminole County Industrial Development Authority, as follows:

Section 1. The Issuer has determined, based on representations of the Borrower, that: (a) the Facility is a "project" and a "health care facility" as defined in the Act; (b) the Facility is

appropriate to the needs and circumstances of, and shall make a significant contribution to the economic growth of Seminole County; shall provide or preserve gainful employment; and shall serve a public purpose by improving health care and the general welfare of the State and its people; (c) in part based upon a financial forecast provided by the Borrower, the Borrower is financially responsible and fully capable and willing to fulfill its obligations under the Loan Agreement, including its obligations to make payments in the amounts and at the times required thereunder, and to operate, repair and maintain at its own expense the Facility and such other responsibilities as may be imposed by the Loan Agreement; (d) Seminole County is able to cope satisfactorily with the impact of the Facility 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 operation, repair and maintenance of the Facility and on account of any increases in population or other circumstances resulting therefrom; (e) adequate provision has been made for the operation, repair and maintenance of the Facility at the expense of the Borrower and for the payment of principal and interest on the Bonds; and (f) the costs to be paid from the proceeds of the Bonds shall be costs of a project within the meaning of the Act.

Section 2. Pursuant to the Act, the Issuer does hereby authorize the financing of the Facility in accordance with the terms of the Loan Agreement and the Indenture and does hereby determine it is in furtherance of the public purposes set forth in the Act, and that, therefore, providing for the financing of the Facility through the issuance and sale of the Bonds is in the public interest. . 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 limited obligations of the Issuer payable solely out of the revenues and proceeds derived by the Issuer pursuant to the financing agreements, and the Borrower will be obligated for the payment of all costs of the Issuer in connection with the acquisition and administration of the Facility which are not paid out of the proceeds of the Bonds, and for the operation and maintenance of the Facility at no expense to the Issuer; the costs of issuance of the Bonds, which will be borne directly or indirectly by the Borrower, could 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 could cause undue delay in the financing of the acquisition of the Facility; industrial development revenue bonds having the characteristics of the Bonds are typically and usually sold at negotiated sale; the Borrower has requested that a negotiated sale of the Bonds be authorized by the Issuer; and authorization of a negotiated sale of the Bonds is necessary in order to serve the purposes of the Act.

Section 3. For the purpose of financing the Facility, the issuance of revenue bonds of the Issuer to be known as the "Seminole County Industrial Development Authority First Mortgage Revenue Bonds (Progressive Healthcare Providers/Fern Park, LLC Facility) Series 2005A" and "Seminole County Industrial Development Authority Taxable First Mortgage Revenue Bonds (Progressive Healthcare Providers/Fern Park, LLC Facility) Series 2005B" in an aggregate principal amount not to exceed \$5,000,000 is hereby authorized.

Section 4. The Bonds shall be issued in such form and denominations as are set forth in the Indenture and the interest on the Bonds will be payable on the dates and at such places as are specified in or determined pursuant to the Indenture but not later than January 1, 2035. The Bonds shall have an original issue date, shall mature, shall be subject to optional and mandatory redemption, and shall bear interest at fixed rates not to exceed ten percent (10%) per annum, all

as provided in the Indenture. The Bonds shall be dated and numbered as provided in the Indenture. The form of the Bonds and the provisions for execution, authentication, payment and registration shall be substantially as set forth in the Indenture.

Section 5. To the extent provided in the Indenture, (i) the Bonds shall be limited obligations of the Issuer and the principal of, premium, if any, and interest on such Bonds for any period or payable at any time, whether due on an Interest Payment Date, at maturity or upon acceleration or redemption thereon (collectively, the "Bond Service Charges") shall be payable equally and ratably solely from the Revenues (as such terms are defined in the Indenture and Loan Agreement), (ii) the payment of Bond Service Charges on the Bonds shall be secured by the assignment of Revenues under the Indenture, and (iii) payments due on the Bonds also shall be secured by an assignment of the Note. The Bonds and interest and premium, if any, thereon shall not constitute a general or moral obligation of the Issuer nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit of, Seminole County, the State or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of Seminole County, the State, or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on Bonds or other costs incident thereto. Neither the members of the Issuer nor any person executing Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 6. The payments under the Loan Agreement to be received by the Issuer under the terms of the Loan Agreement, as represented by the Borrower, are calculated to be sufficient to pay the principal of and premium, if any, and interest on the Bonds as the same become due and payable, and all of such payments (excluding amounts payable to the Issuer pursuant to the Unassigned Issuer's Rights under the Loan Agreement) shall be pledged for that purpose pursuant to, and in addition to such other purposes as are more fully set forth and provided for in, the Indenture.

Section 7. The execution, delivery and performance of the Indenture, the Loan Agreement, the endorsement of the Note without recourse, the Assignment of Mortgage, and the Tax Agreement by the Issuer, are hereby authorized. The Indenture, the Loan Agreement, the Assignment of Mortgage, and the Tax Agreement shall be in substantially the forms submitted to this meeting as hereinabove recited, with such changes, insertions or omissions as may be approved by the Chairman or Vice Chairman, whose approval thereof shall be conclusively evidenced by such person's execution of each such instrument.

Section 8. The offering of the Bonds by the Underwriter to "qualified institutional buyers" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, pursuant to the Bond Purchase Agreement is hereby authorized and approved. The sale of the Bonds to the Underwriter at the price of not less than 98.5% of the principal amount of the Bonds together with accrued interest, if any, thereon is hereby approved. The execution, delivery and performance of the Bond Purchase Agreement by the Issuer are hereby authorized. The Bond Purchase Agreement shall be in substantially the form submitted to this meeting as hereinabove recited, 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 such person's execution of the Bond Purchase Agreement.

Section 9. The Issuer does hereby authorize and approve the distribution of a Preliminary Limited Offering Memorandum and the final Limited Offering Memorandum relating to the Bonds by the Underwriter substantially in the form of the Preliminary Limited Offering Memorandum submitted herewith, 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 Indenture, with such execution to constitute conclusive evidence of such person's approval and the Issuer's approval of any such modifications, revisions, insertions, deletions, amendments or supplements to the form of the Limited Offering Memorandum.

Section 10. The execution and delivery of the Bonds to the Trustee, for authentication, acceptance and redelivery of the authenticated Bonds, and the delivery of the Bonds to the purchasers thereof or their duly authorized attorneys-in-fact, against receipt by the Trustee of the amount of the purchase price for the Bonds in payment therefor, together with the payment of certain expenses in connection with the issuance of the Bonds, are hereby authorized.

Section 11. The Chairman or Vice Chairman of the Issuer is hereby authorized to execute on behalf of the Issuer the Indenture, the Loan Agreement, the endorsement of the Note without recourse, the Assignment of Mortgage, the Bond Purchase Agreement, and the Tax Agreement, and the Secretary or Assistant Secretary of the Issuer is hereby authorized to attest such documents, and the Chairman or Vice Chairman and the Secretary or Assistant Secretary are hereby authorized to deliver such instruments and documents on behalf of the Issuer and to execute and deliver all other instruments, documents or certificates, and 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. The Bonds shall be executed on behalf of the Issuer by its Chairman or Vice Chairman with such person's manual or facsimile signature and attested by the manual or facsimile signature of the Secretary or Assistant Secretary. In case any official whose signature appears on any Bond shall cease to be such official before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

Section 12. The Indenture, the Loan Agreement, the Bond Purchase Agreement, the endorsement of the Note, the Assignment of Mortgage, the Tax Agreement, and the Limited Offering Memorandum, as approved or acknowledged by this Resolution, all of which are hereby incorporated in this Resolution by reference thereto, shall be placed on file at the office of the Issuer and made available for public inspection by any interested party immediately following the passage and approval of this Resolution.

Section 13. The Chairman or Vice Chairman and the Secretary or Assistant Secretary are hereby authorized to take all actions and execute all additional documents, including, without limitation, an IRS Form 8038 as are reasonably necessary and appropriate to the issuance of the Bonds. The Trustee is authorized to file a UCC Financing Statement and amendments and continuations thereof naming the Issuer as Debtor and evidencing the grant of the security interest in favor of the Trustee pursuant to the Indenture.

Section 14. The appointment of SunTrust Bank, as the Trustee under the Indenture, and First Albany Capital Inc., as the Underwriter under the Bond Purchase Agreement, is hereby approved.

Section 15. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions hereof.

Section 16. All acts of officials of the Issuer which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the financing of the Facility be, and the same are, in all respects approved, ratified and confirmed. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and superseded.

Section 17. The Issuer hereby determines that all meetings of the Issuer at which action was taken in connection with the authorization and approval of the Indenture, the Loan Agreement, the endorsement of the Note without recourse, the Assignment of Mortgage, the Bond Purchase Agreement, the Limited Offering Memorandum, and the Tax Agreement, and the authorization of the issuance of the Bonds were duly and legally called and held proper public meetings, open to the public at all times in compliance with all requirements of law and rules of procedure of the Issuer and the State, and notice of the time and place of each meeting was given and minutes of such meetings have been kept and are or will be made available as required by procedures adopted by the Issuer, and all laws amendatory thereof and supplementary thereto.

Section 18. This Resolution shall become effective immediately upon its adoption.

Adopted this February 15, 2005.

SEMINOLE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

By: _____
Chairman

[SEAL]

Attest: _____
Secretary

SECRETARY'S CERTIFICATE

I, _____, Secretary of the Seminole County Industrial Development Authority, DO HEREBY CERTIFY that the foregoing seven (7) pages of typewritten matter constitute a true and correct copy of the resolution adopted on February 15, 2005, by said Authority in a meeting, in accordance with all open meetings laws and the procedures of the said Authority; duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution appears of public record in the Minute Book of said Authority which is in my custody and control.

Given under my hand and the seal of said Authority, this 15th day of January, 2005.

Secretary

[SEAL]

51636v2/MJM

SEMINOLE INDUSTRIAL DEVELOPMENT AUTHORITY

**Regular Meeting
May 26, 2004**

A regular meeting of the Seminole County Industrial Development Authority (the "Authority") was held in the conference room at the Metro Orlando Economic Development Commissioner's office, 1230 North Douglas Avenue, Suite 116, Longwood, Florida, commencing at 9:00 o'clock AM on May 26, 2004, pursuant to the notice published in the *Orlando Sentinel* on May 12, 2004.

Board members present at the meeting were:

E. Mack McReynolds, by telephone
Doug Forner
Andrew Van Gale
Thomas Green
Stanley Weinroth

The members in attendance in person constituted a quorum of the members of the Authority.

Also present at the meeting were Commissioner Grant Maloy, the Authority's liaison with the Seminole County Board of Commissioners, Tracy Turk, Secretary of the Authority, William J. McDermott, Director of the Economic Development Office for Seminole County, Peter M. Wright, General Counsel to RHA, Charles R. Sykes, Jr., President and Executive Director of Progressive Healthcare Providers, Inc., Terry K. Swately, President of DDMS, Jerry G. Peterson, Esq. of the law firm of Peck, Shaffer & Williams LLP, and J. Gordon Arkin, Esq. of the law firm of Foley & Lardner LLP.

Mr. McReynolds acted as Chairman of the meeting. The Chairman invited all of those present to introduce themselves.

The first order of business was approval of the minutes of the Authority's regular meeting held on January 23, 2002. Minutes of that meeting were distributed to the members of the Authority present at the meeting. Upon motion duly made and seconded, the minutes were unanimously approved as written.

The next order of business was the election of officers. After discussion, the following persons were nominated and seconded to the following offices:

E. Mac McReynolds	Chairman
Lee Holt	Vice Chairman

There being no further nominations, and the vote having been taken, each of the above persons was unanimously elected to the office listed opposite his name, to serve in such capacity until the earlier of (i) the expiration of his term of office as a member of this Authority;

(ii) his removal as a member of the Authority; (iii) his resignation as a member of the Authority; or (iv) the expiration of twelve (12) months from the date hereof; provided, however that if no successor has been elected to such office prior to the expiration of such twelve (12) month period, then the person holding such office shall continue to serve in that office until the election of his successor.

After further discussion, Tracy Turk was nominated and seconded for election as Secretary of the Authority and Charlie Sloan, Executive Vice President of the Economic Development Commission, was nominated and seconded for election as Assistant Secretary. There being no further nominations, and a vote having been taken, Ms. Turk and Mr. Sloan were unanimously elected Secretary and Assistant Secretary respectively, to serve at the pleasure of the Authority.

The next order of business was consideration of the application of Progressive Healthcare Providers/Fern Park, LLC for an inducement resolution for the issuance of not to exceed \$5,500,000 of Seminole County Industrial Development Authority Health Care Facility Revenue Bonds (Fern Park Development Center Project) Series 2004 (the "Bonds").

The Chairman advised the members of the Authority of the important responsibility they had to provide employment in and economic development of Seminole County, and that the Seminole County Board of Commissioners was relying on them to use their power to issue bonds wisely.

Jerry G. Peterson, Esq., bond counsel for the proposed Bonds, then advised the meeting that the proposed Bonds would bear a fixed tax-exempt rate of interest, would be underwritten by First Albany, and would only be sold to institutional investors in \$100,000 denominations. Mr. Peter Wright, General Counsel to RHA, the current owner of the project, a 64 unit intermediate care facility for the developmentally disabled located at 230 Fern Park Boulevard, Fern Park, Seminole County, Florida, explained that the project had originally been financed by the Authority in 1982, and then refinanced by the Authority for RHA in 1989. He advised that the 1989 bond issue had been structured to accommodate the seller of the facility, a for profit entity that was trying to avoid recapture of certain Medicaid payments, and the structure resulted in the current owner not receiving an increase in basis for reimbursement from the State of Florida. He further advised that that structure now threatened the financial viability of the project since reimbursement from the State of Florida was only sufficient to pay the debt service on \$1 million of the \$3 million in bonds that were still outstanding. He further advised that debt service was current only because payment of some management fees had been deferred, but that the situation could soon threaten the quality of patient care, and would likely result in a foreclosure or bankruptcy. He further advised that with the consent of Sun Bank, as Trustee, and the bondholders, the amount of the outstanding bonds had been reduced by application of the debt service reserve account under the Trust that secures these bonds. He also advised that in 1989, when these bonds were originally issued, neither his client, nor the underwriter of these bonds, nor the institutional purchasers of these bonds, understood that the structure of that bond issue would cause this problem. He further advised that the structure of the proposed Bonds would avoid this problem since the arms-length sale of the project from RHA to Progressive Healthcare Providers/Fern Park, LLC would establish a new basis in the project for reimbursement, and this new level of reimbursement would be agreed to by the State of Florida

before the proposed Bonds were issued. He explained that the level of reimbursement would be increased from \$200 per day per patient to an estimated \$220 per day per patient, and that if the new level of reimbursement approved by the State of Florida was lower than \$220 per day per patient, then the amount of the proposed Bonds would be reduced from \$5,105,000 (the current estimated amount) so that the debt service on those Bonds could be paid with this lower amount of reimbursement. He also advised that this analysis would be contained in a report that would be prepared by an independent consultant and provided to the Authority before the Authority was asked to approve the actual issuance of the proposed Bonds. Mr. Peterson also pointed out that it is expected that the proposed new financing would include a depreciation reserve to capture excess reimbursement during the early years of the financing so that funds would be available in later years when reimbursement declines.

The members of the Authority said that they were uncomfortable learning today that the Authority's 1989 bond issue for this project was not properly structured, and they asked Mr. Arkin, the Authority's general counsel, to review that transaction and advise the members of the Authority how that structure was described to the purchasers of those bonds. The members of the Authority also asked to be provided with a copy of the letter from the State of Florida agreeing to the new reimbursement level, a copy of the independent consultant's report, the last five years of audited financials on the project, an appraisal of the value of the land and buildings included in the project, and the disclosure document to be used for the proposed Bonds. The representatives of Progressive Healthcare Providers/Fern Park, LLC advised that all of the requested items would be provided, but that most of them would only be prepared or obtained after the Authority had adopted an inducement resolution for the proposed Bonds.

Mr. Arkin advised that he had reviewed the proposed form of inducement resolution and had requested changes that were incorporated in proposed Authority Resolution 2004-02, a copy of which was distributed to the members at the meeting. He then reviewed the terms of the proposed inducement resolution and Exhibit A thereto, and advised the members of the Authority that this resolution did not legally obligate the Authority to issue the proposed Bonds, but that if the Authority issued those Bonds, expenditures made by Progressive Healthcare Providers/Fern Park, LLC after the adoption of this inducement resolution could be reimbursed from the proceeds of those Bonds.

There being no further questions from members of the Authority, the Chairman inquired whether any member wished to make a motion not to grant further consideration to the issuance of the proposed Bonds. No such motion having been made, the Chairman announced that this was the time set for a public hearing for the purpose of considering the proposed issuance of Seminole County Industrial Development Authority Health Care Facility Revenue Bonds (Fern Park Developmental Center Project) Series 2004 (the "Bonds") and on the location and nature of the facility to be financed, notice of this public hearing having been published in the *Orlando Sentinel* on May 12, 2004. The Chairman stated that the Bonds are to be issued in an aggregate principal amount of not to exceed \$5,500,000 for the purpose of providing funds to finance the cost of acquisition of a 64-unit intermediate care facility for the developmentally disabled located at 230 Fern Park Boulevard, Fern Park, Seminole County, Florida (the "Project"), fund interest and reserves, and pay certain costs relating to the issuance of the Bonds, and that the Project will be owned by Progressive Healthcare Providers/Fern Park, LLC, a limited liability company organized and existing under the laws of the State of Georgia, the sole

member of which is Progressive Healthcare Providers, Inc., a Georgia nonprofit corporation, and that the Project is presently managed, and will continue to be managed, by DDMS of Florida No. 2, LLC, a Maryland corporation. No one appeared for or in opposition to the application. Upon motion duly made, seconded and unanimously adopted, the public hearing on the matter was concluded.

The next item of business was consideration of the inducement resolution. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLUTION NO. 2004-02

RESOLUTION OF THE SEMINOLE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY PRELIMINARILY APPROVING THE ISSUANCE OF REVENUE BONDS TO FINANCE THE ACQUISITION OF A FACILITY FOR THE DEVELOPMENTALLY DISABLED BY PROGRESSIVE HEALTHCARE PARTNERS/FERN PARK, LLC AND RELATED MATTERS

The Chairman asked Mr. Peterson when he expected the members of the Authority would have all of the information they had requested, and Mr. Peterson advised that this would take between sixty and ninety days. The members of the Authority were advised by Mr. Wright that he would be happy to arrange for them to tour the existing facility. In response to a question from Mr. Arkin, the Chairman advised that he did not want to ask the Seminole County Board of Commissioners to approve the proposed Bonds until after the Authority gave this matter further consideration. Mr. Peterson advised that that would not cause any problems for the proposed Bonds. Mr. Charles Sykes then advised that Progressive Healthcare Providers, Inc. and their attorneys would do their own due diligence on the proposed Bonds, that they had a fourteen year reputation to protect, and that the Authority had the commitment from his company that this financing would be done right.

There being no further business, the meeting was adjourned at 10:30 AM.

Tracy Turk, Secretary
Seminole County Industrial Development Authority