



State of California

OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

NOV 18 1987



March Fong Eu

Secretary of State



FILED
In the Office of the Secretary of State
of the State of California

BA NCTO 470444
SURV

A336581

JUL 31 1987

AMENDED AND RESTATED
AGREEMENT AND PLAN OF REORGANIZATION

March 1987
AMENDED AND RESTATED AGREEMENT AND PLAN OF REORGANIZATION dated as of
MARCH 1987 among BEVERLY ENTERPRISES, a California corporation ("Beverly"), BEVERLY
ENTERPRISES, INC., a Delaware corporation and wholly owned subsidiary of Beverly ("Holding
Company"), and BEVERLY MERGER, INC., a California corporation and wholly owned subsidiary of
Holding Company ("Merger Company").

The parties hereto agree as follows:

ARTICLE I
THE MERGER

SECTION 1.1. *22c Merger.* At the Effective Time (as hereinafter defined), Merger Company shall be merged into Beverly (the "Merger") upon the terms and subject to the conditions hereinafter set forth and in accordance with the General Corporation Law of the State of California ("California Law"). Beverly shall continue as the surviving corporation (the "Surviving Corporation"), and the separate corporate existence of Merger Company shall cease.

SECTION 1.2. *Effective Time.* As soon as practicable after satisfaction or waiver of all conditions to the Merger, a copy of this Agreement and all other requisite documents shall be filed in accordance with California Law. The Merger shall become effective at such time (the "Effective Time") as a copy of this Agreement and all other requisite documents are duly filed with the Secretary of State of the State of California pursuant to the California Law.

SECTION 1.3. *Certificate of Incorporation.* As a result of the Merger, the articles of incorporation of the Surviving Corporation shall be amended in full to read as follows:

"FIRST: The name of this corporation is BEVERLY CALIFORNIA CORPORATION.

SECOND: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THIRD: The total number of shares which this corporation is authorized to issue is Three Hundred Million (300,000,000), each with ten cents (\$.10) par value.

FOURTH: This corporation elects to be governed by all of the provisions of the General Corporation Law of 1976 not otherwise applicable to it under Chapter 23 thereof."

SECTION 1.4. *Bylaws.* The bylaws of Beverly in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation.

SECTION 1.5. *Directors and Officers.* From and after the Effective Time, until successors are elected or appointed in accordance with applicable law:

(a) the directors of Merger Company immediately prior to the Effective Time shall be the directors of the Surviving Corporation; and

(b) the officers of Merger Company immediately prior to the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE II
CONVERSION OF SHARES

SECTION 2.1. *Conversion.* At the Effective Time:

(a) Each share of common stock, \$.10 par value, of Beverly ("Beverly Common Stock") outstanding immediately prior to the Effective Time shall be converted into one share of common stock, \$.10 par value, of Holding Company ("Holding Company Common Stock");

(b) Each share of Cumulative Convertible Preferred Stock, \$1.00 par value, of Beverly ("Beverly Preferred Stock") outstanding immediately prior to the Effective Time shall be converted into one share of preferred stock of Holding Company having substantially the same rights, preferences, privileges and restrictions as the Beverly Preferred Stock except that from and after the Effective Time such preferred stock shall be convertible into Holding Company Common Stock rather than Beverly Common Stock;

(c) Each share of capital stock of Merger Company outstanding immediately prior to the Effective Time shall be converted into five thousand nine hundred (5,900) shares of Beverly Common Stock; and

(d) Each share of capital stock of Holding Company outstanding immediately prior to the Effective Time shall be canceled and shall revert to the status of authorized but unissued shares.

SECTION 2.2. Status of Securities After Effective Time. No exchange of certificates representing shares of Beverly stock converted pursuant to Section 2.1 shall be required; from and after the Effective Time and until certificates representing such Beverly stock are presented for exchange or registration of transfer, all such certificates shall be deemed for all purposes to represent Holding Company stock into which they were so converted. After the Effective Time, whenever certificates which formerly represented shares of Beverly stock are presented for exchange or registration of transfer, there shall be issued in respect thereof certificates representing Holding Company stock into which they were converted. If any certificate representing Holding Company stock is to be issued in a name other than that of the registered holder of the certificate presented representing Beverly stock, it shall be a condition of issuance that (a) the certificate so surrendered shall be properly endorsed or accompanied by a stock power and shall otherwise be in proper form for transfer and (b) the person requesting such issuance shall pay any transfer or other taxes required by reason of the issuance of such certificates in a name other than that of the registered holder of the certificate so presented, or establish that such taxes have been paid or are not applicable.

SECTION 2.3. Stock Option Plans. At the Effective Time, the 1981 Beverly Incentive Stock Option Plan, 1981 Beverly Stock Option Plan and 1985 Beverly Nonqualified Stock Option Plan (the "Stock Option Plans") shall automatically, by operation of law, be continued as and become the Stock Option Plans of Holding Company. At the Effective Time, each unexercised option theretofore granted under the Stock Option Plans to purchase shares of Beverly Common Stock shall automatically, by operation of law, become an option to purchase the same number of shares of Holding Company Common Stock in lieu of shares of Beverly Common Stock on the same terms and conditions and at the same option exercise price, and Holding Company shall assume all of Beverly's obligations with respect to such option. Furthermore, at the Effective Time, each share of restricted stock theretofore granted under the Stock Option Plans shall automatically, by operation of law, become a share of Holding Company Common Stock, subject to the same restrictions, and Holding Company shall assume all of Beverly's obligations with respect to such shares.

SECTION 2.4. Other Rights. At the Effective Time, and except as otherwise provided in Section 2.3 of above, all rights to purchase, sell or receive Beverly Common Stock shall automatically, by operation of law, be converted into and shall become an identical right to purchase, sell or receive Holding Company Common Stock.

SECTION 2.5. Convertible Debentures and Notes. At the Effective Time, Holding Company shall become a debtor and several obligor of all debentures and notes convertible into shares of Beverly Common Stock. Such debentures and notes shall become convertible into Holding Company Common Stock in lieu of shares of Beverly Common Stock on the same terms and conditions and at the same conversion price, and Holding Company shall assume all of Beverly's obligations with respect to such conversion. The Boards of Directors and officers of Beverly and Holding Company shall take all action necessary or appropriate to reflect such changes, including without limitation the execution of supplemental indentures.

SECTION 2.6. Harvard Option. At the Effective Time, the option to purchase 1,000,000 shares of Beverly Common Stock initially granted to the Beverly Foundation and presently held by the President and Fellows of Harvard College shall automatically, by operation of law, be continued as and become an option to purchase the same number of shares of Holding Company Common Stock in lieu of shares of

Beverly Common Stock on the same terms and conditions and at the same option exercise price, and Holding Company shall assume all of Beverly's obligations with respect to such option.

SECTION 3.7. Reservation or Issuance of Stock. At the Effective Time the Board of Directors of Holding Company shall be deemed to have reserved, or authorized the issuance of, as the case may be, an amount of shares of Holding Company Common Stock, and such shares shall automatically be so reserved, or so authorized, as the case may be, in respect of the agreements, plans, rights, convertible debentures, notes and options within foregoing Sections 2.3, 2.4, 2.5 and 2.6 equal to the amount of shares of Beverly Common Stock that Beverly had reserved, or of which Beverly had authorized the issuance, as the case may be, in respect of such plans, rights, convertible debentures and notes and options.

ARTICLE III

CONDITIONS PRECEDENT TO THE MERGER; TERMINATION OF AGREEMENT

SECTION 3.1. Conditions to Each Party's Obligation. The obligation of each party to consummate the Merger is subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) This Agreement shall have been approved by the requisite vote of the shareholders of Beverly in accordance with California Law;

(b) Any and all approvals or consents from any governmental agency having jurisdiction and other third parties that are required for the lawful consummation of Merger and the issuance and delivery of Holding Company Common Stock as contemplated by this Agreement shall have been obtained and shall not have been revoked.

SECTION 3.2 Termination of Agreement. This Agreement may be terminated by action of the Board of Directors of Beverly at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the shareholders of Beverly).

SECTION 3.3 No Further Liability. In the event of the termination of this Agreement pursuant to this Article III, this Agreement shall be void and of no further force or effect, and there shall be no further liability or obligation of any nature by reason of this Agreement or the termination hereof on the part of any of the parties hereto or their respective directors, officers, employees, agents or shareholders.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1 Binding Effect. This Agreement shall be binding and shall inure to the benefit of the parties and their respective successors and assigns, provided that this Agreement may not be assigned by any party without the consent of the other parties.

SECTION 4.2 Waiver. Any of the terms or conditions of this Agreement which may legally be waived may be waived at any time by any party hereto which is, or the shareholders of which are, entitled to the benefit thereof.

SECTION 4.3 Amendments. This Agreement may be amended, modified or supplemented by written agreement of Beverly, Holding Company and Merger Company at any time prior to the Effective Time, whether before or after the approval of this Agreement by the shareholders of Beverly, but, after any such vote, no amendment, modification or supplement shall be made if Beverly's Board of Directors shall determine that such amendment, modification or supplement would have a material adverse effect on the rights of the holders of Beverly stock without the further approval of such shareholders.

SECTION 4.4 Counterparts. This Agreement may be executed in one or more counterparts all of which shall be considered one and the same instrument.

SECTION 4.5 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BEVERLY ENTERPRISES,
a California corporation

By [Signature]
Chairman of the Board

By [Signature]
Secretary

BEVERLY ENTERPRISES, INC.,
a Delaware corporation

By [Signature]
President

By [Signature]
Secretary

BEVERLY MERGER, INC.,
a California corporation

By [Signature]
President

By [Signature]
Secretary

OFFICERS' CERTIFICATE
OF
BEVERLY ENTERPRISES

* * * * *

Robert Van Tuyle, Chairman of the Board, and Wanda M. Paterson, Assistant Secretary, of BEVERLY ENTERPRISES, a California corporation, do hereby certify that:

1. They are the Chairman of the Board and the Assistant Secretary, respectively, of BEVERLY ENTERPRISES, a California corporation.

2. The total number of votes entitled to be cast by each class entitled to vote on the merger is as follows:

| <u>Class</u> | <u>Total number of shares entitled to vote</u> |
|---|--|
| Common | 62,949,161 |
| Common and Preferred, voting together as a class | 67,949,156 |
| Preferred | 4,999,995 |

3. The principal terms of the Amended and Restated Agreement and Plan of Reorganization dated June 23, 1987 among this corporation, Beverly Enterprises, Inc. and Beverly Merger, Inc. in the form attached were approved by this corporation by a

71BJE0612D/1

vote of a number of shares of each class which equaled or exceeded the vote required by each class to approve such agreement.

4. Each class entitled to vote and the minimum percentage vote of each such class to approve the merger is as follows:

| <u>Class</u> | <u>Minimum percentage vote required to approve the merger</u> |
|--|---|
| Common | More than fifty percent (50%) |
| Common and Preferred, voting together as a class | More than fifty percent (50%) |
| Preferred | More than fifty percent (50%) |

Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing certificate are true and correct of his or her own knowledge. Executed at Pasadena, California, on June 25, 1987.

Robert Van Thyle
Robert Van Thyle
Chairman of the Board

Wanda M. Paterson
Wanda M. Paterson
Assistant Secretary

OFFICERS' CERTIFICATE

OF

BEVERLY MERGER, INC.

* * * * *

Robert Van Tuya, Chairman of the Board, and Wanda M. Paterson, Assistant Secretary, of BEVERLY MERGER, INC., a California corporation, do hereby certify that:

1. They are the Chairman of the Board and the Assistant Secretary, respectively, of BEVERLY MERGER, INC., a California corporation.

2. The total number of outstanding shares of each class of this corporation entitled to vote on the merger is as follows:

| <u>Class</u> | <u>Total number of shares entitled to vote</u> |
|--------------|--|
| Common | 10,000 |

3. The principal terms of the Amended and Restated Agreement and Plan of Reorganization dated as of June 23, 1987 among Beverly Enterprises, Beverly Enterprises, Inc. and this corporation in the form attached were approved by this corporation by a vote of a number of shares of each class which equaled or exceeded the vote required by each class to approve such agreement.

7LBJE0612C/1

4. Each class entitled to vote and the minimum percentage vote of each such class are as follows:

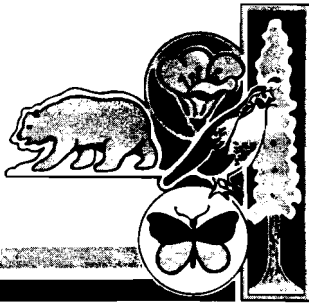
| <u>Class</u> | <u>Minimum percentage vote required to approve the merger</u> |
|--------------|---|
| Common | More than fifty percent (50%) |

5. The required vote of the shareholder of Beverly Enterprises, Inc., the parent of this corporation whose equity securities are to be issued in the merger, was obtained.

Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing certificate are true and correct of his or her own knowledge. Executed at Pasadena, California, on June 25, 1987.

Robert Van Tuyle
Robert Van Tuyle
Chairman of the Board

Wanda M. Paterson
Wanda M. Paterson
Assistant Secretary



State
of
California

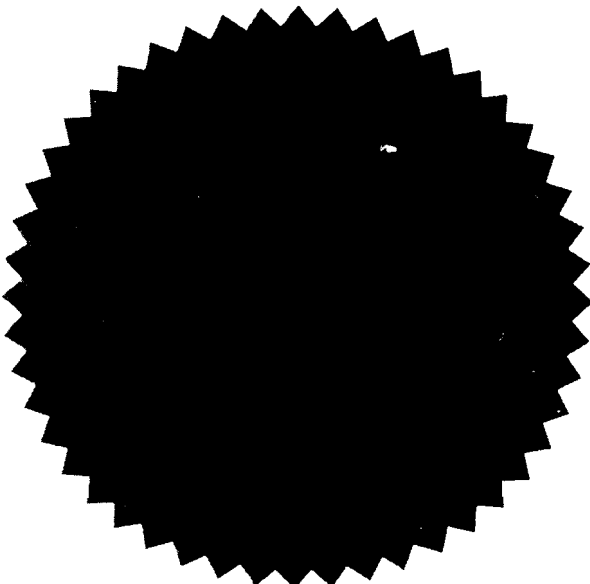
OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

SEP 30 1988



March Fong Eu

Secretary of State

A245365

CERTIFICATE OF OWNERSHIP

FOR THE MERGER

OF

GERIATRICS NURSING CENTERS, INC.

INTO

BEVERLY ENTERPRISES

FILED
In the office of the Secretary of State
of the State of California
MAR 1 1982
BONNIE FORD SR. Secretary of State
B. Ford
Deputy

470444
SURV

Pursuant to Section 1110 of the Corporations code of the State of California, Bobby W. Stephens and Joe Magnani certify that:

1. They are Vice President, and Assistant Secretary, respectively, of Beverly Enterprises, a California corporation.

2. The parent corporation is Beverly Enterprises, a California corporation; the subsidiary corporation is Geriatrics Nursing Centers, Inc., an Arkansas corporation.

3. Beverly Enterprises owns 100% of the outstanding Common Stock of Geriatrics Nursing Centers, Inc. being the only class of stock issued and outstanding.

4. The following Resolution was duly adopted by the Board of Directors of Beverly Enterprises:

RESOLVED, that this corporation merge Geriatrics Nursing Centers, Inc. into itself and assume all of the obligations of said corporation pursuant to Section 1110 of the California Corporations Code; and further

RESOLVED, that the officers of this corporation be and they hereby are directed to make and execute appropriate certificates of ownership and merger and any other documents which may be appropriate, and to cause the same to be filed with the Secretary of State of California and the appropriate officers in other states involved, and to do all acts and things whatsoever, whether within or without the State of California, which may in anywise be necessary or proper to effect such mergers.

IN WITNESS WHEREOF, Beverly Enterprises has caused this Certificate to be signed by Bobby W. Stephens, its Vice President and by Joe Magnani, its Assistant Secretary, this 19th day of February, 1982.



Bobby W. Stephens
Vice President

(S E A L)




Joe Magnani
Assistant Secretary

Each of the foregoing declares under penalty of perjury that he has read the foregoing Certificate and knows the contents thereof and that the same is true of his own knowledge.

EXECUTED this 19th day of February, 1982, in Port S outh, Sebastian County, Arkansas.



Bobby W. Stephens



Joe Magnani