

COMMON COUNCIL ORDINANCE NO. 02-07
[Lebanon Manor Village Apartments]

AN ORDINANCE AUTHORIZING THE CITY OF LEBANON, INDIANA TO ISSUE ONE OR MORE SERIES OF ITS CITY OF LEBANON, INDIANA MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2002 (LEBANON MANOR VILLAGE APARTMENTS) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TWO MILLION SIX HUNDRED THOUSAND DOLLARS (\$2,600,000) AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO.

WHEREAS, Indiana Code Title 36, Article 7, Chapters 11.9 and 12 (collectively, the "Act") declares that the financing and refinancing of economic development facilities constitutes a public purpose; and

WHEREAS, the Act provides that an issuer may, pursuant to the Act, issue revenue bonds and lend the proceeds thereof to a corporation, partnership or individual for the purpose of financing costs of acquisition, rehabilitation or construction of facilities, including real and personal property, for diversification of economic development and promotion of job opportunities in or near such issuer; and

WHEREAS, the Act provides that such bonds may be secured by a trust indenture between an issuer and a corporate trustee; and

WHEREAS, a representative of Community Reinvestment Foundation-VII, Inc., an Indiana nonprofit public benefit corporation (the "Company") has requested that the City of Lebanon, Indiana (the "Issuer") issue bonds and lend the proceeds thereof to the Company to enable the Company to undertake and complete the acquisition and rehabilitation of the existing Lebanon Manor Village Apartments consisting of 78 one bedroom units on land located at 770 West Maple Drive, Lebanon, Indiana (the "Apartments"); and

WHEREAS, the Lebanon Economic Development Commission (the "Commission") has rendered a report of the Commission concerning the proposed financing of economic development facilities for the Company and the plan commission has been given the opportunity to comment thereon pursuant to Indiana Code, Title 36, Article 7, Chapter 12, Section 23(b); and

WHEREAS, pursuant to and in accordance with the Act, the Issuer desires to provide a portion of the funds to finance the acquisition and rehabilitation of the Apartments by issuing its City of Lebanon, Indiana Multifamily Housing Mortgage Revenue Bonds, Series 2002A (GNMA Collateralized - Lebanon Manor Village Apartments) (the "Series 2002A Bonds") and its City of Lebanon, Indiana Subordinate Multifamily Housing Revenue Bonds, Series 2002B (Lebanon Manor Village Apartments) (the "Series 2002B Bonds") (the Series 2002A Bonds and

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the Series 2002B Bonds are collectively referred to as the "Bonds") in the aggregate principal amount collectively not to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000); and

WHEREAS, the Commission, after a public hearing conducted at 6:30 p.m. local time on October 14, 2002 pursuant to Indiana Code Title 36, Article 7, Chapter 12, Section 24 and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), found that the financing of the Apartments complies with the purposes and provisions of the Act and that such financing will be of benefit to the health and welfare of the Issuer and its citizens; and

WHEREAS, the Issuer intends to issue the (i) Series 2002A Bonds pursuant to a Trust Indenture (the "Series 2002A Trust Indenture") between the Issuer and Wells Fargo Bank Indiana, N.A., as Trustee (the "Trustee") to obtain funds to lend to the Company pursuant to a Financing Agreement (the "Financing Agreement") between the Issuer, the Company, the Trustee and P/R Mortgage & Investment Corp., as lender (the "Lender"); and (ii) Series 2002B Bonds pursuant to a Trust Indenture (the "Series 2002B Trust Indenture") between the Issuer and the Trustee to obtain funds to lend to the Company pursuant to a Loan Agreement (the "Loan Agreement") between the Issuer and the Company; all of the foregoing being for the purpose of financing or providing reimbursement for a portion of the cost of the Apartments and to pay a portion of the costs of issuance of the Bonds; and

WHEREAS, the Financing Agreement and the Loan Agreement provide for the repayment by the Company of the loan of the proceeds of the Series 2002A Bonds and the Series 2002B Bonds respectively pursuant to each of which the Company will agree to make payments sufficient to pay the principal and interest on the Series 2002A Bonds and the Series 2002B Bonds respectively as the same become due and payable and to pay administrative expenses in connection with the Series 2002A Bonds and the Series 2002B Bonds respectively; and

WHEREAS, the Issuer, the Company and the Trustee will enter into a Land Use Restriction Agreement (the "Land Use Restriction Agreement") which will govern the use of the Apartments; and

WHEREAS, the Issuer, the Company and the Trustee will enter into a Tax Regulatory Agreement (the "Tax Regulatory Agreement") to assure compliance with the Code; and

WHEREAS, the Issuer, the Company, Fannie Mae (the "Series 2002A Bond Purchaser") and The Sturges Company (the "Placement Agent") will enter into a Purchase Contract (the "Purchase Contract") regarding the sale of the Series 2002A Bonds; and

WHEREAS, the Placement Agent will utilize a Preliminary Official Statement (the "Preliminary Official Statement") and an Official Statement (the "Official Statement") in connection with the offering and sale of the Series 2002A Bonds;

WHEREAS, the financing will not have an adverse competitive effect or impact on any similar facility or facility of the same kinds already constructed or operating in the same market area or in or about Lebanon, Boone County, Indiana; and

WHEREAS, there have been submitted to the Commission for its approval substantially final forms of the (1) Series 2002A Trust Indenture; (2) Series 2002B Trust Indenture; (3) Financing Agreement; (4) Loan Agreement; (5) Purchase Contract; (6) Land Use Restriction Agreement; (7) Tax Regulatory Agreement; (8) Preliminary Official Statement (hereinafter referred to collectively as the "Financing Documents"); and (9) this proposed form of Ordinance all of which were approved by the Commission by Resolution adopted prior in time to the adoption of this Ordinance, which Resolution has been transmitted hereto; now, therefore:

**BE IT ORDAINED BY THE COMMON COUNCIL
OF THE CITY OF LEBANON, INDIANA**

SECTION 1. It is hereby found that the financing of the economic development facilities referred to in the Financing Documents consisting of the Apartments, the issuance and sale of the Bonds, the loan of the proceeds thereof to the Company for the purposes of financing or providing reimbursement for a portion of the cost of the Apartments, and the repayment of said loan by the Company will be of benefit to the health or general welfare of the Issuer and its citizens and does comply with the purposes and provisions of the Act.

SECTION 2. The forms of the Financing Documents presented herewith (i) are hereby approved (ii) are incorporated herein and (iii) shall be kept on file by the Clerk-Treasurer. In compliance with Indiana Code Title 36, Article 1, Chapter 5, Section 4, two (2) copies of the Financing Documents are on file in the office of the Clerk-Treasurer for public inspection.

SECTION 3. The Issuer shall issue its Series 2002A Bonds and its Series 2002B Bonds in the aggregate principal amount collectively not to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000) for the purpose of procuring funds to loan to the Company in order to finance or provide reimbursement for a portion of the cost of the Apartments which Series 2002A Bonds and Series 2002B Bonds will be payable as to principal and interest solely from the payments made by the Company pursuant to the Financing Agreement and the Loan Agreement respectively to evidence and secure said loan and as otherwise provided in the above-described Financing Documents. The Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the Issuer.

SECTION 4. Rule 15c2-12(b)(1) of the Securities Exchange Act of 1934, as amended (the "SEC Rule"), provides that, prior to the time a participating underwriter or placement agent bids for, purchases, offers or sells municipal securities, the participating underwriter or placement agent shall obtain and review an official statement that an issuer of such securities deems a "near final" official statement. The Issuer approves the use and distribution of a Preliminary Official Statement and an Official Statement in connection with the issuance, sale and delivery of the

Series 2002A Bonds if it is desirable or necessary, and authorizes and directs (i) the Mayor of the Issuer to sign the Official Statement if so requested by counsel to the Placement Agent; (ii) the Issuer to deem the Preliminary Official Statement to be final as of its date, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the securities depending on such matters; and (iii) the Mayor, the Clerk-Treasurer or any other officer or the Issuer familiar with the matters with respect to the Issuer set forth in the Preliminary Official Statement to certify to the Placement Agent that the information in the Preliminary Official Statement with respect to the Issuer is deemed to be final within the meaning of the SEC Rule prior to the distribution of the Preliminary Official Statement.

SECTION 5. The Clerk-Treasurer is authorized and directed to sell such Bonds (including the Series 2002A Bonds pursuant to the Purchase Contract) at a price not less than 97% of the aggregate principal amount thereof and not more than 104% of the aggregate principal amount thereof, plus accrued interest, if any, and at rates of interest not to exceed ten percent (10%) per annum. The Bonds will mature no later than 40 years from their dated date.

SECTION 6. The Mayor and the Clerk-Treasurer are authorized and directed to execute those Financing Documents approved herein which require the signature of the Mayor and Clerk-Treasurer and any other document which may be necessary or desirable to consummate the transaction and their execution is hereby confirmed on behalf of the Issuer. The signatures of the Mayor and the Clerk-Treasurer on the Bonds may be facsimile signatures. The Clerk-Treasurer is authorized to arrange for the delivery of such Series 2002A Bonds to the Series 2002A Bond Purchaser and such Series 2002B Bonds to the purchaser thereof, payment for which will be made in the manner set forth in the Financing Documents. The Mayor and the Clerk-Treasurer may, by their execution of the Financing Documents requiring their signatures and imprinting of their facsimile signatures thereon, approve changes therein and also in those Financing Documents which do not required the signature of the Mayor and/or Clerk-Treasurer without further approval of the Common Council of the Issuer or this Commission if such changes do not affect terms set forth in Indiana Code Title 36, Article 7, Chapter 12, Section 27(a)(1) through (a)(10).

SECTION 7. The provisions of this Ordinance and the Financing Documents shall constitute a contract binding between the Issuer and the holder or holders of the Bonds and after the issuance of said Bonds, the Ordinance shall not be repealed or amended in any respect which would adversely affect the right of such holder or holders so long as said Bonds or the interest thereon remains unpaid.

SECTION 9. This special ordinance shall be in full force and effect upon adoption and compliance with Indiana Code Title 36, Article 4, Chapter 6, Sections 15 and 16.

Adopted by the Common Council this 14th day of October, 2002.

Way Hersler

Andrea Klotz

Commune Sturgis

Frank W. Poley

James K. Urban

Harold "Huck" Linn

James H. Acton
James H. Acton, Mayor
City of Lebanon, Indiana

ATTEST:

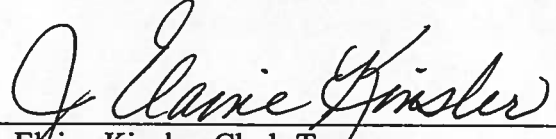
J. Elaine Kinsler
J. Elaine Kinsler, Clerk-Treasurer
City of Lebanon, Indiana

CERTIFICATE OF CLERK-TREASURER

I, J. Elaine Kinsler, hereby certify that I am the duly qualified and acting Clerk-Treasurer of the City of Lebanon, Indiana, that the foregoing Ordinance is a true copy of an Ordinance introduced and enacted at a properly convened meeting of the Common Council of the City of Lebanon, Indiana on October 14, 2002, signed by the members of the Common Council, approved by the Mayor of the City, and attested by me as Clerk-Treasurer, as shown by the official records in my custody and under my control.

I further certify that said meeting was duly held in accordance with all applicable requirements of Indiana law, that a quorum was present at said meeting, that said Ordinance has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN WITNESS WHEREOF, I have hereto set my hand as Clerk-Treasurer and the official seal of the City this 14th day of October, 2002.



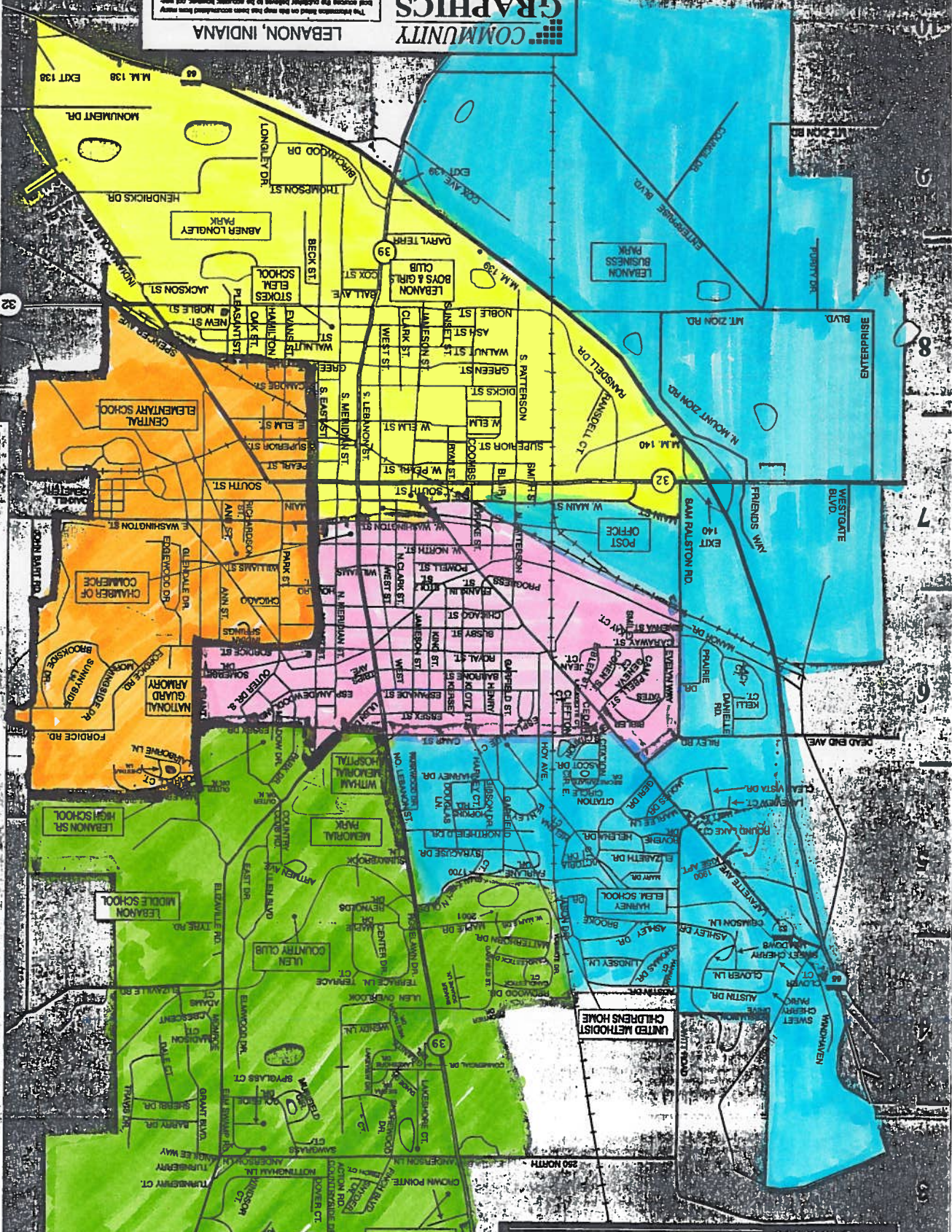
J. Elaine Kinsler, Clerk-Treasurer
City of Lebanon, Indiana

(SEAL)

COMMUNITY GRAPHICS INCORPORATED
 2000 Community Graphics
 P.O. Box 2304
 Tipton, IN 46073-0304
 765 / 675-9950 • FAX 765 / 675-9949

The information found on this map has been researched from many local sources. Any omissions, additions, errors, or changes from the most current information are not the responsibility of the publisher. The publisher assumes no liability for any errors or omissions.

LEBANON, INDIANA



DISTRICT	PRECINCT	COUNCILMEMBER
1 (ORANGE)	1 & 4	LEWIS
2 (YELLOW)	3 & 8	STURGIS
3 (PINK)	10 & 13	BESTER
4 (GREEN)	7 & 11	URBAN
5 (BLUE)	2, 7 & 12	GETLER