

RESOLUTION NO. 01-03 a.

A RESOLUTION APPROVING AND AUTHORIZING
CERTAIN ACTIONS AND PROCEEDINGS WITH RESPECT TO
CERTAIN PROPOSED ECONOMIC DEVELOPMENT REVENUE BONDS

WHEREAS, the City of Lebanon, Indiana (the "City"), is authorized by I.C. 36-7-11.9 and I.C. 36-7-12 (collectively, the "Act") to issue revenue bonds for the financing of economic development facilities, and loan the proceeds of the revenue bond issue to another entity to finance or refinance the acquisition, construction, renovation, installation and equipping of said facilities;

WHEREAS, United Management Services, Inc. (the "Borrower") desires to finance and refinance the acquisition, design, construction and/or equipping of a new building located in the City (the "Project");

WHEREAS, the Borrower owns and has completed the Project for use in the operation of its catered living retirement facility located at 610 CrownPointe Drive in the City;

WHEREAS, the Borrower has advised the City of Lebanon Economic Development Commission (the "Commission") and the City that it proposes that the City issue revenue bonds in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "Bonds") under the Act and loan the proceeds of such Bonds to the Borrower for the purpose of financing and refinancing the Project;

WHEREAS, the Commission has studied the Project and the proposed financing and refinancing of the Project and their effect on the health and general welfare of the City and its citizens;

WHEREAS, the completion of the Project results in the diversification of industry, the creation or retention of fourteen to fifteen (14 - 15) jobs and the creation and retention of business opportunities in the City;

WHEREAS, pursuant to I.C. § 36-7-12-24, the Commission published notice of a public hearing (the "Public Hearing") on the proposed issuance of the Bonds to finance and refinance the Project; and

WHEREAS, on the date hereof the Commission held the public hearing on the Project and received uncontroverted evidence that there are no facilities which are similar to the Project and have already been constructed or operating in or near the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF LEBANON ECONOMIC DEVELOPMENT COMMISSION AS FOLLOWS:

SECTION 1. The Commission hereby finds, determines, ratifies and confirms that the diversification of industry, the creation and retention of business opportunities and the creation and retention of opportunities for gainful employment within the jurisdiction of the City is desirable, serves a public purpose, and is of benefit to the health and general welfare of the City; and that it is in the public interest that the City take such action as it lawfully may to encourage the diversification of industry, the creation and retention of business opportunities, and the creation and retention of opportunities for gainful employment within the jurisdiction of the City.

SECTION 2. The Commission hereby makes a finding of fact, based upon the uncontroverted evidence presented at the Public Hearing, that there are no facilities which are similar to the Project and

already constructed or operating in or near the City and, based upon such finding of fact, hereby determines that the Project will not have, and have not had, an adverse competitive effect on any similar facilities already constructed or operating in or near the City.

SECTION 3. The Commission hereby approves the report with respect to the Project presented at this meeting. The Secretary of this Commission shall submit such report to the executive director or chairman of the plan commission of the City.

SECTION 4. The Commission finds, determines, ratifies and confirms that the issuance and sale of the Bonds in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) and the loan of the proceeds of the Bonds to the Borrower for the financing and refinancing of the Project will be of benefit to the health and general welfare of the City, will serve the public purposes referred to above in accordance with the Act, and fully comply with the Act.

SECTION 5. The financing and refinancing of the Project through the issuance of the Bonds, in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000), is hereby approved.

SECTION 6. The Commission hereby approves the terms of the following documents in the form presented at this meeting: (i) a Loan Agreement (including the Series 2001 Note), between the City and the Borrower; (ii) a Trust Indenture, between the City and Fifth Third Bank, Indiana (the "Trustee"); (iii) a Bond Placement Agreement, among the City, the Borrower and Fifth Third Securities, Inc.; (iv) a Remarketing Agreement between the Borrower and Fifth Third Securities, Inc.; (v) a Private Placement Memorandum with respect to the Bonds; and (vi) an Ordinance of the Common Council of the City.

SECTION 7. The Commission hereby recommends that the City, pursuant to Section 18.5 of the Act, initiate a program for financing economic development facilities (as defined in the Act), including without limitation the Project, for developers (as defined in the Act) and users (as defined in the Act), including without limitation the Borrower, in Indiana, through the issuance of taxable or tax-exempt bonds, including without limitation the Bonds, and, in furtherance of this objective, lend money, upon such terms and conditions as the City considers proper, to a developer or user, including without limitation the Borrower, under an installment purchase contract or loan agreement to: (i) finance, reimburse or refinance the cost of economic development facilities, including without limitation the Project; and (ii) take back a secured or unsecured promissory note evidencing such a loan or a security interest in the economic development facilities financed or refinanced with the loan, including without limitation the Project.

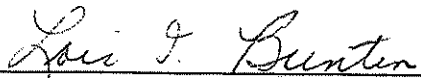
SECTION 8. Any officer of the Commission is hereby authorized and directed, in the name and on behalf of the Commission, to execute any and all other agreements, documents and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed by him to be necessary or desirable in order to carry out and comply with the intent, conditions and purposes of this resolution (including the preambles hereto and the documents mentioned herein), the Project and the issuance and sale of the Bonds, and any such execution, performance, approval or doing of other things heretofore effected be, and hereby is, ratified and approved.

SECTION 9. The Secretary of this Commission shall transmit this resolution, together with the forms of the documents approved by this resolution, to the Common Council of the City.

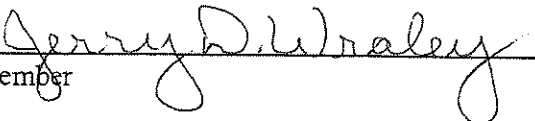
SECTION 10. This resolution shall be in full force and effect upon adoption.

Adopted this 26th day of March, 2001.

CITY OF LEBANON ECONOMIC
DEVELOPMENT COMMISSION



Member



Member

Member

**REPORT OF THE CITY OF LEBANON
ECONOMIC DEVELOPMENT COMMISSION CONCERNING
THE PROPOSED FINANCING OF ECONOMIC DEVELOPMENT
FACILITIES FOR UNITED MANAGEMENT SERVICES, INC.**

The City of Lebanon Economic Development Commission (the "Commission") proposes to recommend to the Common Council of the City of Lebanon, Indiana (the "City"), that it loan the proceeds of certain economic development revenue bonds to United Management Services, Inc. (the "Applicant") for the financing and refinancing of certain economic development facilities in the City.

In connection therewith, the Commission hereby reports as follows:

A. The proposed economic development facilities consist of a new building that is being used in connection with the Applicant's catered living retirement facility located at 610 CrownPointe Drive, Lebanon, Indiana (the "Project").

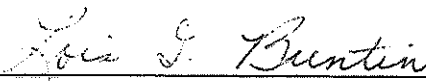
B. The Commission estimates that no additional public works or services, including public ways, schools, water, sewer, street lights and fire protection, will be made necessary or desirable by the Project, because any such works or services already exist or have been or will be provided by the Applicant or other parties.

C. The Commission estimates that the total costs of financing and refinancing the Project will be approximately \$3,500,000.

D. The Commission estimates that the Project has created approximately 14 - 15 jobs with an annual payroll of approximately \$213,000.

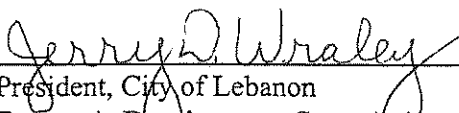
E. There are no facilities similar to the Project that are already constructed or operating in the City, and consequently, the Project will have no adverse competitive effect on similar facilities already constructed or operating in the City of Lebanon, Indiana.

Adopted this 26th day of March, 2001.



Secretary, City of Lebanon
Economic Development Commission

ATTEST:



President, City of Lebanon
Economic Development Commission