

**HARDIN COUNTY FISCAL COURT
RESOLUTION NO. 2013-081**

A RESOLUTION OF THE COUNTY OF HARDIN, KENTUCKY, APPROVING AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF WEST BUECHEL, KENTUCKY AND THE COUNTY OF PIKE, KENTUCKY, AS WELL AS SUCH OTHER PUBLIC AGENCIES AS MAY SUBSEQUENTLY ELECT TO BE A PARTY THERETO, RELATING TO THE ISSUANCE OF INDUSTRIAL BUILDING REVENUE BONDS FOR THE FINANCING AND REFINANCING OF HEALTH CARE AND RELATED FACILITIES TO BE OWNED BY ST. JAMES GROUP, INC.

WHEREAS, pursuant to the Constitution and laws of the Commonwealth of Kentucky, and particularly Chapter 103 of the Kentucky Revised Statutes (the "Act"), including §103.200(1)(e) thereof, cities, counties and other political subdivisions of the Commonwealth of Kentucky (collectively, "Public Agencies"), including the County of Hardin, Kentucky ("Hardin County"), the City of West Buechel, Kentucky ("West Buechel") and the County of Pike, Kentucky ("Pike County") are authorized to issue industrial building revenue bonds to finance any facility or other improvement thereon, and all real and personal properties, including operating equipment and machinery deemed necessary in connection therewith, suitable for use as health care and related facilities by any nonprofit entity and to pledge loan or lease payments received from the person or persons on whose behalf such bonds are issued pursuant to a loan or lease agreement as security for the payment of the principal of and interest on such bonds; and

WHEREAS, Public Agencies are authorized under §§ 65.210 through 65.300, inclusive, of the Kentucky Revised Statutes, as amended (the "Interlocal Cooperation Act"), to cooperate and act jointly in exercising any and all powers, privileges, and authority capable of exercise by the Public Agencies in their respective individual capacities; and

WHEREAS, it is anticipated that St. James Group, Inc. or an affiliated entity (the "Borrower") will from time to time request one or more Public Agencies to issue industrial building revenue bonds on its behalf to finance and refinance health care and related facilities, including without limitation hospitals, clinics, nursing homes, research facilities, extended or long-term care facilities, including housing for the aged or the infirm and all buildings, structures, and facilities deemed necessary or useful in connection therewith (each, a "Project" and, collectively, the "Projects"); and

WHEREAS, pursuant to the provisions of the Act and the Interlocal Cooperation Act, this Fiscal Court has determined that in order to provide an efficient mechanism to finance the Projects, which may in some instances be located in more than one jurisdiction, it is necessary and desirable that Hardin County authorize any Public Agency which is a party to the Agreement hereinafter described to issue industrial building revenue bonds ("Bonds") from time to time, at the request of the Borrower, for the purposes of financing and refinancing Projects for the Borrower pursuant to the Act (collectively, the "Program"); and

WHEREAS, it is deemed advisable that Hardin County join as a party to the Interlocal Cooperation Agreement (the "Agreement") with Pike County and West Buechel, or such of them

as shall adopt a resolution to be a party thereto, together with such other Public Agencies as may subsequently elect to become a party thereto, as prescribed by §65.250 of the Kentucky Revised Statutes, to provide for the financing and refinancing of Projects and the issuance of Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE FISCAL COURT OF THE COUNTY OF HARDIN, KENTUCKY, AS FOLLOWS:

SECTION 1. Policy and Purpose.

(a) This Fiscal Court hereby finds, determines and declares that all statements of fact set forth in the preambles to this Resolution are true and correct in all respects, and such preambles are incorporated herein and constitute a part of this Resolution.

(b) This Fiscal Court finds, determines and declares that the financing of the Program is reasonably necessary in order to promote economic development in the Commonwealth of Kentucky, to relieve conditions of employment and to encourage the increase of industry in the Commonwealth, all of which is to the general welfare of the citizens and inhabitants of Hardin County.

SECTION 2. Approval of Interlocal Cooperation Agreement. The Agreement among Hardin County and the Public Agencies identified in the preambles hereto, providing for the financing of the Program, is hereby specifically approved, substantially in the form attached hereto as Exhibit A, recognizing that such Agreement is subject to the approval of the Department of Local Government as required by § 65.260 of the Kentucky Revised Statutes. The Judge/Executive is hereby authorized to execute and deliver the Interlocal Cooperation Agreement, together with such other agreements and certificates necessary for implementation of the Program.

SECTION 3. Repeal of Conflicting Actions. All resolutions, orders or other legislative or administrative actions or parts thereof of this Fiscal Court in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

SECTION 4. Effective Date of Resolution. This Resolution shall be in full force and effect from and after its passage, as provided by law.

Introduced, seconded and adopted at a duly convened meeting of the Fiscal Court of Hardin County, Kentucky held on the 28th day of May, 2013, signed by the Judge/Executive, attested by the Fiscal Court Clerk, and ordered to be published, filed and indexed as provided by law.



Harry L. Berry

Hardin County Judge/Executive

ATTEST:



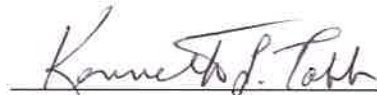
Kenneth L. Tabb

Fiscal Court Clerk

CERTIFICATE

I, Kenneth Tabb, hereby certify that I am the duly qualified and acting Fiscal Court Clerk of the County of Hardin, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the Fiscal Court, at a meeting duly held on May 28, 2013; that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.825; that a quorum was present at said meeting; that said Resolution appears as a matter of public record in the official records of the County of Hardin, Kentucky; that said Resolution has not been modified, amended, revoked, or repealed; and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature on this 28th day of May, 2013.



Fiscal Court Clerk
Kenneth L. Tabb

INTERLOCAL COOPERATION AGREEMENT

Relating To:

Issuance of Industrial Building Revenue Bonds

Dated as of:

May 1, 2013

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INTERLOCAL COOPERATION AGREEMENT

THIS AGREEMENT, made and entered into as of the first day of May, 2013, by and among the County of Hardin, Kentucky ("Hardin County"), acting by and through its Fiscal Court, the City of West Buechel, Kentucky, a city and municipality in Jefferson County, Kentucky ("West Buechel"), acting by and through its City Council and the County of Pike, Kentucky ("Pike County"), acting by and through its Fiscal Court (each a "Governmental Agency" and, collectively, the "Governmental Agencies").

WHEREAS, pursuant to the Constitution and laws of the Commonwealth of Kentucky, and particularly Chapter 103 of the Kentucky Revised Statutes (the "Act"), including §103.200(1)(d) thereof, cities and counties, including urban county governments, are authorized to issue industrial building revenue bonds to finance buildings, structures and facilities, including machinery, equipment and furnishings for use as health care or related facilities and to pledge loan or lease payments received from the person or persons on whose behalf such bonds are issued pursuant to a loan or lease agreement as security for the payment of the principal of and interest on such bonds; and

WHEREAS, Helmwood Healthcare Center, a 60-bed skilled nursing center, is presently located within Hardin County (the "Hardin County Facility"); and

WHEREAS, Westminster Terrace Health Care Centre, a 112-bed skilled nursing center, Westminster Terrace Retirement Centre, a 70-unit independent living facility, and Rose Anna Hughes Presbyterian Home, a facility containing 30 personal care beds and 29 assisted living apartments, are presently located within the County of Jefferson (the "Jefferson County Facilities"); and

WHEREAS, Cedar Creek, a 50-unit assisted living facility, is presently located within Pike County (the "Pike County Facility"); and

WHEREAS, the Hardin County Facility, the Jefferson County Facilities and the Pike County Facility (collectively, the "Facilities") are owned by St. James Group, Inc. (the "Borrower"); and

WHEREAS, the acquisition of the Facilities was originally accomplished through the issuance of industrial revenue bonds by the Kentucky Development Finance Authority and one or more loans from a financial institution (the "Original Indebtedness"); and

WHEREAS, the Governmental Agencies previously authorized an Interlocal Cooperation Agreement dated as of the March 1 2002 authorizing the issuance of the County of Hardin, Kentucky Adjustable Rate Industrial Building Revenue Refunding and Improvement Bonds, Series 2002 (St. James Group, Inc. Project) (the "Series 2002 Bonds"), the proceeds of which were loaned to the Borrower for the purpose of refinancing the Original Indebtedness and making capital improvements to the Facilities (the "Existing Indebtedness"); and

WHEREAS, substantial savings may be effected through the refinancing of the Existing Indebtedness through the issuance of a new series of industrial building revenue bonds (the "2013 Bonds"), the proceeds of which will be utilized to refund the Existing Indebtedness; and

WHEREAS, the Borrower desires to refinance the Series 2002 Bonds; and

WHEREAS, the Governmental Agencies are authorized under §§65.210 through 65.300, inclusive, of the Kentucky Revised Statutes, as amended (the "Interlocal Cooperation Act"), to cooperate and act jointly in exercising any and all powers, privileges, and authority capable of exercise by the Governmental Agencies in their respective individual capacities; and

WHEREAS, the Borrower has requested that West Buechel be the issuer of the 2013 Bonds, which will be secured by payments received from the Borrower; and

WHEREAS, the parties hereby agree and determine that West Buechel will be responsible for the issuance of the 2013 Bonds and taking all actions which may be required of the issuer of the 2013 Bonds; and

WHEREAS, it is additionally anticipated that the Borrower may from time to time request one or more of the Governmental Agencies to issue industrial building revenue bonds on its behalf to finance or refinance facilities for use by such Borrower in providing health-care or related facilities, including without limitation hospitals, clinics, nursing homes, research facilities, extended or long-term care facilities, including housing for the aged or the infirm and all buildings, structures, and facilities deemed necessary or useful in connection therewith (each, a "Project" and, collectively, the "Projects"); and

WHEREAS, pursuant to the provisions of the Act and the Interlocal Cooperation Act, the Governmental Agencies have determined that in order to provide an efficient mechanism to finance and refinance the Projects, which may in some instances be located in more than one jurisdiction, it is necessary and desirable that the Governmental Agencies authorize any of the Governmental Agencies to issue industrial building revenue bonds ("Bonds") from time to time, at the request of the Borrower, for the purposes of financing and refinancing Projects for Borrower pursuant to the Act (collectively, the "Program"); and

WHEREAS, it is deemed advisable that the Governmental Agencies enter into this Interlocal Cooperation Agreement (the "Agreement"), as prescribed by §65.250 of the Kentucky Revised Statutes, to provide for the financing and refinancing of Projects and the issuance of Bonds;

NOW, THEREFORE, THE GOVERNMENTAL AGENCIES HEREBY AGREE AS FOLLOWS:

ARTICLE I FINANCING OF PROGRAM BY ANY GOVERNMENTAL AGENCY

The Governmental Agencies hereby jointly associate for the purpose of providing for the financing of Projects through the issuance of the Bonds by any one of the Governmental Agencies, acting on behalf of one or more of the Governmental Agencies (the "Issuer Governmental Agency"), to provide the best financial benefit to the Program, the Borrower and the Governmental Agencies, all in accordance with the Interlocal Cooperation Act. The Issuer Governmental Agency shall adopt an ordinance or resolution authorizing the plan of financing, the execution on behalf of the Governmental Agency or Governmental Agencies of any agreements required to accomplish such financing and authorizing execution of all other necessary papers. The Issuer Governmental Agency for any issuance of Bonds pursuant to this

Agreement may be any Governmental Agency which has received a request from the Borrower to finance a Project.

The proceedings authorizing the plan of financing, including the issuance of the Bonds, shall provide for the pledging of all or any part of the revenues and receipts, and the investment income from a Project, to be received by or on behalf of the Issuer Governmental Agency from the leasing of the Project or as a result of the loan of the proceeds of such Bonds to the Borrower, and such proceedings may provide that, as security for any Bonds, such Governmental Agency agrees to mortgage, pledge or grant security interests in the Project, and in any other funds or revenues contributed to or received by the Governmental Agency in connection with a Project.

The Issuer Governmental Agency is specifically authorized to proceed to act in adopting a bond ordinance or resolution authorizing the plan of financing and the negotiated sale of the Bonds or to take such other actions as may be in the best interests of the Governmental Agencies and the purposes of a Project.

ARTICLE II DURATION

This Agreement shall be effective from and after its execution by the Governmental Agencies and the issuance of a formal Letter of Approval of this Agreement by the Department of Local Government as required by §65.260(2) of the Kentucky Revised Statutes, followed by the filing of a certified copy of same with the Clerk of each of the counties in which the Governmental Agencies are located and with the Secretary of State of Kentucky, pursuant to §65.290 of the Kentucky Revised Statutes, and the duration of this Agreement from and after said effective date shall be until the later of the termination of the Program or the final payment and retirement of all Bonds issued by the Issuer Governmental Agency pursuant to this Agreement and the satisfaction by any Governmental Agency of all obligations and commitments of a Governmental Agency pertaining to the Bonds.

ARTICLE III NO SEPARATE GOVERNING BODY; ADMINISTRATOR

There shall be no separate governing body created under this Agreement. The Agreement is undertaken jointly by the Governmental Agencies, and all actions pursuant to this Agreement shall be undertaken by the Issuer Governmental Agency, with all proceedings and documents being signed by authorized representatives of the Issuer Governmental Agency, except for such instruments which may require execution by each of the Governmental Agencies, in which case such instruments shall be signed by authorized representatives of each of the Governmental Agencies.

As provided in §65.250(2)(a) of the Kentucky Revised Statutes, it is hereby determined that the administrator of a Project shall be West Buechel, Kentucky, or its designee (the "Administrator").

ARTICLE IV
PURPOSE; OBJECTS; POWERS

The purpose of this Agreement, its objects and the powers of the Governmental Agencies hereunder, shall be as follows:

(a) To finance or refinance a Project located within or in the proximity of the jurisdiction of one or more of the Governmental Agencies through (i) the issuance of industrial building revenue bonds, notes, or other evidences of special indebtedness by the Issuer Governmental Agency in accordance with the Act, and (ii) such other actions as may be to the best financial benefit of the Program and the Governmental Agencies.

(b) To cooperate with each other and with any other governmental agency in accomplishing any of the stated purposes of this Agreement.

(c) To do all of the foregoing and generally to take any and all action necessary and incident to general purposes of this Agreement and as may be necessary or desirable to carry out the purposes of the Program.

(d) In accordance with the requirement of §65.250(d) of the Kentucky Revised Statutes it is hereby stated and agreed that no provision is made in this Agreement for any pertinent pension plan or plans; provided, however, that it is acknowledged that each Governmental Agency agrees to make its own arrangements, if any, as to any pension plan.

(e) No Governmental Agency shall have any power to issue certificates or shares or declare dividends, and this Agreement is not formed for and shall not be operated for profit of any private individual, partnership, corporation, or other entity, but is created solely to carry out the purposes and to exercise the powers set forth above.

ARTICLE V
GENERAL PROVISIONS

The Governmental Agencies further agree to the following general provisions:

(a) No person engaged in activities or transactions contemplated in this Agreement, shall, in connection with the origination, underwriting, or servicing of mortgage loans, discriminate against any person on the basis of race, color, religion, sex, creed, ancestry, national origin, or physical or mental handicap in connection with any such activities or transactions.

(b) All of the proceeds of any Bonds and of the revenues derived from the Projects financed or refinanced by such Bonds shall be used exclusively for the purposes herein set out, including payment of expenses incidental thereto; no part of the proceeds of any Bonds, the investment income derived therefrom, or the revenues securing the Bonds shall inure to the benefit of any representative of any of the Governmental Agencies; and no part of the activities of the Governmental Agencies under the Program shall be for political purposes, intervening in a political campaign, the carrying on of propaganda, or otherwise attempting to influence legislation.

ARTICLE VI
TERMINATION OF AGREEMENT; DISPOSITION OR
ALLOCATION OF ASSETS; WITHDRAWAL OF GOVERNMENTAL AGENCY

(a) Any Governmental Agency may terminate this Agreement and withdraw herefrom, upon thirty days' written notice to the Mayor or Judge/Executive, as applicable, of each of the other Governmental Agencies, upon the following conditions:

(i) Such Governmental Agency is not at that time in default of any of its obligations under any agreement with the remainder of the Governmental Agencies.

(ii) Such termination at that time shall not, in the opinion of the recognized Bond Counsel, constitute an act of default in connection with any outstanding bonds, or any obligation(s) of such terminating Governmental Agency under any agreement with the remainder of the Governmental Agencies.

(iii) Provisions as to the written satisfaction of the rights of bondholders and the other Governmental Agencies, by Bond Counsel employed by the Issuer Governmental Agency shall be made for the protection of the bondholders and of the Administrator and any Trustee designated in the proceedings authorizing such bonds.

(b) Pursuant to §65.250(1) of the Kentucky Revised Statutes, it is agreed that in the event of termination of the Agreement, all of the then remaining assets of the Program shall be distributed and/or transferred as required or contemplated by the documents relating to the Bonds issued for the Project or any provision of Federal or State law, and, if and to the extent not so required or contemplated, shall be distributed and transferred equally to the respective Governmental Agencies. Provided, however, that the Governmental Agencies shall have the right at any time, to agree unanimously on any other method of partial or complete termination and distribution, to whatever extent may be permissible, in the opinion of recognized Bond Counsel, without adversely affecting the rating or status of the Bonds, the exemption of interest thereon from taxation, or other rights of bondholders.

ARTICLE VII
BONDS SHALL NOT CONSTITUTE GENERAL OBLIGATION INDEBTEDNESS
OF GOVERNMENTAL AGENCIES, AND NO OFFICIAL SHALL HAVE ANY
PERSONAL LIABILITY FOR THE BONDS OR ANY INDEBTEDNESS
IN CONNECTION THEREWITH

Any bonds or other obligations issued pursuant to this Agreement shall be revenue obligations of the Issuer Governmental Agency, payable solely from and secured by a pledge of the proceeds of such obligations until disbursed, the investment of such proceeds, the Projects being financed or refinanced with proceeds of the Bonds, and all revenues, funds, proceeds of insurance and other assets pledged under the trust indenture authorizing and securing the Bonds, which amount shall be pledged to be set aside as a special fund or funds for that purpose, and such Bonds shall not constitute an indebtedness of any of the Governmental Agencies, or be payable out of any tax revenues of any of the Governmental Agencies, within the meaning of any constitutional provision or limitation.

None of the officials of the Governmental Agencies, or of any of the members of the legislative bodies of the Governmental Agencies, shall be subject to or in any way liable for any debt or contract created pursuant to this Agreement.

**ARTICLE VIII
ADDITIONAL GOVERNMENTAL AGENCIES AS PARTIES TO AGREEMENT**

Any public agency within the meaning of the Interlocal Cooperation Act, authorized to finance or refinance Projects under the Act, including, but not limited to, any city, county or other political subdivision of the Commonwealth or any other public agency within the meaning of the Interlocal Cooperation Act, may become a party to this Agreement and finance or refinance the acquisition, construction, maintenance and improvement of Projects pursuant to the Program and the Act.

IN WITNESS WHEREOF, the Governmental Agencies have caused this Agreement to be duly executed by counterpart signature pages as of the date first written above.

CITY OF WEST BUECHEL, KENTUCKY

By: _____
Mayor Authorized by Action of the City
Council of the City
on _____, 2013

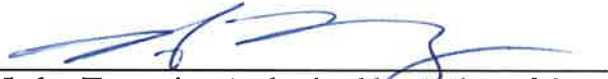
ATTEST:

City Clerk

[Signatures continue on the following page.]

IN WITNESS WHEREOF, the Governmental Agencies have caused this Agreement to be duly executed by counterpart signature pages as of the date first written above.

COUNTY OF HARDIN, KENTUCKY

By: 

Judge/Executive Authorized by Action of the
Fiscal Court of the County of Hardin,
Kentucky
on May 28, 2013

ATTEST:



Fiscal Court Clerk

[Signatures continue on the following page.]

IN WITNESS WHEREOF, the Governmental Agencies have caused this Agreement to be duly executed by counterpart signature pages as of the date first written above.

COUNTY OF PIKE, KENTUCKY

By: _____
Judge/Executive Authorized by Action of the
Fiscal Court of the County of Pike, Kentucky
on _____, 2013

ATTEST:

Fiscal Court Clerk

[Approval set forth on the following page.]

APPROVED BY THE DEPARTMENT OF
LOCAL GOVERNMENT on _____, 2013

CERTIFICATE AS TO RECORDING WITH SECRETARY OF STATE

The undersigned Secretary of State of the Commonwealth of Kentucky, hereby certifies that the foregoing Cooperation Agreement has been duly filed with the Secretary of State of the Commonwealth of Kentucky, pursuant to § 65.290 of the Kentucky Revised Statutes.

Dated this _____, 2013.

Secretary of State of the
Commonwealth of Kentucky

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