

ORDINANCE NUMBER 88-39-CM

00311

AN ORDINANCE TO AMEND ORDINANCE NUMBER 83-3  
BY APPROVAL OF A LEASE AGREEMENT, A CONTRACT FOR SALE AND  
PURCHASE OF REAL ESTATE AND PERSONAL PROPERTY, A DEFERRED  
EXCHANGE AGREEMENT, AND A SUBSTITUTE GUARANTY AGREEMENT

WHEREAS, the Board of Commissioners of the County of Tippecanoe, State of Indiana, ("Issuer") has the authority, pursuant to Indiana Code, Title 36, Article 7, Chapter 12, to issue revenue bonds of the Issuer for the purpose of financing the acquisition, construction, installation and equipment of economic development facilities;

WHEREAS, the Issuer authorized the issuance of \$1,100,000.00 of revenue bonds of the Issuer and the lending of the proceeds thereof to Otterbein Nursing & Care Center, Inc. ("Company") pursuant to a Loan Agreement, Mortgage and Security Agreement dated as of March 1, 1983 ("Loan Agreement") for the purpose of acquiring, constructing, installing and equipping of an economic development facility ("Project"), and the aforesaid issue of bonds is hereafter referred to as "Bonds";

WHEREAS, the Bonds were issued under and pursuant to a Trust Indenture, dated as of March 1, 1983, (the "Indenture") by and between the Issuer and Lafayette Bank & Trust Company, as Trustee, (the "Trustee");

WHEREAS, a Lease of all the Company's Mortgaged Premises (the "Lease") was entered into between the Company and Service Frontiers, Inc., a corporation duly organized and in good standing under the laws of the State of Indiana, ("Service Frontiers") dated September 17, 1985, and commencing October 1, 1985, with a true and complete copy of the Lease delivered to the Issuer and to the Trustee as Trustee of the Indenture;

WHEREAS, a Contract for Sale and Purchase of Real Estate and Personal Property (the "Contract") was entered into between the Company and Service Frontiers for all the Company's Mortgaged Premises and personal property located thereon, which Contract is dated September 17, 1985, and a true and complete copy of the Contract was delivered to the Issuer and to the Trustee as Trustee of the Indenture;

WHEREAS, in order to enhance the marketability of the Bonds and as an inducement to the purchase of the Bonds, Lawrence F. Teder and Rosemary Teder, husband and wife, and Richard E. Linson and Susan H. Linson, husband and wife, (hereinafter collectively referred to as the "Original Guarantors") entered into a Guaranty Agreement (hereinafter referred to as the "Original Guaranty") with the Trustee;

WHEREAS, the property which was financed with the proceeds of the Bonds is being sold to William Bonsignore ("Bonsignore") pursuant to a certain Deferred Exchange Agreement which is subject to the Lease and the Contract, and Bonsignore will assume and agree to pay the outstanding indebtedness on the Bonds, pursuant to Section 3.5 of the Loan Agreement which requires that, prior to the disposition of all or substantially all of the Company's assets, the express written consent of the holders of a majority of the aggregate principal amount of the Bonds be obtained;

WHEREAS, the property which was financed with the proceeds of the Bonds is being sold by William Bonsignore to Service Frontiers, Inc., an Indiana not-for-profit corporation, which will assume and agree to pay the outstanding indebtedness on the Bonds, pursuant to Section 3.5 of the Loan Agreement which requires that, prior to the disposition of all or substantially all of the Company's assets, the express written consent of the holders of a majority of the aggregate principal amount of the Bonds be obtained;

WHEREAS, upon such sale to Service Frontiers, Inc. and its assumption of obligations under said bond documents, North Central Health Services, Inc. (hereinafter referred to as the "Guarantor") is willing to execute as Guarantor a substitute Guaranty Agreement (hereinafter referred to as the "Guaranty");

WHEREAS, the Original Guarantors wish to be released from their obligations under the Original Guaranty and to have the Guarantor under the Guaranty substituted therefor; and

WHEREAS, the Original Guaranty provides that it may be amended to the same extent and upon the same conditions that the

Indenture may be amended, by a written agreement signed by the parties thereto.

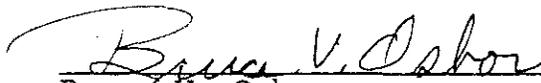
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Tippecanoe that:

1. The Lease, the Contract, and the Deferred Exchange Agreement (copies of which are attached hereto and incorporated herein) shall be approved and consent is hereby given.
2. The Original Guarantors, the Trustee, and at least 51% of the holders of the Bonds at this time outstanding have consented to the amending of the Guaranty Agreement by substitution (copies of such consents are attached hereto and made a part hereof) and are desirous of obtaining the approval and consent of the Issuer.
3. The Guaranty Agreement, a copy of which is attached hereto and incorporated herein, shall be approved and consent is hereby given.
4. The Original Guaranty shall be amended by substitution and shall be replaced in its entirety with the attached Guaranty Agreement, whereby upon the sale of property to Service Frontiers, Inc. and its assumption of obligations under the Bond documents, the Original Guarantors shall be released from all liability under the Original Guaranty.

Executed by the Board of Commissioners of the County of Tippecanoe, State of Indiana, on this 7 day of November, 1988.

BOARD OF COMMISSIONERS OF THE  
COUNTY OF TIPPECANOE

  
Eugene R. Moore

  
Bruce V. Osborn

  
Sue W. Scholer

Attest:

  
Sarah S. Brown, Auditor