

RESOLUTION 85-10

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH
RESPECT TO DEED-IN-LIEU OF FORECLOSURE FOR THE MAYHILL
HOMES CORPORATION ECONOMIC DEVELOPMENT PROJECT

WHEREAS, the Bloomington Common Council authorized issuance of economic development first mortgage revenue bonds for the Mayhill Homes Corporation Project on April 16, 1981, pursuant to Ordinance 81-33; and

WHEREAS, Mayhill Homes Corporation (the Company) and the First National Bank of Atlanta (the Bank), have asked that the City execute an Agreement with Respect to Deed-In-Lieu of Foreclosure.

NOW, THEREFORE BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA THAT the Mayor of the City of Bloomington is hereby authorized to execute the "Agreement With Respect to Deed-In-Lieu of Foreclosure," a copy is attached hereto and made part hereof. Said Agreement provides for repayment of economic development bonds authorized for issuance by the City of Bloomington on April 16, 1981, in lieu of foreclosure.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 6 day of March, 1985.

Patricia A. Gross
Patricia Gross, President
Bloomington Common Council

ATTEST:

Patricia Williams
Patricia Williams, City Clerk

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 7 day of March, 1985.

Patricia Williams
Patricia Williams, City Clerk

SIGNED AND APPROVED by me upon this 7 day of March, 1985.

Tomilea Allison
Tomilea Allison, Mayor
City of Bloomington

SYNOPSIS

This Resolution authorizes the City of Bloomington to execute an Agreement with Respect to Deed-In-Lieu of Foreclosure.

AGREEMENT WITH RESPECT TO DEED-IN-LIEU OF FORECLOSURE

THIS AGREEMENT, made and entered into as of the _____ day of February, 1985, by and among THE FIRST NATIONAL BANK OF ATLANTA, a national banking association ("Bank"), MAYHILL HOMES CORPORATION, a Georgia corporation ("Company"), MONROE COUNTY STATE BANK, an Indiana state banking association, as Trustee ("Trustee") and the CITY OF BLOOMINGTON, INDIANA, an Indiana municipal corporation ("Issuer").

WHEREAS, Bank is the owner and holder of that certain Economic Development First Mortgage Revenue Bond, Series 1981 (Mayhill Homes Corporation Project) (the "Bond") issued by Issuer and secured pursuant to that certain Mortgage and Trust Indenture dated as of March 1, 1981 among Company, Issuer and Trustee (the "Indenture"); and

WHEREAS, all capitalized terms used herein shall have the meanings ascribed thereto in the Indenture, including by reference therein to that certain Loan Agreement dated as of March 1, 1981 between Company and Issuer (the "Loan Agreement"); and

WHEREAS, Bank is mortgagee under that certain Real Estate Mortgage dated as of March 1, 1981 from Company, as Mortgagor, (the "Collateral Mortgage") pursuant to which Bank is granted a lien against the Project Site and the Building; and

WHEREAS, Company has ceased to do business as a going concern and is maintaining its corporate existence in name only until its eventual dissolution or liquidation; and

WHEREAS, Company's present state of affairs renders it unable to continue its business or fulfill its obligations under the Indenture and the Loan Agreement, which state of affairs, Bank believes, places Company in default under Section 8.01 (d) of the Loan Agreement and, correspondingly, under Section 8.01(d) of the Indenture; and

WHEREAS, Company has agreed to transfer and quit claim the Project Site and the Building to Bank in lieu of Bank causing Trustee to foreclose under the Indenture and in lieu of Bank foreclosing under the Collateral Mortgage, in return for a cancellation of \$890,000 of principal amount of the Bond;

NOW, THEREFORE, for and in consideration of the Premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties acknowledge and agree as follows:

1. Company shall execute and deliver a Quit Claim Deed, in form and substance satisfactory to Bank, releasing and quit claiming all of its right, title and interest in and to the

Project Site and the Building, in return for a credit against the outstanding principal balance of the Bond in an amount equal to \$890,000. The Trustee shall record on its records and on the Note the amount of such credit which shall be deemed a partial redemption of the Bond and a partial prepayment of the Note. Bank shall record such credit on the Bond and in its internal records.

2. The Indenture and the Collateral Mortgage shall not be cancelled and satisfied of record until the earlier of (i) the payment in full of all principal and accrued and unpaid interest on, in the case of the Indenture, the Bond (together with all other amounts payable to the Trustee under the Indenture), and in the case of the Collateral Mortgage, the Collateral Debt, and (ii) the Bank, in its sole discretion, cancels and releases, or causes the cancellation and release, of the Indenture and/or the Collateral Mortgage. Bank and Trustee shall not and shall not be deemed to be waiving any other defaults or any rights and remedies which either may have under the Indenture or the Collateral Mortgage or with respect to the Total Collateral, except as set forth in Paragraph 3 hereof.

3. With respect to the release and quit claim by Company described in Paragraph 1 hereof and the other matters set forth herein only, each of the parties hereto waives any notice of default or an event of default or of redemption, any cure or notice and cure period, or any other notices to which it may be entitled under the Loan Agreement, the Indenture or with respect to the Bond or the Collateral Debt, together with any consent or approval rights which such party may have thereunder.

WITNESS the hand and seal of each of the undersigned as of the date first above written.

"BANK"

THE FIRST NATIONAL
BANK OF ATLANTA (SEAL)

By: _____
Title: _____

"COMPANY"

MAYHILL HOMES
CORPORATION

(SEAL)

By: William T. Mays
Title: President

"TRUSTEE"

MONROE COUNTY STATE
BANK, as Trustee

(SEAL)

By: _____
Title: _____

"ISSUER"

CITY OF BLOOMINGTON,
INDIANA

(SEAL)

By: _____
Title: _____

The undersigned hereby consents to the foregoing as of the date first above written.

WILLIAM T. MAYS & ASSOCIATES,
INC.

By: William T. Mays
Title: President