

April 30, 2007
6:00 P.M.
Commission Room

The Commissioners of the City of Horton met on Monday, April 30, 2007 at 6:00 p.m. for a special meeting to discuss the leasehold mortgage and lease purchase agreement for Tri-County Manor Living Center.

Present: Mayor White, Commissioners Krug, Davies, and Madere.

Absent: Commissioner Luscombe

Mayor White called the meeting to order and prayer was led by Candy Schmitt, City Clerk.

Motion by Commissioner Davies to approve the agenda as presented. Seconded by Commissioner Krug. All aye.

Leasehold Mortgage and Lease Purchase Agreement for Tri-County Manor Living Center

City Attorney, Kevin Hill, presented documents for the approval of the Commission to purchase the buildings and land of Tri-County Manor at a cost of \$250,000. The banks will then make available a line of credit to the Manor for operations. The Manor will make lease payments for 179 months beginning March, 2008.

There are several things that need to be accomplished by Southwest National Bank, the stockholders, to be ready for the closing. The Commission also would like to see that the Manor is required to provide monthly financials and that the board members be required to be residents of Kansas.

A question was presented concerning if the Manor were to default and the bank sold the property for more than is owed would the City receive the extra amount. It was decided that an addendum to the agreement should be made showing that the bank will refund the money to the City if the property is sold for more than the bank has invested.

The Commission stated that they did not want the advisory board managing the Tri-County Manor. A management agreement must be in place between Tri-County Manor and a third party. It was noted that a planned agreement between Tri-County Manor and Northeast Kansas Center for Health and Wellness is being prepared.

Motion by Commissioner Davies to approve the lease purchase agreement and leasehold mortgage in the current format to be executed by the Mayor or designee at a closing with the approval and execution of the documents being contingent that (a) all loan requirements are met; (b) the title requirements are met; (c) an executed management agreement between Tri-County Manor and a third party be in place and that no changes are to occur in management without written approval of the City. Seconded by Commissioner Krug. Aye—Commissioners Krug, Madere and Davies. Abstain—Mayor White.

Candice Schmitt, City Clerk

Dale A. White, Mayor

