

ORDINANCE NO. 91-47 AC CMS

AN ORDINANCE APPROVING A LOAN TO C. A. HORTON, INC.,  
FROM THE OBERLIN BUSINESS ASSISTANCE REVOLVING LOAN PROGRAM

BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, a majority of all members elected thereto concurring:

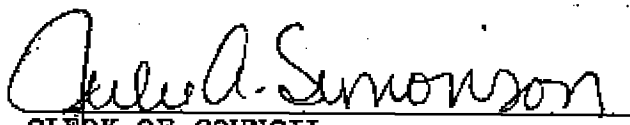
SECTION 1. That the proposed loan between the City of Oberlin, Ohio, and C. A. Horton, Inc., as approved by the Oberlin Community Improvement Corporation as agent of the City for the Oberlin Business Assistance Revolving Loan Program and as embodied in the Loan Agreement attached hereto as Exhibit A, is hereby approved, said loan being in the amount of \$25,000.

SECTION 2. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 3. That this ordinance shall take effect at the earliest date allowed by law.

PASSED: 1st Reading - June 17, 1991  
2nd Reading - July 1, 1991  
3rd Reading - July 15, 1991 (Emergency)

ATTEST:

  
CLERK OF COUNCIL

  
CHAIRMAN OF COUNCIL

POSTED: July 17, 1991

EFFECTIVE DATE: July 15, 1991

LOAN AGREEMENT

This Agreement is made and entered into on this 15<sup>th</sup> day of July, 1991, by and between the City of Oberlin, Ohio, an Ohio Charter Municipality, hereinafter referred to as "City", and C. A. Horton, Inc., an Ohio Corporation, hereinafter referred to as "Horton", under the following terms and conditions:

WITNESSETH:

WHEREAS, City has established a Business Assistance Revolving Loan Program which is funded by the interest accruing upon State of Ohio Small Cities Community Development Block Grant funds which the City has previously received from the State; and,

WHEREAS, Horton is the participating party in said Oberlin Business Assistance Revolving Loan Program and desires to borrow Twenty-five thousand dollars (\$25,000) from the City; and,

WHEREAS, City desires to lend said Twenty-five thousand dollars (\$25,000) in Oberlin Business Assistance Revolving Loan Program funds to Horton under certain conditions.

NOW, THEREFORE, in consideration of the foregoing, and subject to the conditions contained herein, the City and Horton do hereby mutually agree as follows:

1. City will loan to Horton, consistent with the Oberlin Business Assistance Revolving Loan Program guidelines and all pertinent and applicable Federal, State, and local laws, the sum of Twenty-five thousand dollars (\$25,000) cash. Said monies will be advanced to Horton immediately upon the execution and delivery to the City, and recordation, of all liens and guarantee agreements required to be executed by Horton pursuant to the loan application and the approval for the loan given by the Oberlin Community

Improvement Corporation, agent for the City concerning said Oberlin Business Assistance Revolving Loan Program. Said monies will be fully due and payable seven (7) years from that date which is thirty (30) days subsequent to the receipt by Horton of said loan monies. The debt represented by said loan money shall take the form of a Promissory Note signed by the appropriate officer of Horton and shall be payable to the City in payments as outlined in the attached "Loan Payment Schedule", sufficient to amortize said loan over said seven (7) year period. Said Promissory Note shall draw interest at the rate of five percent (5%) per annum. At any time during the life of this loan, the entire outstanding balance may be paid in full without Horton incurring a penalty. A copy of the Promissory Note to be signed is attached hereto as "Exhibit A", and incorporated herein by reference.

2. The project for which said funds provided by the City to Horton are to be used is as set forth in the application for funding and its attachments which were filed by Horton with the Oberlin Community Improvement Corporation, the agent for the City concerning said Oberlin Business Assistance Revolving Loan Program. The recitals and conditions set forth in said application and all exhibits attached thereto are incorporated herein by reference. Pursuant to said application and its exhibits, Seven thousand five hundred dollars (\$7,500) of said funds is to be used for working capital and the remaining Seventeen thousand five hundred dollars (\$17,500) is to be used to purchase equipment to be used in the Servicemaster business operated by Horton.

3. Horton agrees that said funds received by Horton pursuant to this Agreement shall only be used for those eligible activities as set forth in the Oberlin Business Assistance Revolving Loan

Program guidelines, and as may be further restricted by the State of Ohio, Department of Development, in the original Grant Agreement between the City and the State of Ohio, Department of Development, which allowed the City to initiate the program, all of which are incorporated herein by reference.

4. Prior to the receipt of the loan funds, Horton agrees that the City shall receive, as security for the loan, a second Mortgage Lien upon the residence of Charles A. Horton and Alyce M. Horton located at 349 Deer Run Drive, Eaton Township, Grafton, Ohio, in the amount of Twenty-five thousand dollars (\$25,000). Said Mortgage shall be in the form attached hereto as "Exhibit B" and incorporated herein by reference.

5. As additional security for said loan, Horton agrees that the City shall, prior to the receipt of the loan proceeds, receive a Personal Guarantee in the amount of the loan from Charles A. Horton and Alyce M. Horton, jointly and severally. Said Guarantee shall be in the form attached hereto as "Exhibit C" and incorporated herein by reference.

6. Horton agrees and understands that this project and the funds expended by the City for same may be audited by the Federal government and the State of Ohio for compliance with all applicable statutes and regulations. Horton agrees and understands that all finding or findings for the recovery of these monies, if any, made against the City as a result of said audit or audits will be the direct and full responsibility of Horton. In that regard, Horton agrees to prepare and retain, and permit the City to inspect as it deems necessary, original invoices, cancelled checks, and other evidences of the expenditure of the monies being loaned herein, and will cooperate with the City throughout the life of the loan and

will ensure the cooperation of Horton employees in such efforts.

7. Horton agrees to save the City harmless from any and all liabilities and claims caused by or resulting from Horton's obligations or activities in furtherance of any work or purchases described in the application filed with the Oberlin Community Improvement Corporation, as agent for the City, concerning this project. Further, Horton will reimburse the City for any judgments which may be obtained against the City resulting from any work that may be performed by Horton pursuant to the application, or the use of any work product of Horton, including judgments for infringement of patent or copyrights. Further, Horton agrees to defend against any such claims or legal actions if called upon by the City to do so, at Horton's sole cost and expense.

8. Horton hereby assures and certifies that its Board of Directors has duly adopted a resolution, a certified copy of which is attached hereto as "Exhibit D", authorizing the appropriate officer of the corporation to enter into this transaction, sign the Promissory Note set forth hereinbefore, and execute any security agreements or financing statements that may be required herein, and directing and authorizing said officer to take whatever action is necessary in connection with this Agreement and Loan, and to provide such additional information as may be required by the City concerning same.

9. Horton understands and agrees that one of the conditions of the Oberlin Business Assistance Revolving Loan Program, established pursuant to authority received from the State of Ohio, Department of Development, pursuant to the Ohio Small Cities Community Development Block Grant program, is the creation or retention of jobs. In that regard, Horton stipulates and agrees

that it will use its best efforts to create, or cause to be created, twelve (12) permanent job opportunities as a result of the completion of the project contemplated in the Application and the Agreement set forth herein. Further, Horton stipulates and agrees to use its best efforts to ensure that said jobs created or retained will be filled by persons of low and moderate income.

10. It is understood and agreed by Horton that the City shall not have any obligation to disburse any funds pursuant to this Agreement, or pursuant to any documents executed in connection with the subject matter of this Agreement, should, for any reason, the State of Ohio Small Cities Community Development Block Grant funds, or any portion thereof, which constitutes the funding received by the City for said loan, are revoked or ordered returned to the State of Ohio.

11. Neither approval by the City of this loan, Loan Agreement, or any other documents associated therewith, shall constitute a warranty or representation by the City, or any of their agents, representatives, or employees, as to the technical sufficiency, adequacy, or safety of the equipment being purchased with said loan proceeds, nor shall any such action or approval by the City, the Oberlin Community Improvement Corporation, as agent for the City, or any other action by the City or its agents, constitute a warranty or representation as to the subsoil conditions involved in the business of Horton or any other physical condition or feature pertaining to the business of Horton. All acts, including any failure to act, relating to this project by any agent, representative, or employee of the City, and the Oberlin Community Improvement Corporation are performed solely for the benefit of the City and the Oberlin Community Improvement Corporation to assure

proper allocation and use of the funds advanced pursuant to this Agreement, and are not intended for the benefit of Horton, its agents, employees, tenants, nor any other third party.

12. No failure by the City to exercise and no delay in exercising any right, power, or privilege under or pursuant to this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

13. This Agreement may be executed in any number of counterparts, and each counterpart shall be deemed to be an original.

14. This Agreement is made, executed, and delivered in the State of Ohio, and Ohio laws shall govern its interpretation, performance and enforcement.

15. No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he is, directly or indirectly, interested.

16. All notices, requests, and demands upon the respective parties hereto shall be deemed to have been given or made when deposited in the United States Mail, postage pre-paid, and addressed as follows:

To the City: Office of the Economic Development Officer  
Oberlin Municipal Building  
85 South Main Street  
Oberlin, Ohio 44074-1684

To Horton: Charles A. Horton, President  
C. A. Horton, Inc.  
349 Deer Run Drive  
Grafton, Ohio 44044

17. If there be any conflict between the terms and conditions of this Agreement and the terms and conditions set forth in the guidelines for the Oberlin Business Assistance Revolving Loan Program, the terms and conditions of the Oberlin Business Assistance Revolving Loan Program shall prevail.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the date as above written.

WITNESSES:

CITY OF OBERLIN, OHIO

James A. Hilt  
Michelle I. Streater

by: Deborah G. Kimble  
Deborah G. Kimble, City Manager

WITNESSES:

C. A. HORTON, INC.

James A. Hilt  
Michelle I. Streater

by: Charles A. Horton  
Charles A. Horton, President

Approved as to form:

Eric R. Severs  
Eric R. Severs, City Solicitor



\* \* City of Oberlin, Ohio to C. A. Horton, Inc. \*

\* \* Oberlin Business Assistance Revolving Loan Program \*

Principal: 25,000.00 & Rate: 5.000 Years: 7 Months: 0  
 MONTHLY Payment: 353.35  
 FINAL est. Payment: 353.12

Date	No.	Interest	Principal	Balance	Check #	Date Paid
8/1991	1	104.17	249.18	24,750.82		
9/1991	2	103.13	250.22	24,500.60		
10/1991	3	102.09	251.26	24,249.34		
11/1991	4	101.04	252.31	23,997.03		
12/1991	5	99.99	253.36	23,743.67		
1991 Totals		510.42	1,256.33			
1/1992	6	98.93	254.42	23,489.25		
2/1992	7	97.87	255.48	23,233.77		
3/1992	8	96.81	256.54	22,977.23		
4/1992	9	95.74	257.61	22,719.62		
5/1992	10	94.67	258.68	22,460.94		
6/1992	11	93.59	259.76	22,201.18		
7/1992	12	92.50	260.85	21,940.33		
8/1992	13	91.42	261.93	21,678.40		
9/1992	14	90.33	263.02	21,415.38		
10/1992	15	89.23	264.12	21,151.26		
11/1992	16	88.13	265.22	20,886.04		
12/1992	17	87.03	266.32	20,619.72		
1992 Totals		1,116.25	3,123.95			
1/1993	18	85.92	267.43	20,352.29		
2/1993	19	84.80	268.55	20,083.74		
3/1993	20	83.68	269.67	19,814.07		
4/1993	21	82.56	270.79	19,543.28		
5/1993	22	81.43	271.92	19,271.36		
6/1993	23	80.30	273.05	18,998.31		
7/1993	24	79.16	274.19	18,724.12		
8/1993	25	78.02	275.33	18,448.79		
9/1993	26	76.87	276.48	18,172.31		
10/1993	27	75.72	277.63	17,894.68		
11/1993	28	74.56	278.79	17,615.89		
12/1993	29	73.40	279.95	17,335.94		
1993 Totals		956.42	3,283.78			
1/1994	30	72.23	281.12	17,054.82		
2/1994	31	71.06	282.29	16,772.53		
3/1994	32	69.89	283.46	16,489.07		

Date	No.	Interest	Principal	Balance	Check #	Date Paid
1/1994	33	68.70	284.65	16,204.42		
2/1994	34	67.52	285.83	15,918.59		
6/1994	35	66.33	287.02	15,631.57		
7/1994	36	65.13	288.22	15,343.35		
8/1994	37	63.93	289.42	15,053.93		
9/1994	38	62.72	290.63	14,763.30		
10/1994	39	61.51	291.84	14,471.46		
11/1994	40	60.30	293.05	14,178.41		
12/1994	41	59.08	294.27	13,884.14		
1994 Totals		788.40	3,451.80			

1/1995	42	57.85	295.50	13,588.64		
2/1995	43	56.62	296.73	13,291.91		
3/1995	44	55.38	297.97	12,993.94		
4/1995	45	54.14	299.21	12,694.73		
5/1995	46	52.89	300.46	12,394.27		
6/1995	47	51.64	301.71	12,092.56		
7/1995	48	50.39	302.96	11,789.60		
8/1995	49	49.12	304.23	11,485.37		
9/1995	50	47.86	305.49	11,179.88		
10/1995	51	46.58	306.77	10,873.11		
11/1995	52	45.30	308.05	10,565.06		
12/1995	53	44.02	309.33	10,255.73		
1995 Totals		611.79	3,628.41			

1/1996	54	42.73	310.62	9,945.11		
2/1996	55	41.44	311.91	9,633.20		
3/1996	56	40.14	313.21	9,319.99		
4/1996	57	38.83	314.52	9,005.47		
5/1996	58	37.52	315.83	8,689.64		
6/1996	59	36.21	317.14	8,372.50		
7/1996	60	34.89	318.46	8,054.04		
8/1996	61	33.56	319.79	7,734.25		
9/1996	62	32.23	321.12	7,413.13		
10/1996	63	30.89	322.46	7,090.67		
11/1996	64	29.54	323.81	6,766.86		
12/1996	65	28.20	325.15	6,441.71		
1996 Totals		426.18	3,814.02			

1/1997	66	26.84	326.51	6,115.20		
2/1997	67	25.48	327.87	5,787.33		
3/1997	68	24.11	329.24	5,458.09		
4/1997	69	22.74	330.61	5,127.48		
5/1997	70	21.36	331.99	4,795.49		
6/1997	71	19.98	333.37	4,462.12		
7/1997	72	18.59	334.76	4,127.36		
8/1997	73	17.20	336.15	3,791.21		

Date	No.	Interest	Principal	Balance	Check #	Date Paid
1/1997	74	15.80	337.55	3,453.66		
10/1997	75	14.39	338.96	3,114.70		
11/1997	76	12.98	340.37	2,774.33		
12/1997	77	11.56	341.79	2,432.54		
1997 Totals		231.03	4,009.17			
1/1998	78	10.14	343.21	2,089.33		
2/1998	79	8.71	344.64	1,744.69		
3/1998	80	7.27	346.08	1,398.61		
4/1998	81	5.83	347.52	1,051.09		
5/1998	82	4.38	348.97	702.12		
6/1998	83	2.93	350.42	351.70		
7/1998	84	1.47	351.70	0.00		
1998 Totals		40.73	2,432.54			
Grand Totals		4,681.22	25,000.00			

PROMISSORY NOTE

\$25,000.00

July 15 . 1991

For value received, C. A. Horton, Inc., an Ohio Corporation, hereinafter referred to as "Maker", promises to pay to the order of the City of Oberlin, Ohio, hereinafter referred to as "Holder", at its principal office located at 85 South Main Street, Oberlin, Ohio, or such other place as the Holder hereof shall designate, the sum of Twenty-five thousand (\$25,000.00), derived from monies received from the Oberlin Business Assistance Revolving Loan Program, as approved by the Ohio Department of Development, pursuant to the Ohio Small Cities Community Development Block Grant program, or so much of said proceeds as shall be actually advanced to Maker pursuant to that certain Loan Agreement of even date herewith between the Maker and the Holder, said Agreement being incorporated herein by reference, and being made a part hereof.

The term of the loan shall be seven (7) years from the date of the closing of the loan, which shall be designated as thirty (30) days from the date that Maker receives the monies from Holder for payment of the eligible expenses incurred in the project as set forth in the Agreement mentioned hereinbefore.

The money shall be repayable in eighty-four (84) monthly installments as outlined in the attached "Loan Payment Schedule", such including interest at the rate of five percent (5%) per annum, or such lesser amount as will fully amortize the actual amount of the loan (if less than \$25,000.00) over seven (7) years, including five percent (5%) interest per annum. At any time during the life of the loan, the entire outstanding balance may be paid in full

without Maker incurring a penalty.

In the event that Maker sells, transfers, or assigns the business known as C. A. Horton, Inc., or sells, transfers, or assigns the Servicemaster franchise, or should there be a foreclosure upon or other disposition of the assets of C. A. Horton, Inc., or a revocation of the Servicemaster franchise, the balance of the loan monies evidenced by this Note shall be immediately due and payable.

It is expressly agreed that if default be made in the performance of any covenant or condition of this Note, or in the Agreement between the Maker and the Holder as mentioned hereinbefore, and such default remains uncured for more than thirty (30) days after notice thereof, then, and in that event, the unpaid balance of the aforesaid principal sum, plus all accrued interest, shall at the option of the Holder, at once become and be due and payable, anything hereinabove contained to the contrary notwithstanding.

Maker for itself, its successors and assigns, in the event of default hereunder, hereby waives all exemption laws of the State of Ohio, or any other state or territory of the United States insofar as the laws of such state or territory may permit, and hereby irrevocably authorizes any attorney or any Court of record to appear for it in any Court, whether it be a Court of law or of equity in the State of Ohio or any other state or territory of the United States, and confess judgment against Maker, its assigns, in favor of the Holder hereof for the amount appearing due and payable thereon after maturity, and reasonable attorney's fees on such amount unpaid hereon and cost of suit, and release all errors and

waives all rights of appeal and stay of execution.

The Makers, Guarantors, and Endorsers hereof do hereby jointly and severally waive presentment, protest and demand, notice of protest, notice of demand and of dishonor and non-payment of this Note, and expressly agree that this Note or any payment thereunder may be extended from time to time without in any way affecting the liability of the Maker, Guarantors, and the Endorsers.

The rights and remedies of the Holder, as provided herein, shall be cumulative and concurrent and may be pursued singularly, successively or together at the sole discretion of the Holder and may be exercised as often as occasion theretofore shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

Any required notice shall be sent certified mail to Maker at the following address:

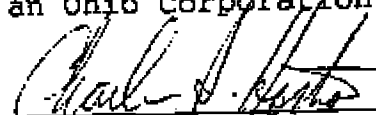
C. A. Horton, Inc.  
349 Deer Run Drive  
Grafton, Ohio 44044

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned Charles A. Horton, President, acting on behalf of C. A. Horton, Inc., an Ohio Corporation, on the day and year above written.

MAKER:

C. A. HORTON, INC.,  
an Ohio Corporation

by:



Charles A. Horton, President

REAL ESTATE MORTGAGE

CHARLES A. HORTON and ALYCE M. HORTON, Husband and Wife, 349 Deer Run Drive, Grafton, Ohio 44044, for the sum of Twenty-Five Thousand Dollars (\$25,000), grant, with Mortgage Covenants, to the CITY OF OBERLIN, OHIO, 85 South Main Street, Oberlin, Ohio 44074-1684, the following real property:

Situated in the Township of Eaton, County of Lorain, and State of Ohio:

and known as being Sublot No. 38 in Flint Ridge Allotment No. 3, of part of Original Eaton Township Lot No. 87, as shown by the recorded plat in Volume 43, Page 17, of the Lorain County Records, as appears by said plat, be the same more or less, but subject to all legal highways.

Permanent Parcel No.: 11-00-087-000-058

This mortgage is given, upon the Statutory condition, to secure payment of Twenty-Five Thousand Dollars (\$25,000), with interest as provided in a Note and Loan Agreement dated July 15, 1991. "Statutory condition" is defined in Section 5302.14 of the Revised Code and provides generally that if the mortgagor pays the principal and interest secured by this mortgage, pays all taxes and assessments, maintains insurance against fire and other hazards, and does not commit or suffer waste, then this mortgage shall be void.

WITNESS our hands this 11<sup>th</sup> day of July, 1991.

NOTARY PUBLIC FOR OHIO  
ROBERT L. SMITH, JR.

WITNESSES:

James A. Hill  
Michelle L. Streater

Charles A. Horton  
Charles A. Horton  
Alyce M. Horton  
Alyce M. Horton

## GUARANTEE AGREEMENT

This Guarantee Agreement is made and entered into on this 15<sup>th</sup> day of July, 1991, by and between Charles A. Horton and Alyce M. Horton, jointly and severally, who reside at 349 Deer Run Drive, Grafton, Ohio 44044, hereinafter referred to as "Guarantor", and the City of Oberlin, Ohio, a political subdivision of the State of Ohio, who, together with its successors and assigns, is collectively referred to hereinafter as "Lender", as an inducement to Lender to make a loan in an amount not to exceed Twenty-five thousand dollars (\$25,000), to C. A. Horton, Inc., an Ohio Corporation, of 349 Deer Run Drive, Grafton, Ohio 44044, hereinafter referred to as the "Debtor".

For value received, the Guarantor agrees as follows:

1. Guarantor hereby absolutely and unconditionally guarantees to Lender the full and complete payment, as and when the same becomes due and payable, of:

a. A Promissory Note ("Note") in the principal amount of Twenty-five thousand dollars (\$25,000), such Note to have a term of seven (7) years and to accrue interest at the rate of five percent (5%) per annum.

b. All sums owing and to be owing upon any and all renewals, extensions, modifications, and consolidations of such Note, and all instruments had and to be had in connection therewith.

2. Guarantor expressly waives notice of the acceptance by Lender of this Guarantee, presentment of any of the indebtedness for payment, demand, protest, and notice of protest of the Note, in connection therewith.



3. Guarantor agrees that the liability of Guarantor hereunder shall not be in any ways released, diminished, impaired, reduced or affected by:

a. The taking or accepting of any other security or guarantee for any or all of the indebtedness;

b. Any release, withdrawal, waiver, surrender, exchange, substitution, subordination, or loss or other modification of any other security or guarantee at any time existing in connection with any or all of the indebtedness; any partial release of the liability of Guarantor hereunder or under any other instrument had or to be had in connection with or as a security for the indebtedness, or the death, insolvency, bankruptcy, disability, or lack of corporate power of Lender, Guarantor, or any party at any time liable for the payment of any or all of the indebtedness, now existing or hereafter occurring (it being understood that this paragraph will not prevent the extinguishment of this guarantee at such time as the Note has been fully satisfied in accord with the terms thereof);

c. Any renewal, extension, modification or consolidation of the payment of any or all of the indebtedness or the performance of any covenant contained in any instrument had or to be had in connection with or as security for the indebtedness, either with or without notice to or consent of Guarantor of any adjustments, indulgence, forbearance or compromise that may be granted or given by Lender to any party;

d. Any neglect, delay, omission, failure or refusal of Lender to take or prosecute any action for the collection of any of the indebtedness or to foreclose or take or prosecute any action in connection with a lien, right, or security existing, or to be existing in connection with or as security for any of the indebtedness; or,

e. Any other action permitted under the terms of the Note.

4. Guarantor hereby unconditionally and absolutely guarantees the payment of the outstanding indebtedness, regardless of any act or omission of Lender or any party with reference to any of the indebtedness or any security or rights existing or to exist in connection therewith; and Guarantor agrees that Lender will in no way be obligated to bring or prosecute any action against Debtor for any of the indebtedness or make any demand on Debtor or give any notice of any kind to any party. Lender shall not be liable or accountable in any respect, nor shall Guarantor have a right of recourse against Lender by reason of any act or omission on the part of Lender in connection with any of the matters herein mentioned.

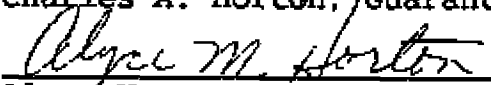
5. In the event Lender obtains another guarantee for the same indebtedness, Guarantor agrees that Lender in its sole discretion may: (1) bring suit against all Guarantors of the indebtedness jointly and severally, or against any one or more of them for the amount so guaranteed; (2) compound or settle with any one or more of the Guarantors for such consideration as Lender may deem proper; and, (3) release one or more of the Guarantors from liability. Guarantor further agrees that no such action shall

impair the rights of Lender to collect the full amount of this Guarantee from this Guarantor.

6. This Guarantee Agreement shall remain in full force and effect until all of the indebtedness has been fully paid and shall be binding upon Guarantor, and his heirs, successors, executors, administrators, and legal representatives, and, along with all rights and benefits existing and to exist hereunder, shall inure to the benefit of and be available to Lender, its successors and assigns.

7. This Guarantee Agreement is being executed, acknowledged, and delivered to Lender prior to the consummation of the Loan mentioned above. When received by Lender this Guarantee Agreement shall be considered a unilateral contractual offer from Guarantor to Lender, the acceptance of which shall be in the form of the consummation by Lender of the above mentioned Loan (by means of an initial funding thereof). This Guarantee Agreement shall, at such time as the loan is consummated, constitute a binding contractual obligation upon the Guarantor, his heirs, successors, executors, administrators, and legal representatives; provided, however, that if the loan is not consummated by means of an initial funding thereof by Lender, this Guarantee Agreement shall be null and void and have no further force and effect.

  
Charles A. Horton, Guarantor

  
Alyce M. Horton, Guarantor

CITY OF OBERLIN, OHIO, Lender

by:   
Deborah G. Kimble, City Manager

SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF C. A. HORTON, INC.

A special meeting of the Board of Directors of C. A. Horton, Inc., was held at 349 Deer Run Drive, Eaton Township, Ohio, on the 11<sup>th</sup> day of July, 1991, at 4:40 o'clock p.m. The following Directors, constituting a quorum were present;

Charles A. Horton  
Alyce M. Horton

The President of the corporation acted as Chairman of the meeting, and the Secretary of the corporation acted as Secretary of the meeting.

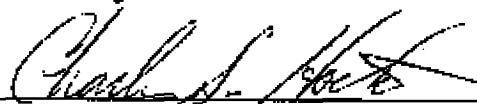
The Chairman stated that the purpose of the meeting was to consider matters pertinent to the Servicemaster franchise and business being operated by the corporation. In particular, discussion was had concerning the approval received for a loan from the Oberlin Business Assistance Revolving Loan Program in the amount of Twenty-five thousand dollars (\$25,000) to fund growth for the Servicemaster business in 1991.

After discussion and upon motion made, seconded, and approved, the following resolution was adopted:


"RESOLVED: That the corporation shall, and does hereby, have the authority to enter into a grant agreement with the Oberlin Business Assistance Revolving Loan Program for a loan in the amount of Twenty-five thousand dollars (\$25,000) to the corporation, and enter into and execute a Promissory Note in favor of the City of Oberlin concerning same."

"FURTHER RESOLVED: That Charles A. Horton, as President of the corporation, be, and hereby is, authorized and empowered to enter into such arrangements and to take whatever action in conjunction therewith that may be required by the City of Oberlin, Ohio, on behalf of the corporation, and that he provide any and all additional information that may be required by the City of Oberlin, Ohio, to process said loan."

There being no further business, the meeting was, upon motion duly made, seconded, and approved, adjourned.

  
Charles A. Horton, President and  
Director

Dated: July 11, 1991  
~~June~~

  
Alyce M. Horton, Secretary and  
Director