

IN THE KOSCIUSKO SUPERIOR COURT NO. 1
121 NORTH LAKE STREET
WARSAW, INDIANA 46580

HOWARD BREMBECK,)
ET AL,)
Plaintiffs)
)
VS.)
)
MADELYN WURSTER,)
ET AL,)
Defendants.)

CAUSE NO. 43D01-0609-MI-692

**RECEIVER'S FOURTH REPORT TO COURT AND VERIFIED MOTION (i) FOR
AUTHORITY TO PROCEED WITH SALE OF REAL ESTATE AND TANGIBLE
PERSONAL PROPERTY, AND (ii) TO EXTEND TERM OF RECEIVERSHIP**

COMES NOW, Ian M. Rolland (“Receiver”), duly-appointed Receiver of United Methodist Foundation For Adult Christian Ministries, Inc. (“Foundation”), and submits Receiver's Fourth Report To The Court And Verified Motion (i) For Authority To Proceed With Sale Of Real Estate And Tangible Personal Property, And (ii) To Extend Term Of Receivership. In support hereof, Receiver shows the Court as follows:

1. On June 14, 2010, I was appointed receiver of the Foundation pursuant to that Order Granting Permanent Injunction Appointing Receiver And Permanently Removing Directors (“Order”).

2. On September 30, 2010 and November 18, 2010, respectively, I submitted my First and Second Reports to this Court.

3. On December 17, 2010, I filed Receiver’s (i) Third Report to Court, and (ii) Request for Instructions (“Third Report”). The Third Report was accepted as part of this Court’s Order of January 13, 2011 (the “January 13, 2011 Order”). Since filing the Third Report, I have engaged in the following activities:

- a. arranged for the continued maintenance and preservation of the Foundation's real estate and personal property interests;
- b. worked with representatives from the town of Syracuse, Indiana (“**Syracuse**”) and neighboring property owners to promote annexation by Syracuse of the Foundation’s real estate and surrounding property (see attached Exhibit “E”). I believe that annexation of the Foundation’s real estate will improve utility services to the Foundation’s property, allow the Foundation to avoid capital expenses for needed repairs and replacement of utility infrastructure, and permit dissolution of the Oakwood Service Company. Syracuse estimates the post-annexation owner of the Foundation’s current assets will be assessed \$287,500.00, payable over sixty (60) months, through monthly utility bills for necessary utility infrastructure improvements. I assume prospective purchasers of the Foundation’s assets are aware of this future obligation and factored such expense into their respective offers to purchase;
- c. consulted extensively with professionals respecting legal and accounting matters affecting the Foundation and the Foundation’s assets;
- d. addressed issues associated with reconstituting the Foundation’s Board of Directors (the “Board”), and considered who should either comprise, or be represented on, the Board. I have concluded that the reconstituted Board of Directors should serve as a “watch-dog” over the Foundation’s real estate and tangible personal property assets following the sale of that property (discussed more fully below) and ensure that said property is used in a manner consistent with the promises of the prospective buyer. At this time, I anticipate that the reconstituted Board of Directors will include, among others, representatives of the local neighborhood association, the Town of Syracuse, Howard Brembeck’s family, together with a representative familiar with Chautauqua-like programming, a representative of the buyer, and for a limited period, the Receiver who will initially act as the Board’s Chairperson;
- e. sent notices to the Foundation’s potential creditors instructing them to file Proofs of Claim (in the form attached hereto as Exhibit “A”), identifying the amount and nature of their respective claims and providing supporting documents. The deadline for submitting claims was March 15, 2011. In response, I received the claims so noted on the Preliminary Claims Index attached hereto as Exhibit “B”;
- f. continued negotiations toward resolving claims against the Foundation and its assets, including but not limited to the claims of the North Indiana Annual Conference of the United Methodist Church, Inc (“Methodist Church”) and the Estate of Howard Brembeck (“Brembeck”);
- g. worked with legal counsel to address and resolve restrictive covenants against the Foundation’s real estate assets. As noted in my Third Report, these restrictive covenants include behavioral restraints which, in their current form, impair the use, value and marketability of the Foundation’s property. I believe that these

behavioral covenants are null and void as a matter of law and equity. I plan to file shortly a Motion for Order Ruling That Certain Restrictive Covenants Are Null and Void Or, Alternatively, No Longer Enforceable, together with a supporting Brief;

4. As a product of the Third Report and the January 13, 2011 Order, I have had substantial negotiations and discussions respecting the sale of the Foundation's real estate and tangible personal property assets. In particular, I have:

(a) continued efforts to solicit offers for the purchase of the Foundation's real estate and tangible personal property assets (hereinafter collectively the "Assets") from both Ambassador Enterprises ("Ambassador") and Buckingham Companies ("Buckingham")¹;

(b) had several meetings and conferences with representatives of Ambassador and Buckingham to discuss the terms of a potential sale of the Assets;

(c) extensively negotiated purchase terms with both Ambassador and Buckingham in order to arrive at the best possible purchase price for the Assets and to gain the strongest commitment from the prospective buyer for future use of the Assets consistent with the vision of Howard Brembeck and the not-for-profit purposes of the Foundation; and

(d) in an effort to determine the best proposal for the Foundation, its creditors, surrounding property owners, and the community at large, I have met several times with my Advisory Committee to discuss offers made and future utilization of the Assets.

5. Following substantial negotiations with Ambassador and Buckingham, my Advisory Committee and I concluded that, while both offers were very professionally prepared and presented, the Purchase And Sale Agreement proposed by Buckingham, a draft of which is attached hereto as Exhibit "C" (the "Agreement"), represents the best available solution for the

¹ At the time the Third Report was filed and addressed to this Court at a December 28, 2010 hearing, Ambassador had made alternate proposals to acquire the Assets. Shortly following that hearing, I became aware of Buckingham's interest in the Assets (separate and apart from a proposal previously submitted, and then withdrawn, by the State of Indiana). Cognizant of my duties to this Court, and to the creditors of the Foundation, to maximize the value of the Foundation's Assets, and to use the Assets in a fashion consistent with the vision of Howard Brembeck and that most closely adheres to the Foundation's not-for-profit purposes, I invited Buckingham to submit its own proposal/offer for the Assets.

future administration of the Foundation's Assets based on the parameters set by this Court and legal matters affecting the Assets. We have reached this conclusion based on the following:

- a. Buckingham's Agreement proposes to pay the Foundation \$3,775,000.00 cash for the Assets. This is the highest and best cash offer received by the Receiver for the Assets. In addition to the purchase price set forth in the Agreement, Buckingham has provided Receiver with a representation that it intends invest an estimated \$5,700,000.00 into capital improvements for the Foundation's Assets and to commit 5% of net income derived from operations of the Oakwood Inn, over its first ten (10) years of operations, to either Wawasee Chautauqua, Inc., a 501(c) 3 organization, or the Wawasee Conservatory Foundation;
- b. In association with the Offer, Buckingham has committed to regularly make the Foundation's Assets available for programming that focuses on performing and visual arts, education, recreation, and non-denominational religious activities—the "Chautauqua Experience". These activities shall be in addition to normal business activities;
- c. Upon closing of the sale contemplated by the Offer, I anticipate being able to pay in full all secured claims against the Foundation's Assets and all administrative claims associated with these receivership proceedings. I also believe that the sale will generate sufficient proceeds to satisfy the claims of the Methodist Church, Brembeck and trade/general creditors, as well as pay a significant percentage of the remaining claims against the Foundation, including obligations owed to the Foundation's former directors, and;
- d. Upon closing of this sale, I reasonably believe that all parties to this cause of action will stipulate to the dismissal of this lawsuit and exchange general releases.

6. I believe that acceptance of the Offer is in the best interests of the Foundation, its creditors and surrounding property owners. Accordingly, I request authority to engage in such activities, and execute such documents, in order to close the sale of the Foundation's Assets substantially in accordance with the terms of the Agreement, and to distribute the proceeds from the sale consistent with Exhibit "D".

7. I further request an extension of time to perform my duties as Receiver, through August 31, 2011. This extension will allow me time to complete efforts to close the sale of the

Assets, reconstitute the Foundation's Board of Directors, to formulate and file a stipulation for the dismissal of these proceedings, and to otherwise perform my duties under the Order.

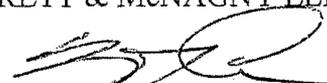
WHEREFORE, Receiver respectfully requests that the Court address the issues and motions raised herein at the April 18, 2011 hearing scheduled in these proceedings, that at said hearing, this Court grant Receiver's motions for (i) Authority to Proceed With The Sale of the Foundation's Real Estate and Tangible Personal Property, And (ii) To Extend The Term of Receivership through August 31, 2011, provide Receiver with any additional instructions regarding his duties, and grant all other just and proper relief.

[SIGNATURES ON FOLLOWING PAGE]

Ian M. Rolland
Ian M. Rolland

Respectfully submitted,

BARRETT & McNAGNY LLP

By 
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Attorneys for Receiver, Ian M. Rolland

PRELIMINARY CLAIMS INDEX

United Methodist Foundation for Adult Christian Ministries, Inc.

NAMES	SECURED CLAIMS	ADMINISTRATIVE CLAIMS AND EXPENSES	UNSECURED CLAIMS	COMMENTS
Anderson, Doug & Sue	\$209,550.00	\$0	\$121,620.00	POC Filed
Anderson Wawasee Boat Co., Inc.	\$0	\$0	\$30,000.00	POC Filed
Brotherhood Mutual Ins. Co.	\$0	\$0	\$42.75	No Claim Filed. Verification pending.
Century Link	\$0	\$0	\$53.19	POC Filed
DePew, Larry & Peggy	\$0	\$0	\$2,000.00	POC Filed
Donald Blosser	\$0	\$0	\$0	POC Filed
Farmers State Bank	\$1,600,000.00	\$0	\$0	Estimate
Fife, Eugene & Michelle	\$0	\$0	\$130,984.00 \$18,232.59	POC Filed
Howard Brembeck	\$0	\$0	\$0	No Claim Filed.
Indiana Dept. of Workforce Dev.	\$0	\$0	\$1,232.00	Estimate (from A/P Aging). No Claim Filed. Verification Pending.
Knecht, John & Marjorie	\$0	\$0	\$10,000.00	Estimate (from A/P Aging). No Claim Filed
NIPSCO	\$0	\$0	\$2,410.00	Estimate (from A/P Aging). No Claim Filed. Verification Pending
North Indiana Annual Conf. of the United Methodist Church, Inc.	Estimated \$1,043,072.69 - \$1,425,542.28	\$0	\$0	Proof of Claim filed, but currently disputed. Negotiations ongoing.
Oakwood Service Company	\$0	\$0	\$165,200.57	POC Filed

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EXHIBIT

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PRELIMINARY CLAIMS INDEX

Ottjes, James & Karen	\$0	\$0	\$10,000.00	POC Filed
Reynolds, Cindy	\$0	\$0	\$5,000.00	POC Filed
Rolland, Ian	\$0	\$100,000.00	\$0	Receiver's Estimate.
RSM McGladrey, Inc. / Stauffer & Co.	\$0	\$0	\$40,000.00	Estimate (from A/P Aging). No Claim Filed. Verification Pending.
Schramm, David & Joyce	\$0	\$0	\$5,000.00	POC Filed
Tegtmeyer Ace Hardware	\$0	\$0	\$40.05	Estimate (from A/P Aging). No Claim Filed. Verification Pending.
Wawasee Tent and Tool	\$0	\$0	\$378.00	Estimate (from A/P Aging). No Claim Filed
Zurcher, Paul	\$0	\$0	\$70,000.00	POC Filed.
TOTAL	\$2,852,622.69 - \$3,235,092.28	\$100,000.00	\$612,193.15	
	TOTAL: \$3,564,815.84 – \$3,947,285.43			

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of the ___ day of _____, _____ (the "**Effective Date**"), by and between the BUCKINGHAM PROPERTIES, LLC, an Indiana limited liability company ("**Buyer**"), and IAN ROLAND, not individually but solely in his capacity as court appointed receiver in Case No. 43D01-0609-MI-692 (the "**Case**"), in Superior Court No. 1 ("Court"), for the County of Kosciusko, State of Indiana (the "**Receiver**"), for the property owned by UNITED METHODIST FOUNDATION FOR ADULT CHRISTIAN MINISTRIES, INC., an Indiana non-profit corporation (a/k/a Oakwood Foundation) ("**Seller**").

WITNESSETH THAT:

1. Purchase and Sale.

a. Property. Subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Seller and Seller through the Receiver agrees to sell to Buyer, the following:

(i) Real Estate. That certain parcel of real property located in or about Syracuse, Indiana, consisting of approximately 25 acres and being more particularly described on Exhibit A attached hereto and made a part of this Agreement (the "**Land**"), together with (A) the privileges, easements and appurtenances pertaining thereto (collectively, the "**Appurtenances**"), and (B) the buildings, structures, fixtures and other improvements associated with the approximately 66,894 square foot full service hotel and conference center (the "**Oakwood Inn**") (the Land, the Appurtenances and the Oakwood Inn are collectively referred to in this Agreement as the "**Real Estate**").

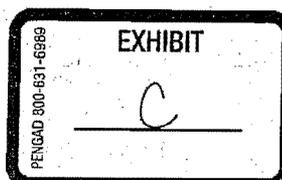
(ii) Personal Property. All of the equipment and other personal property situated on the Real Estate and used in the operation of the Real Estate (the "**Personal Property**").

(iii) Permits. All of the licenses and permits relating to the Real Estate (the "**Permits**").

(iv) Warranties. All of the warranties relating to the Real Estate (the "**Warranties**").

(v) Other Intangible Property. Excluding cash, cash equivalents, bequests, gifts, causes of action and receivables, all of the other intangible personal property not described above and directly relating to the Real Estate (the "**Other Intangible Property**", and collectively with the Real Estate, the Personal Property, the Permits and the Warranties, the "**Property**").

b. Limitations. The Property shall be conveyed subject to the matters which are, or are deemed to be, Permitted Encumbrances (as defined below).



2. Purchase Price. Subject to the terms and conditions of this Agreement, the purchase price to be paid by Buyer to Seller for the Property shall be \$3,775,000.00 (the "**Purchase Price**"), payable as follows:

a. A One Hundred Thousand and no/100 dollars (\$100,000.00) earnest money deposit (the "**Earnest Money**") shall be delivered to a mutually agreeable escrow agent (it being the intention of the parties for the office issuing the Title Commitment, defined below and handling the Closing, defined below, shall be acceptable to serve as escrow agent) within five (5) business days of the full execution of this Agreement. Prior to the Contingency Waiver Date, Buyer may give notice to Seller that Buyer elects to terminate this Agreement (which election shall be made by Buyer in its sole and absolute discretion) and the Earnest Money shall be immediately refunded to Buyer and neither party shall have any further rights or obligations hereunder. In the event of a termination or material uncured default by Buyer following the Contingency Waiver Date, the Earnest Money shall be released to Seller and neither party shall have any further rights or obligations hereunder (except to the extent otherwise provided herein). THE PARTIES ACKNOWLEDGE THAT THE EARNEST MONEY HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY, IN THE EVENT THE SALE OF THE REAL ESTATE IS NOT CONSUMMATED DUE TO A BREACH OR DEFAULT UNDER THIS AGREEMENT ON THE PART OF BUYER. In the event the transaction contemplated herein closes, the Earnest Money shall be applied to the Purchase Price at Closing as set forth below.

b. At the closing of the transaction contemplated by this Agreement (the "**Closing**"), Buyer shall pay to Receiver an amount equal to the Purchase Price. From the Purchase Price, Seller shall satisfy or cause the settlement, release and/or resolution (on terms reasonably satisfactory to Buyer and Seller as agreed upon prior to the Contingency Waiver Date) of any claims, liens and/or encumbrances that are adverse to Buyer's title in or to the Property (including without limit, those individuals and/or entities making claims related to or having appeared in the Case) (individually, a "Claim" and collectively, the "Claims").

3. Inspections.

a. Seller Deliveries. Seller shall deliver to Buyer any and all documents pertaining to the Property that are in Seller's possession or reasonably available to Seller, including but not limited to appraisals, environmental or engineering reports and property condition assessments.

b. Contingency Waiver Date. For the period commencing on the Effective Date and ending on the date which is 90 days thereafter (the "**Contingency Waiver Date**"), Buyer shall have the right to study and investigate the Property in any manner deemed necessary by Buyer to determine whether the Property is suitable for Buyer. Buyer, at its election and in its sole discretion, may elect to proceed with the transaction contemplated by this Agreement by giving written notice thereof to Seller (a "**Notice to**

Proceed") at any time prior to 5:00 p.m. eastern time on the Contingency Waiver Date. If Buyer fails to so deliver the Notice to Proceed prior to 5:00 p.m. eastern time on the Contingency Waiver Date, then this Agreement shall be deemed terminated, in which event the parties shall have no further rights or obligations under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement). Notwithstanding anything herein to the contrary, if at any time prior to 5:00 p.m. eastern time on the Contingency Waiver Date, Buyer determines that it does not wish to pursue the acquisition of the Property, then Buyer may elect to terminate this Agreement by written notice to Seller prior to 5:00 p.m. eastern time on the Contingency Waiver Date, in which event the parties shall have no further rights or obligations under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement). On or before the Contingency Waiver Date, Buyer must be satisfied that ("Facilities Condition"): (i) all utilities, roads and streets serving the Real Estate (collectively, the "Facilities") are either publically dedicated and maintained by the appropriate governmental entity or utility and/or are maintained (including replacement) by an acceptable agreement of record wherein those that benefit from the use share in the costs and expenses associated with the maintenance of the Facilities; (ii) all utilities (specifically water, electric, cable, telecommunications and gas, as well as sanitary sewer and storm sewer) are available to the Real Estate in locations acceptable to Buyer from any rights-of-way or easements with rights benefiting the Real Estate and in sufficient size and capacity to adequately serve the Buyer's proposed use; and (iii) the annexation of the Real Estate by the town of Syracuse is substantially completed. Notwithstanding anything herein to the contrary, on or before the Contingency Waiver Date, Buyer may provide Seller with a notice of certain unacceptable Property conditions that it was not able to satisfy, to which the Seller and Buyer agree to take reasonable efforts to satisfy including, if necessary, an extension of Contingency Waiver Date and/or an offset to the Purchase Price.

4. Access. From and after the Effective Date and until the earlier termination of this Agreement or the Closing, Buyer (together with its designees) shall have the right to enter upon the Real Estate for the purpose of inspecting the Property and conducting surveys and studies of the Property.

5. Survey and Title Review.

a. Receipt of Survey and Title Commitment. Buyer may procure at its expense a survey of the Real Estate in accordance with ALTA Minimum Standard Detail Requirements (the "**Survey**"). Buyer, at Buyer's expense, may obtain (i) a 2006 ALTA title insurance commitment, issued by a title insurance company, showing the condition of Seller's title to the Real Estate (the "**Title Commitment**"), and (ii) complete and legible copies of all recorded documents listed as Schedule B-1 matters or as special Schedule B-2 exceptions.

b. Objections. Buyer shall have until the Contingency Waiver Date to examine the Survey and the Title Commitment and to provide written objections to Seller of matters set forth on the Survey and/or the Title Commitment (collectively, the "**Objections**"). In the event Buyer gives timely written notice of its Objections, Seller

shall have the right, but not the obligation (except for the obligations set forth below), to attempt to remove, satisfy or otherwise cure the Objections. Within 10 days after receipt of Buyer's notice, Seller shall give written notice to Buyer informing Buyer of Seller's election with respect to the Objections. Notwithstanding anything herein to the contrary, Seller shall be obligated to satisfy the following conditions precedent to Closing on before the Contingency Waiver Date upon terms and conditions acceptable to Buyer (in its sole discretion): (i) removal and/or release of restrictions identified by Buyer to be removed and/or released following its review of title encumbrances, including, without limit, any such deed restrictions associated with a prohibition on the consumption of alcohol on the Real Estate, (ii) release of liens evidencing mechanics' and/or monetary encumbrances (other than liens for current, non-delinquent real estate taxes) and (iii) release of any leasehold or other possessory interests (collectively, the "Title Cures"). Buyer and Seller agree to work in good faith with third parties to affect mutually acceptable Title Cures. Buyer agrees to work in good faith prior to the Contingency Waiver Date to agree to assume certain rights and obligations of the Foundation under that "Resolution Covenant And Declaration Of The Oakwood Foundation" dated July 9, 2004 and recorded in the Office of the Recorder of Kosciusko County, IN on July 16, 2004, as document number 200400011787 ("2004 Resolutions"), and to execute an agreement of assignment and assumption of the 2004 Resolutions in form and content satisfactory to Receiver and Buyer at the time of Closing ("2004 Resolutions Contingency"). Any modifications to the 2004 Resolutions shall be the responsibility of Seller. Receiver hereby acknowledges that the Buyer's satisfaction of 2004 Resolutions Contingency is one of the Conditions, defined below. In the event that Seller has been unable to effectuate the Title Cures and/or the Facilities Conditions (collectively, the "Conditions") to the satisfaction of the Buyer on or before the Contingency Waiver Date, the Contingency Waiver Date shall automatically extend until such time as the Seller satisfies the Conditions, Buyer waives the Conditions and proceeds to Closing or this Agreement is terminated by Buyer.

c. Seller's Election. If Seller elects not to attempt to cure any Objections, Buyer's sole remedy under this Agreement shall be to either: (i) elect to terminate this Agreement by written notice to Seller, in which event and upon the refund of the Earnest Money to Buyer, the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement); or (ii) waive the Objections and continue the transaction contemplated by this Agreement.

d. Termination. To terminate this Agreement pursuant to Section 5(c) of this Agreement, Buyer must give written notice to Seller of Buyer's election to terminate not later than five days after receipt of written notice from Seller of Seller's election not to attempt to cure any Objection. If Buyer fails to give timely notice of its election to terminate for any reason whatsoever, Buyer's right to terminate this Agreement under Section 5(c) of this Agreement shall expire and the Objections shall be deemed to be "**Permitted Encumbrances**". Moreover, any matter disclosed on the Survey or the Title Commitment to which Buyer does not timely object or which are approved by Buyer, and any Objection that is waived or deemed to have been waived by Buyer, shall be deemed to be a "**Permitted Encumbrance**".

e. New Objections.

(i) In the event there are any updates or supplements to the Survey or the Title Commitment first issued after the Contingency Waiver Date and before the Closing, then Buyer may notify Seller in writing of any objections to defects set forth in such an update or supplement (the "**New Objections**"). Buyer must notify Seller of the New Objections within five days after first being made aware of the existence of such matters. In the event Buyer gives timely written notice of its New Objections, Seller shall have the right, but not the obligation, to attempt to remove, satisfy or otherwise cure the New Objections. Within five days after receipt of Buyer's notice, Seller shall give written notice to Buyer informing Buyer of Seller's election with respect to the New Objections.

(ii) If Seller elects not to attempt to cure any New Objections, Buyer's sole remedy under this Agreement shall be to either: (A) elect to terminate this Agreement by written notice to Seller, in which event the parties shall have no further right or obligation under this Agreement (except for rights or obligations which survive the termination of this Agreement); or (B) waive the New Objections and continue the transaction contemplated by this Agreement.

(iii) To terminate this Agreement pursuant to this Section 5(e), Buyer must give written notice to Seller of Buyer's election to terminate not later than five days after receipt of written notice from Seller of Seller's election not to attempt to cure any New Objection.

(iv) If Buyer so notifies Seller of any New Objections pursuant to this Section 5(e), the date for Closing shall be automatically extended as required by the terms of this Section 5(e), but in no event shall the extension continue beyond the date that is 15 days after the Closing Date set forth in Section 11 of this Agreement.

f. Seller Encumbrances. Notwithstanding the foregoing, all Seller Encumbrances (as defined below) must be satisfied by Seller on or before the Closing Date (as defined below) or, if not so satisfied, shall be satisfied at Closing out of the proceeds otherwise payable to Seller and as to the Claims, as set forth in Section 2 above. As used herein, the term "**Seller Encumbrance**" shall mean (i) any mortgage or deed of trust or other monetary lien voluntarily granted or expressly assumed by Seller and encumbering the Property, (ii) any real property taxes and assessments which are delinquent as of the Closing, (iii) any Voluntary Encumbrance (as defined below) and the (iv) the Claims.

6. Closing Conditions.

a. Buyer Closing Conditions. Buyer's obligations under this Agreement are contingent upon satisfaction or waiver of the following conditions (the "**Buyer Closing Conditions**"):

(i) Seller shall have delivered to Buyer at the Closing a certificate providing that each and every representation and warranty of Seller expressed in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date.

(ii) Seller shall have delivered to Buyer on or before the Closing evidence of the satisfaction, release, discharge and waiver of any and all claims of the Northern Indiana Annual Conference of the United Methodist Church, its affiliates, agents, officers, directors and other associated individuals with respect to the Property and a commitment for the satisfaction, release and/or discharge of the Title Cures, each in a form that is reasonably acceptable to Buyer.

(iii) Seller shall have delivered to Buyer on or before the Closing evidence of the satisfaction, release, discharge and waiver of any and all claims pending in Kosciusko Circuit Court concerning assertions that the Property is subject to a public charitable trust based on the donation of funds by Mr. Howard Brembeck to construct the Oakwood Inn in a form that is reasonably acceptable to Buyer.

(iv) If the Real Estate has not been annexed by closing, Seller shall have delivered to Buyer on or before the Closing control of the utilities servicing the Property that are presently controlled by Oakwood Service Co., Inc. in a manner that is reasonably acceptable to Buyer.

(v) Seller shall have delivered to Buyer on or before the Closing evidence of an entry of an order by the Court in the Case approving this Agreement and authorizing Seller to sell the Property to Buyer in a form that is reasonably acceptable to Buyer.

(vi) Buyer shall have satisfied and/or complied with any all applicable statutory conditions, requirements and/or obligations in respect of its ability to purchase or use the Property.

b. Failure of a Buyer Closing Condition. If any of the Buyer Closing Conditions has not been satisfied on or before the Closing Date, then Buyer may elect to terminate this Agreement by written notice to Seller on the Closing Date, in which event the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement). Buyer shall have the right to unilaterally waive the Buyer Closing Conditions by proceeding to Closing.

c. Seller Closing Condition. Seller's obligations under this Agreement are contingent upon satisfaction or waiver of the following condition (the "**Seller Closing Condition**"): Buyer shall have delivered to Seller at the Closing a certificate providing that each and every representation and warranty of Buyer expressed in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date.

d. Failure of the Seller Closing Condition. If the Seller Closing Condition has not been satisfied on or before the Closing Date, then Seller may elect to terminate this Agreement by written notice to Buyer on the Closing Date, in which event the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement). Seller shall have the right to unilaterally waive the Seller Closing Condition by proceeding to Closing.

7. Representations and Warranties of Seller.

a. Representations and Warranties. As of the Effective Date, Seller represents and warrants to Buyer that upon information and belief:

(i) Seller is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Indiana.

(ii) Upon approval by the Court, Seller has the full right, power and authority to enter into this Agreement, to perform under this Agreement, and to consummate the transactions contemplated in this Agreement and the consummation of the transactions contemplated by this Agreement will not violate any other agreement to which Seller is a party.

(iii) This Agreement creates legal, valid and binding obligations of Seller, and does not violate and will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any judicial order, agreement, arrangements, understanding, accord, document or instrument by which Seller or the Property is bound.

(iv) Except as otherwise provided herein, no consent, waiver, approval or authorization is required from any person or entity in connection with the execution, delivery and performance of this Agreement by Seller.

(v) Except for the Case, there is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding (including, without limitation, condemnation or eminent domain proceedings) pending or threatened against Seller or, to Seller's knowledge, the Property.

(vi) There are no agreements, contracts, leases or other arrangements or understandings of any kind or nature concerning the Property.

(vii) The Property is not subject to any easements, covenants, conditions, restrictions, agreements, liens or encumbrances not of record.

(viii) Seller has not entered into any contract, agreement or option, other than this Agreement, granting to any party the right to purchase the Property that remains in effect.

(ix) Seller has not received any written notice from any municipal, county, state or other governmental authority of any violation of any statutes, codes, ordinances, rules or regulations with respect to the Property.

(x) Seller is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code.

(xi) No Hazardous Substance (as defined below) has been generated, stored, released, discharged or disposed of, from or on the Property in violation of any Environmental Law (as defined below). "**Hazardous Substances**" shall mean any and all pollutants, contaminants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized under any Environmental Law. "**Environmental Law**" shall mean any law, ordinance, rule, regulation, order, judgment, injunction or decree relating to pollution or substances or materials which are considered to be hazardous or toxic, including, without limitation, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, the Emergency Planning and Community Right to Know Act, any state and local environmental law.

(xii) Seller is in compliance with the requirements of Executive Order No. 133224, 66 Fed Reg. 49079 (September 25, 2001) (the "**Order**") and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control, Department of the Treasury ("**OFAC**") and in any enabling legislation or other Execution Orders in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "**Orders**"). Neither Seller nor any beneficial owner of Seller is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders.

(xiii) Seller has not been the subject of any filing of a petition under the Federal Bankruptcy Law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors.

b. Limitations Regarding the Representations and Warranties of Seller. The representations and warranties made by Seller in this Section 7 shall survive the Closing for a period of two years and are based solely on the present knowledge of the Receiver without the Receiver engaging in any investigation or verification.

8. Representations and Warranties of Buyer.

a. Representations and Warranties. Buyer hereby represents and warrants to Seller that, as of the Effective Date:

(i) After satisfaction of the Buyer Closing Conditions, Buyer shall have the full right, power and authority to enter into this Agreement, to perform under this Agreement, and to consummate the transaction contemplated in this Agreement and the consummation of the transaction contemplated by this Agreement will not violate any other agreement to which Buyer is a party.

(ii) After satisfaction of the Buyer Closing Conditions, this Agreement shall be duly authorized, executed and delivered by Buyer, create legal, valid and binding obligations of Buyer, and does not violate and will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any judicial order, agreement, arrangements, understanding, accord, document or instrument by which Buyer is bound.

(iii) After satisfaction of the Buyer Closing Conditions, no consent, waiver, approval or authorization is required from any person or entity in connection with the execution, delivery and performance of this Agreement by Buyer.

b. Survival. The representations and warranties of Buyer shall survive Closing for a period of two years.

9. Operation of the Property.

a. Leases. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, Seller shall not enter into any leases for occupancy of any part of the Property, except with Buyer's written consent.

b. Contracts. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, Seller shall not enter into any contracts with respect to the use or operation of the Property, except with Buyer's written consent.

c. Continued Operations. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, Seller shall continue to maintain the Property and maintain all casualty and liability insurance policies with respect to the Property in the same manner as prior to the Effective Date.

d. Voluntary Encumbrances. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, Seller shall not encumber the Property without the prior consent of Buyer (a "**Voluntary Encumbrance**").

e. Marketing Activities. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, Seller shall suspend all activities utilized by Seller to market the Property for sale other than in connection with the transaction

contemplated by this Agreement, and shall not enter into any agreement with any other person or entity for the sale of the Property.

f. Survival. This Section 9 shall survive the termination of this Agreement or the Closing.

10. Condemnation/Damage. In the event of any loss or damage to the Property or any portion thereof (or in the event any governmental authority issues notice of its intent to take the Property or any portion thereof through its power of eminent domain), Seller or Buyer may elect to terminate this Agreement by written notice to the other, in which event the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement). If Seller does not elect to terminate this Agreement, then Buyer may elect to proceed with the transaction contemplated by this Agreement, in which event Seller shall assign to Buyer all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question at the Closing and there shall not be any reduction to the Purchase Price except for the cost of the deductible payment associated with recovering under such insurance policies. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.

11. Closing. The closing of the transaction contemplated by this Agreement (the "**Closing**") is to occur at the office of the title insurance company on or before the date which is 30 days following the Contingency Waiver Date, or such other date agreed to by both Buyer and Seller (the "**Closing Date**").

12. Prorations. The following are to be apportioned as set forth below:

a. Property Operating Expenses. Operating expenses for the Property (other than those otherwise provided for in this Agreement) shall be prorated as of the Closing Date. If any portion of any such items are paid by Seller with respect to the Property at or prior to the Closing Date and relate to any time including or after the Closing Date, Buyer shall pay to Seller at the Closing the amount of such items paid, prorated for the number of days, from, including and after the Closing Date. If any portion of any such items are paid by Buyer with respect to the Property on or after the Closing Date and relate to any time before the Closing Date, Seller shall pay to Buyer within five days of demand the amount of such items paid, prorated for the number of days prior to the Closing Date. Buyer shall arrange with utility providers to have accounts opened in Buyer's name beginning on the Closing Date.

b. Taxes. On or before the Closing Date, Seller shall pay any and all past due taxes, assessments, levies and other charges with respect to the Property and any and all interest or penalties thereon. All taxes, assessments, levies and other charges assessed with respect to the Property in the year prior to the year that the Closing occurs but due and payable in the year that the Closing occurs shall be the responsibility of Seller, and Buyer shall receive a credit against the portion of the Purchase Price payable at the Closing for such taxes, assessments, levies, and charges. All taxes, assessments, levies or charges assessed with respect to the Property in the year that the Closing occurs but due

and payable in the year following the year that the Closing occurs shall be prorated through the date of Closing and Buyer shall receive a credit against the portion of the Purchase Price payable at the Closing for Seller's pro rata portion of such taxes, assessments, levies and charges. If the current year's assessment is not available, then taxes will be prorated on the prior year's tax, or such better information as may be available, and this shall be a final settlement.

c. Other. All other items customarily apportioned in Indiana in connection with the sale of similar properties similarly located shall be prorated as of the Closing Date.

d. General Principle. All apportionments described above shall be made and all operating expenses for the Property shall be allocated and paid in a manner consistent with the principle that the income and expenses of the Property for all periods up to the Closing Date shall be attributable to Seller, and all income and expenses of the Property for all periods commencing on the Closing Date and after such time shall be attributable to Buyer.

e. Survival. The provisions of this Section 12 shall survive the Closing for a period of one year.

13. Closing Deliveries.

a. Seller's Deliveries. At the Closing, Seller shall deliver the following to Buyer:

(i) A Receiver's Deed, in recordable form, duly executed by Receiver, conveying to Buyer fee simple title to the Property, subject only to the Permitted Encumbrances (with a legal description containing the historic legal description together with the legal description from the Survey).

(ii) A bill of sale transferring the Personal Property from Seller to Buyer.

~~(iii) An assignment and assumption of the Permits, Warranties and Other Intangible Property from Seller to Buyer.~~

(iv) An affidavit certifying to Buyer that Seller is not a "foreign person" within the meaning of Sections 1445 or 7701 of the Internal Revenue Code.

(v) A seller's affidavit and/or gap indemnity sufficient to permit the title insurance company to delete the so called "standard exceptions" to the Title Policy (as defined below) and to date the Title Policy no earlier than the date and time of recordation of the deed.

(vi) A sales disclosure form.

(vii) A disclosure statement complying with the Indiana Responsible Property Transfer Law, if required by law, or an affidavit establishing that no such disclosure statement is required.

(viii) Satisfactory evidence of the authority of the signers of the conveyance documents to consummate the transaction on behalf of Seller.

(ix) Such other documents as may be required by the terms of this Agreement, or as may reasonably be necessary in order to consummate the transaction contemplated by this Agreement. All of the documents and instruments referenced in this Section 13(a) shall be in a form reasonably acceptable to Buyer.

b. Buyer's Deliveries. At the Closing, Buyer shall deliver the following to Seller:

(i) Buyer's counterpart to the assignment and assumption of the Permits, Warranties and Other Intangible Property from Seller to Buyer.

(ii) A sales disclosure form.

(iii) Such other documents as may be required by the terms of this Agreement, or as may reasonably be necessary in order to consummate the transaction contemplated by this Agreement.

(iv) The Purchase Price, less any allowed credits.

c. Closing Statement. At the Closing, Seller and Buyer shall each execute a closing statement drafted by the Buyer or another person reasonably acceptable to both Seller and Buyer and in form and content reasonably acceptable to both Buyer and Seller.

d. Closing Costs.

(i) Seller shall pay Seller's attorneys' fees and, all of the taxes, charges and fees that may be due and payable by reason of the execution, delivery and/or recordation of the deed and the other actions contemplated herein, including without limitation, the county transfer tax and the state transfer tax, if any.

(ii) Buyer shall pay Buyer's attorneys' fees, the cost for any policy of a survey and title insurance, all due diligence costs and expenses, and closing costs.

e. Possession. Seller shall deliver exclusive possession of the Property to Buyer at the Closing. The Property shall not be subject to any leases, tenancies or other contracts or agreements of any kind or nature whatsoever as of the Closing Date.

14. Indemnification. Seller hereby agrees to indemnify, defend and hold Buyer harmless from any loss, liability, cost, claim, demand, damage, action, cause of action, and/or suit, including, without limitation, reasonable attorneys' fees, incurred by Buyer that arise out of

or in any manner pertain to the Property and relates to the period prior to the Closing Date. Buyer hereby agrees to indemnify, defend and hold Seller harmless from any loss, liability, cost, claim, demand, damage, action, cause of action, and/or suit, including, without limitation, reasonable attorneys' fees, incurred by Seller that arise out of or in any manner pertain to the Property and relates to the period after the Closing Date. This Section 14 shall survive the Closing.

15. Default.

a. Seller's Default. In the event that Seller fails to perform any of its obligations under this Agreement for any reason other than Buyer's default or the permitted termination of this Agreement by Seller or Buyer as expressly provided in this Agreement, Buyer shall be entitled to (i) elect to terminate this Agreement by written notice to Seller, in which event Seller shall reimburse Buyer for its out-of-pocket expenses incurred in connection with the transaction contemplated by this Agreement and the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement), (ii) waive, prior to or at the Closing, the applicable default and proceed to close the transaction contemplated by this Agreement in accordance with the remaining terms of this Agreement, or (iii) enforce specific performance of Seller's obligations; provided, that if Seller shall have taken or omitted to take any action which shall prohibit Buyer from maintaining an action for specific performance, Buyer shall be entitled to seek damages for Seller's default hereunder. Nothing in this Section 15(a) shall serve to limit or restrict the indemnity obligations of Seller under this Agreement, any claims of Buyer with respect to the representations, warranties and other obligations and agreements of Seller under this Agreement that survive the termination of this Agreement or the Closing, or Buyer's remedies in connection therewith.

b. Buyer's Default. In the event that Buyer fails to perform any of its obligations under this Agreement for any reason other than Seller's default or the permitted termination of this Agreement by either Seller or Buyer as expressly provided in this Agreement, Seller shall be entitled, as its sole remedy, to terminate this Agreement and retain the Earnest Money as liquidated damages, in which event the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement).

c. Attorneys' Fees. In the event legal action is instituted by any party to enforce the terms of this Agreement or which arises out of the execution of this Agreement, the prevailing party in such legal action will be entitled to receive from the other party the prevailing party's reasonable attorneys' fees and court costs, including the costs of appeal, as may be determined and awarded by the court in which the action is brought. The right to attorneys' fees shall survive the termination of this Agreement or the Closing.

16. DISCLAIMERS. SUBJECT TO THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN THIS AGREEMENT AND ANY MATTERS SET FORTH IN THE DOCUMENTS TO BE DELIVERED IN CONNECTION WITH THE

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CLOSING, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, AS TO HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. SUBJECT TO THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN THIS AGREEMENT AND ANY MATTER SET FORTH IN THE DOCUMENTS TO BE DELIVERED IN CONNECTION WITH THE CLOSING, BUYER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS".

17. Assignment. Buyer may assign this Agreement to an entity under common control and ownership as Buyer and such assignment shall release Buyer of its obligations or duties under this Agreement

18. Brokers. Each of Buyer and Seller represent and warrant that they, respectively, have not dealt with any broker, agent, finder or similar party in connection with the transaction contemplated by this Agreement, and each of Buyer and Seller, to the extent permitted by applicable law, hereby indemnifies, defends and holds harmless the other from any liability, cost or expense (including, without limitation, reasonable attorneys' fees and costs of enforcement of the foregoing indemnity, whether arising in any underlying action or in the enforcement of this right of indemnification) arising out of the falsity of the foregoing representation by such party. The provisions of this Section 18 shall survive the Closing or any earlier termination of this Agreement.

19. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Indiana.

20. Entire Agreement. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, oral or written are superseded hereby.

21. Time of Essence. Buyer and Seller hereby agree that time is of the essence with regard to the terms and conditions of this Agreement.

22. Binding Effect. All of the terms, covenants and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

23. Notices. All notices which are required or permitted under this Agreement must be in writing and shall be deemed to have been given, delivered or made, as the case may be (notwithstanding lack of actual receipt by the addressee), (a) when delivered by personal delivery, (b) one business day after having been deposited with an expedited, overnight courier service, or (c) when delivered by telecopy or facsimile, in each case addressed to the party to whom notice is intended to be given at the address set forth below:

If to Buyer:

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Buckingham Properties, LLC
941 North Meridian Street
Indianapolis, Indiana 46204
Facsimile: 317-974-1238
Attn: CEO

With a copy to:

Buckingham Companies
941 North Meridian Street
Indianapolis, Indiana 46204
Facsimile: 317-974-1238
Attn: Legal

If to Seller:

Ian M. Rolland as Receiver for the United Methodist Foundation for Adult Christian Ministries
110 W. Berry Street, Suite 2401
Fort Wayne, Indiana 46802

With a copy to:

Michael P. O'Hara
Barrett & McNagny LLP
215 E. Berry Street
Fort Wayne, Indiana 46802

or to such other address as any party may from time to time designate by notice in writing to the other. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 23 shall constitute delivery.

24. Waiver. The failure of either party to exercise any right given hereunder or to insist upon strict compliance with any term, condition or covenant specified herein, shall not constitute a waiver of such party's right to exercise such right or to demand strict compliance with such term, condition, or covenant.

25. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

26. Amendment. Neither this Agreement nor any provision hereof may be changed, amended, modified, waived, or discharged either orally or by any course of dealing, but only by an instrument in writing signed by the party against whom enforcement of the change, amendment, modification, waiver or discharge is sought.

27. Counterparts, Separate Signature Pages and Facsimile Signatures. This Agreement may be executed in several counterparts, by separate signature pages, and/or by either emailed or facsimile signatures, each of which may be deemed an original, and all such counterparts, separate signature pages, and facsimile signatures together shall constitute one and the same Agreement.

28. Calculation of Days. In the event that any date described in this Agreement for the performance of an action required hereunder by Seller, Buyer and/or the Title Company falls on a Saturday, Sunday or federal legal holiday, such date shall be deemed postponed until the next business day thereafter.

29. Interpretation. This Agreement and any related instruments shall not be construed more strictly against one party than against the other by virtue of the fact that initial drafts were made and prepared by counsel for one of the parties, it being recognized that this Agreement and any related instruments are the product of extensive negotiations between the parties hereto and that both parties hereto have contributed substantially and materially to the final preparation of this Agreement and all related instruments.

30. Letter Agreement. Prior the Contingency Waiver Date, the parties agree to negotiate in good faith and execute a letter agreement that shall survive Closing by and between the Buyer and a mutually agreeable 501(c)(3) organization wherein the Buyer would agree to a contribution equal to 5% of its annual net cash flow (pursuant to a mutually agreeable gift agreement) for a period of ten (10) years. Neither party intends to create any third party beneficiary by this section, any other part or in whole this Agreement.

31. Right of First Offer. Expiring on the tenth (10th) anniversary of the Closing Date, in the event Buyer desires to sell the Property, Buyer shall first provide Seller with a selling price offer and a corresponding one-time exclusive negotiation period ("Negotiating Period") for thirty (30) days ("Right of First Offer"). If the parties enter into a definitive agreement for the sale of the Property for Buyer to Seller within that time, the transaction will be consummated between them subject to the terms of the applicable definitive agreement. If they do not agree or the Negotiating Period expires without an agreement the Seller will be free to market the Property to third parties and this Right of First offer shall expire and no longer be of any force or effect and Seller shall be free to accept any bona fide offer received by and acceptable to Seller provided that such offer is for a selling price greater than that which was offered by Buyer to Seller during the Negotiating Period. A memorandum of the Right of First Offer shall be recorded in the Office of the Recorder of Kosciusko County, Indiana.

[SEPARATE SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

"BUYER"

BUCKINGHAM PROPERTIES, LLC, an Indiana limited liability company

By: _____

Printed: _____

Title: _____

"SELLER"

IAN ROLLAND, not individually but solely in his capacity as court appointed receiver in Case No. 43D01-0609-MI-692, in Superior Court No. 1, for the County of Kosciusko, State of Indiana, for the property owned by UNITED METHODIST FOUNDATION FOR ADULT CHRISTIAN MINISTRIES, INC., an Indiana non-profit corporation (a/k/a Oakwood Foundation)

By: _____

Printed: _____

Title: _____

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Exhibit A

Legal Description

ANTICIPATED TREATMENT OF CLAIMS

Class 1. Claim of Farmer's State Bank Secured by Oakwood Inn and Related Property.

This claim shall be paid in full at the closing of Receiver's sale of the United Methodist Foundation For Adult Christian Ministries' ("Foundation") real estate and tangible personal property assets.

Name	Estimated Amount of Claim	Projected Treatment
Farmers State Bank	\$1,600,000.00	Claim shall be paid in full at closing ("Closing") of sale of Foundation property. Includes Receivers counsel's fees and expenses.

Class 2. Administrative Claim of Receiver, Ian Rolland. This claim shall be paid in full at the closing of Receiver's sale of the Foundation's real estate and tangible personal property assets.

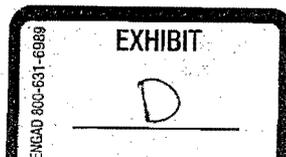
Name	Estimated Amount of Claim	Projected Treatment
Ian Rolland	\$100,000.00	Claim shall be paid in full at Closing.

Class 3. Claim of M. Douglas Anderson and Carolyn Sue Anderson Secured by Individual Lots in Oakwood Park. This claim shall be paid in full at the closing of Receiver's sale of the Foundation's real estate and tangible personal property assets.

Name	Estimated Amount of Claim	Projected Treatment
M. Douglas Anderson and Carolyn Sue Anderson	\$209,550.00	Claim shall be paid in full at Closing.

Class 4. Claim of North Indiana Annual Conference of the United Methodist Church, Inc. ("Methodist Church") for Repayment of Loans to Foundation and for Release of

Reversionary Interest. The approximate \$1,000,000.00 debt owed by the Foundation and acknowledged in the Kosciusko Superior Court's Order of June 14, 2010, shall be paid in full at the closing of Receiver's sale of the Foundation's real estate and tangible personal property assets. Pursuant to its filed Proof of Claim, the Methodist Church alleges holding an allowed claim of \$1,425,542.28, not including its reversionary interest in the Foundation's assets. The Foundation believes this claim is allowable and payable in the total amount of \$1,043,072.69. As of the date of this Report, the parties are continuing discussions to reconcile the actual



amount owed and anticipate reaching agreement prior to the April 18, 2011 hearing. Such reconciled amount shall be paid either at Closing or as the parties otherwise agree. At Closing, the Methodist Church has agreed to release its lis pendens, and all other rights, title and interest in the Foundation's real estate and personal property. Additionally, at Closing, the Methodist Church has further agreed to stipulate to dismissal of its claims, including its alleged reversionary interest described above, in the pending litigation.

Class 5. Trade and General Unsecured Claims. Subject to Foundation verification, allowed claims of this Class shall be paid either in full or pro rata based on available funds held by the Receiver after payment of Classes 1 through 4. Such payments shall be made either at Closing or as the parties otherwise agree.

Name	Estimated Amount of Claim
Anderson's Wawasee Boat Co.	\$30,000.00
Brotherhood Mutual Insurance Co.	\$42.75
Century Link	\$53.19
Indiana Dept. of Workforce Development	\$1,232.00
NIPSCO	\$2,410.00
RSM McGladrey, Inc. / Stauffer & Co.	\$40,000.00
Teghtmeyer Hardware	\$40.05
Wawasee Tent and Tool	\$378.00
TOTAL	\$74,155.99

Class 6. Former Directors' Unsecured Claims. Holders of claims in this Class shall receive 50% of the value of their allowed claims after payment of all allowed claims in classes 1 through 5. Such payments shall be made either at Closing or as the parties otherwise agree.

Name	Estimated Amount of Claim
Anderson, M. Douglas & Carolyn	\$121,620.00
DePew, Larry & Peggy	\$2,000.00
Fife, Eugene & Michelle	\$115,000.00

Knecht, John R.	\$10,000.00
Ottjes, James & Karen	\$10,000.00
Reynolds, Cindy	\$5,000.00
Schramm, David & Joyce	\$5,000.00
Zurcher, Paul	\$70,000.00
TOTAL	\$338,620.00

Class 7. Oakwood Service Company. Oakwood Service Company has asserted an unsecured claim for \$165,200.57. Oakwood Service Company is a wholly owned subsidiary of the Foundation. No distribution will be made on this Claim.

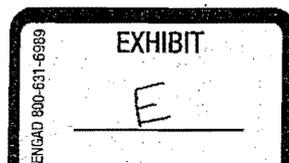
STATE OF INDIANA)
) SS:
KOSCIUSKO COUNTY)

NOTICE OF PUBLIC HEARING
ON ANNEXATION PETITION

YOU SHOULD BE ADVISED that many of the residents of Oakwood Park Subdivision and the Receiver for the Oakwood Inn and Conference Center have filed an Annexation Petition as provided in I.C. 36-4-3-5, proposing to annex certain real estate to the Town of Syracuse, Indiana. You own real property adjacent to contiguous areas of rights-of-ways of a public highway on the side of a public highway that is not part of an area proposed to be annexed. A copy of the Petition is enclosed for your review.

YOU SHOULD BE FURTHER ADVISED as follows:

1. A public hearing has been scheduled on this Annexation Petition for the 14th day of June, 2011, commencing at 7:00 P.M. at the Town Hall located at 310 North Huntington Street, Syracuse, Indiana, 46567. You are invited to appear at this public hearing and to be heard on the proposed Annexation Petition. This matter will be heard and determined in your absence should you fail to appear.
2. The legal description of the real property proposed to be annexed is contained in the Annexation Petition enclosed herewith.
3. A map showing the current municipal boundaries and the proposed municipal boundaries, including the area to be annexed, is enclosed.
4. The current zoning classifications for the area proposed to be annexed may be found on the enclosed map, as well as any proposed zoning changes for the area proposed to be annexed.
5. A detailed summary of the fiscal plan relating to the provision of proposed municipal services is also enclosed.
6. The entire fiscal plan may be inspected and copied at the Town Hall, 310 North Huntington Street, Syracuse, Indiana, 46567.
7. That the Town will provide a copy of the fiscal plan, after the fiscal plan is formally adopted, immediately to any land owner in the proposed annexed territory who requests a copy.



8. Henry DeJulia, Town Manager, may be contacted for further information with respect to this Petition and the issues arising thereunder at the Town Hall, 310 North Huntington Street, Syracuse, Indiana, 46567.

Dated this _____ day of March, 2011.

TOWN OF SYRACUSE, INDIANA

Julie A. Kline, Clerk-Treasurer

Before the Town Council
of the Town of Syracuse, Indiana

PETITION FOR ANNEXATION

The undersigned owners of the following described real estate situate in Turkey Creek Township,
Kosciusko County, Indiana, to-wit:

See Attached Legal Description

hereby respectfully petition the Town of Syracuse, Indiana, pursuant to Indiana Code 36-4-3-5 to annex the above-described real estate which is contiguous to the Town of Syracuse and in support thereof, shows the following:

- a. The property to be annexed at Oakwood Park is property located in the Oakwood Park Subdivision, along the platted streets of Lakeview Road, Line Street, Conklin Hill Drive, Lake Drive, Haug Drive, Oaks Street, Martz Street, Park Street, Bishop Street, Oakwood Circle Drive, Channel 3 Lane, Channel 2 Lane and Channel 1 Lane. The area included in this annexation consists of approximately 100 residential properties, Oakwood Inn and Conference Center, Kimmel Retreat House, The Program Center, Chapel on the Hill, Seager Bowl, Cabin Community, Tennis Courts, Ball Field, Playground Area, and Cottages 55, 61, 62, 78, 79, 80, 83, 89 and 90 located in Oakwood Park Subdivision located in Turkey Creek Township, Kosciusko County, Indiana. The area is currently zoned residential in the County. The property to be annexed is residential.
- b. That the undersigned is the owner of 50% of the land and 50% of the assessed value of the territory to be annexed; the total acreage to be annexed is predicated on the entire Oakwood Development being annexed, approximately 41 acres. The territory to be annexed is approximately 58% contiguous to the current Town limits, being contiguous on its northeast and western boundaries.
- c. The area is currently zoned residential and will continue to be zoned residential (see Oakwood Park Grounds Map).

LEGAL DESCRIPTION OF THE ANNEXATION AREA

See exhibit A

That the territory to be annexed is presently subject to the jurisdiction of the Kosciusko County Area Plan Commission and it is presently zoned for residential use. Your petitioner's desires that upon annexation, the property be zoned as the same;

Dated this 26th day of February 2011.

Respectfully submitted,

Legal Description for the entirety of "Oakwood Park" more particularly described as follows,

The Southwest Quarter of the Southeast Quarter of Section 8, Township 34, North, Range 7 East.

Also;

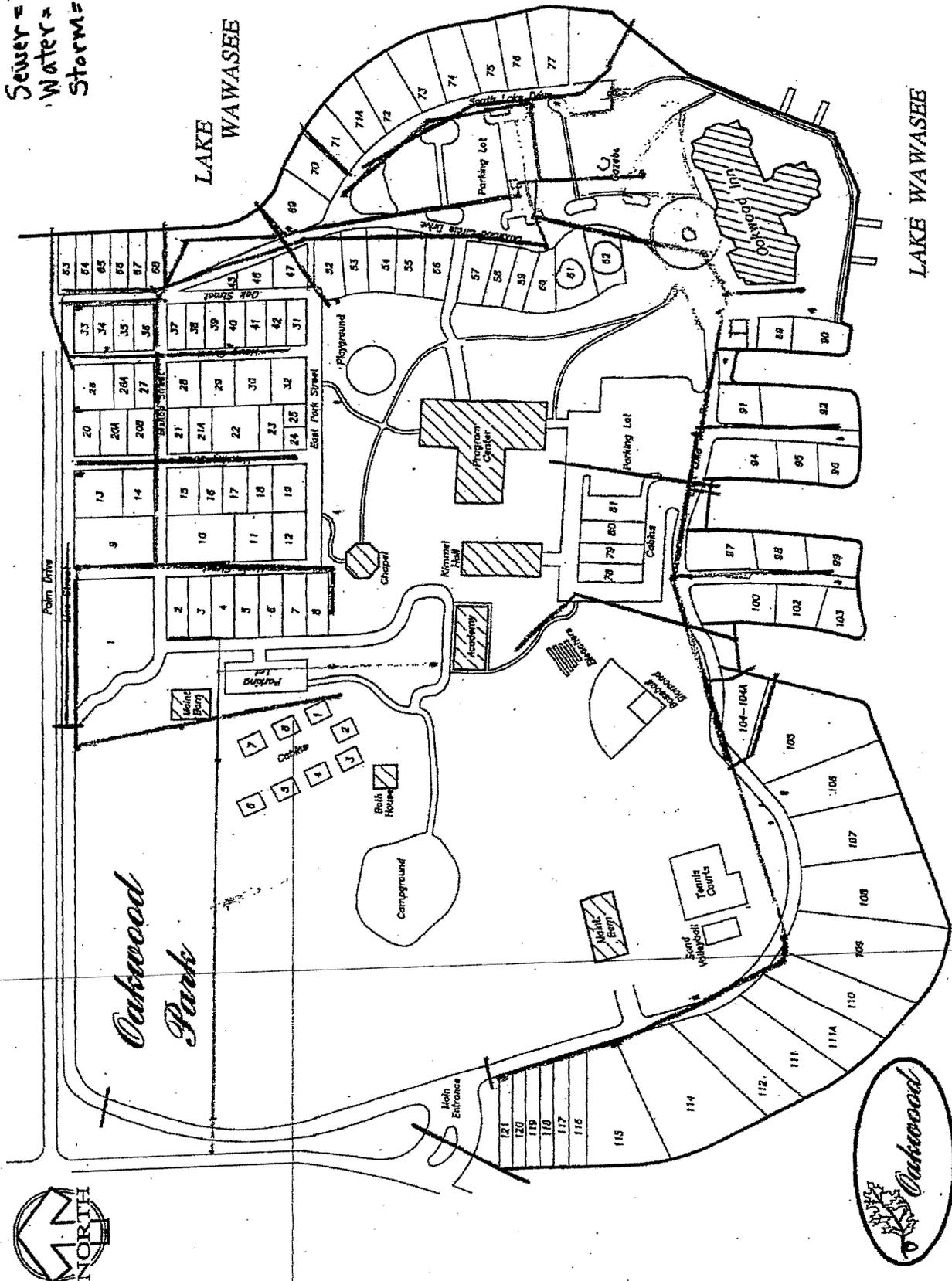
Beginning on the south line of section 8, Township 34, Range 7 East, at the North and South one-half section line of said section 8 and thence north on the half section line toward the center of said section 8; 427.5 feet, which said point is the starting point of this tract; thence north to the center of Warner, ETAL, Kosciusko County Unit Concrete Road; thence southwestwardly following said concrete road to a point 377 feet west of the point of beginning; thence 377 feet to the place of beginning, containing 1.42 Acres, more or less.

Also;

The Original Plat of Oakwood Park as recorded in Plat Book 2, page 197, The Plat of Second Addition to Oakwood Park, Indiana as recorded in Plat Book 2, page 198, the Third Addition to Oakwood Park as recorded in Plat Book 2, page 199, Oakwood Park Fourth Add, Lake Wawasee as recorded in Plat Book 2, page 200, Oakwood Park Fifth Add. Lake Wawasee as recorded in Plat Book 2, page 201, Sixth Addition to Oakwood Park as recorded in Plat Book 2, page 199, Plat of the Eighth Addition to Oakwood Park in Wawasee Lake Kos. CO. Indiana as recorded in Plat Book 2, page 201B, Plat of Peach Point at Oakwood Park Wawasee Lake Indiana as recorded in Plat Book 2, page 201A, and the Plat of Channels Building Control Plat as recorded in Plat Book 4, page 114 all in the Office of the Recorder of Kosciusko County, Indiana.

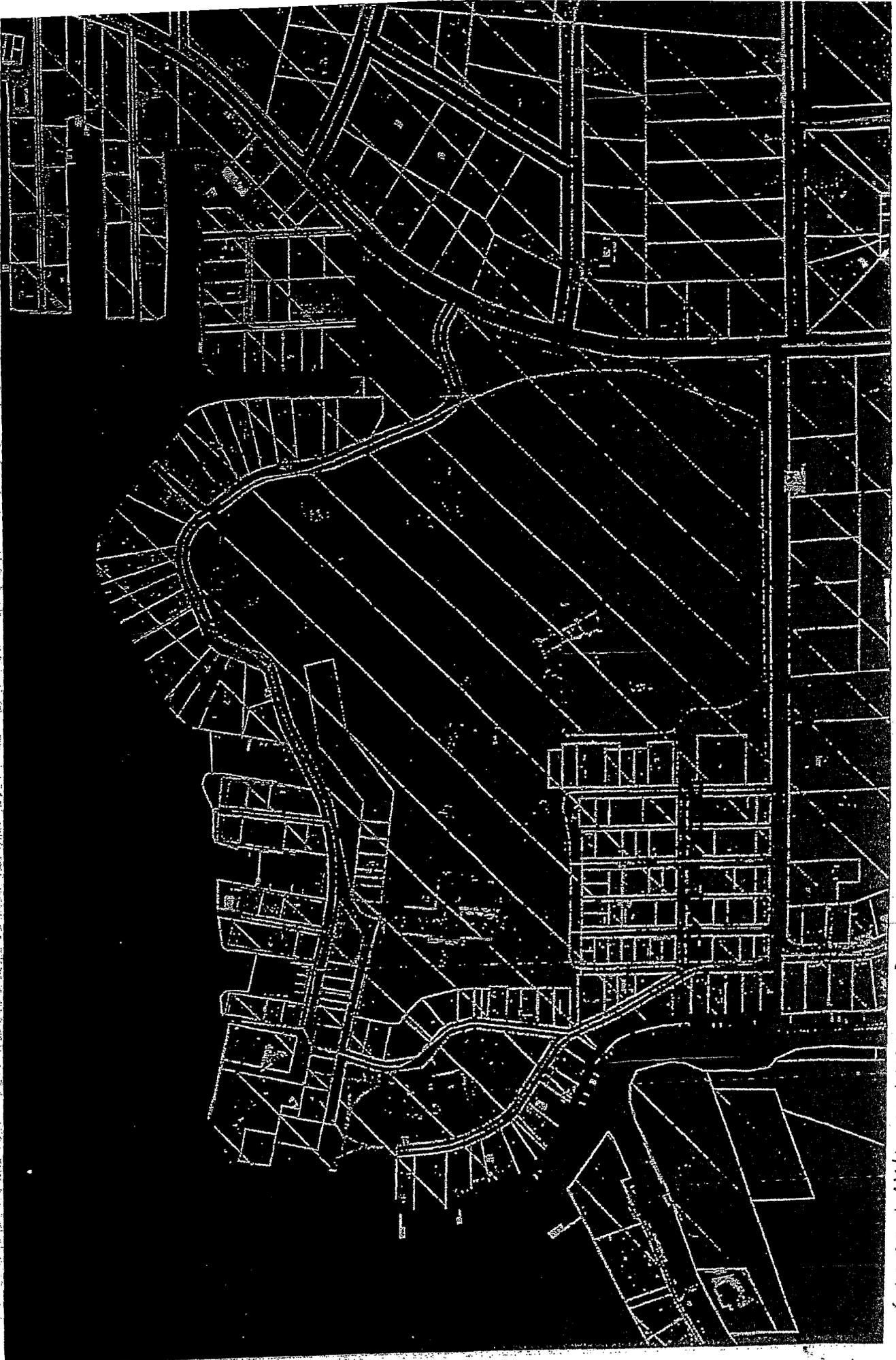
EXHIBIT "A" TO ANNEXATION
PETITION

Sewer = Blue
 Water =
 Storm = Red



Proposed Oakwood Annexation Area

(SOUTH OF PALM DR. AND EAST OF HARKLESS)



NOTE:

ALL AREAS PROPOSED TO BE ANNEXED ARE CURRENTLY ZONED "R" FOR RESIDENTIAL USES. NO CHANGES ARE PROPOSED

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**TOWN OF SYRACUSE, INDIANA
OAKWOOD PARK ANNEXATION**

FISCAL PLAN – SUMMARY

This fiscal plan summary is being prepared for the proposed annexation of the Oakwood Park Area at the request of a number of the property owners and the Receiver for the Oakwood Foundation. The purpose of this summary is to provide, in a summary form, the expected additional property taxes and fees (including the cost of municipal utility services) that would be associated with the proposed annexation.

The complete fiscal plan associated with the proposed annexation is available for inspection during normal business hours (7:30 am – 4:00 pm Monday through Friday) at the Office of the Clerk Treasurer, Town of Syracuse, 310 North Huntington Street, Syracuse, IN 46567. Copies of the fiscal plan are available at a cost of 10 cents (\$0.10) per page.

Property Taxes:

The Oakwood Park Area is located within the unincorporated area of Turkey Creek Township. The only difference in the current (2010 Pay 2011) Property Tax Rates when comparing property located within the Civil Town of Syracuse and the unincorporated area of Turkey Creek Township (the proposed annexation area) is the Town of Syracuse's tax rate of \$0.6879 per each \$100 of Net Assessed Valuation (NAV).

Tax rates associated with the operations of the other overlapping and underlying taxing entities (Kosciusko County – including its Solid Waste Management District, Turkey Creek Township, Syracuse Public Library and Wawasee Community School Corporation) would not change as a result of the proposed annexation. The tax rates assessed by the Town of Syracuse for the year 2010 Pay 2011 are comprised of the following segments:

General Fund	\$0.2355
Motor Vehicle Highway Fund	0.2515
Park	0.1357
Cumulative Park & Recreation	0.0096
Cumulative Capital Improvement	0.0130
Cumulative Capital Development	0.0205
Cumulative Sewer	<u>0.0221</u>
Total	<u>\$0.6879</u>

The above noted tax rates are used to support the general and specific operations of the Town of Syracuse and include, but are not limited to, general administrative services, street lighting, trash collection, police protection, street and road maintenance and parks and recreation services.

The attached Exhibit A outlines the estimated property tax increases that would be associated with the proposed annexation for properties with various estimated market values. Separate estimates have been provided for homestead and non-homestead parcels,

Municipal Utility Services:

The Town of Syracuse provides water and wastewater (sewer) services within the Town. Presently, the proposed annexation area has utility services provided by a Service Company that is/was associated with the Oakwood Foundation. The utility services were provided to the Service Company by the Town of Syracuse.

Under the proposed annexation, the individual properties would become customers of the water and wastewater utilities.

It has been estimated that the cost to provide the necessary improvements to the utility infrastructure within the proposed annexation area would be estimated at a cost of \$1,012.50 per residential parcel. Furthermore, the Foundation's Receiver would be responsible for an estimated amount of \$287,500 to cover the necessary utility infrastructure improvements. These amounts would be included in a proposed zoned utility rate that would be assessed on the monthly utility bill over a period not to exceed sixty (60) months (5 years).

It is estimated that an average residential user (a user of 4,000 of water per month) pays a combined monthly bill for water and wastewater services (including all applicable taxes) of \$54.64.

Copies of the Town's User Rates and Charges for Water and Wastewater Services are available for public inspection during normal business hours (7:30 am - 4:00 pm Monday through Friday) at the Office of the Clerk Treasurer, Town of Syracuse, 310 North Huntington Street, Syracuse, IN 46567. Copies are available at a cost of 10 cents (\$0.10) per page.

Town of Syracuse
 Oakwood Park Annexation Area
 Fiscal Impact Summary - Property Taxes

Residential Homesteads Parcels

		Estimated Market Value*				
		\$75,000	\$150,000	\$250,000	\$500,000	\$1,000,000
Less Homestead Credit	(1)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Less Supplemental Homestead Credit	(2)	(10,500)	(36,750)	(71,750)	(159,250)	(298,750)
Less Mortgage Exemption	(3)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Subtotal - Net Assessed Value (NAV)		16,500	65,250	130,250	292,750	653,250
Additional Tax Rate per \$100 NAV	(4)	<u>0.6879</u>	<u>0.6879</u>	<u>0.6879</u>	<u>0.6879</u>	<u>0.6879</u>
Additional Taxes Due to Annexation		<u>\$114</u>	<u>\$449</u>	<u>\$896</u>	<u>\$2,014</u>	<u>\$4,494</u>

Non Residential Homestead and Commercial Parcels

		Estimated Market Value*				
		\$75,000	\$150,000	\$250,000	\$500,000	\$1,000,000
Less Mortgage Exemption	(3)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Subtotal - Net Assessed Value (NAV)		72,000	147,000	247,000	497,000	997,000
Additional Tax Rate per \$100 NAV	(4)	<u>0.6879</u>	<u>0.6879</u>	<u>0.6879</u>	<u>0.6879</u>	<u>0.6879</u>
Additional Taxes Due to Annexation		<u>\$495</u>	<u>\$1,011</u>	<u>\$1,699</u>	<u>\$3,419</u>	<u>\$6,858</u>

Legend:

- (1) - Homestead Credit is \$45,000
- (2) - Supplemental Homestead Credit is 35% of the remaining assessed value (after the Homestead Credit) up to \$600,000 (25% over \$600,000)
- (3) - Assumes maximum allowable Mortgage Deduction
- (4) - Tax differential is the Town of Syracuse's tax rate (2010 pay 2011)
- * - Assumes Market Value is equal to Assessed Value