

Date..... January 8, 2007

RESOLUTION APPROVING MORTGAGE LOAN  
ADDENDUM BETWEEN COURT CENTER, LLC, THE  
CITY OF DES MOINES AND COURT CENTER LEASING, LLC

WHEREAS, Court Center, LLC (“Borrower”) has executed and delivered to the City of Des Moines (“Lender”) a mortgage securing a construction loan in the amount of \$200,000.00 from Lender to Borrower in connection with the development of a real estate project which will generate historic tax credits and which project is located at 216 Court Avenue, Des Moines, Iowa (the “Project”); and

WHEREAS, CCG Historic Partners Fund XXVI, L.L.C., a Delaware limited liability company (“Fund”) has made an indirect investment in the Borrower to finance in part the development of the Project in exchange for the historic tax credits and for other consideration and as a condition to such investment, the Fund desires certain modifications to the documents securing the loan; and

WHEREAS, the loan agreement between Borrower and Lender contemplated the sale of historic tax credits as a necessary component of the financing for the Project; and

WHEREAS, Lender and Borrower, as well as Court Center Leasing, LLC, the Master Tenant of the Project and the entity through which the Fund will provide tax credit equity to the project wish to amend the mortgage to provide that:

- 1) The removal of certain managing members or general partners of the Borrower or the Master Tenant would not constitute a default under the mortgage and loan agreement provided the replacement managing member or general partner is satisfactory to the Lender;
- 2) The replacement managing member or general partner shall assume all of the predecessors obligations under the mortgage and loan agreement;
- 3) Lender shall give both Borrower and the Fund simultaneous written notice of monetary or non-monetary default under the mortgage loan agreement;
- 4) Cure of any default by the Fund shall be accepted by the Lender as cure by the Borrower;
- 5) Permissible uses of fire or casualty insurance and condemnation proceeds are set forth in a manner that provides adequate security to the Lender;
- 6) Lender approves a purchase option agreement regarding ownership interests in the Master Tenant and the Borrower and agrees that exercise of rights under

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the agreement shall not accelerate or cause a default of the Loan.

7) Lender agrees that foreclosure against the Borrower will not disturb the Master Tenant's rights under the Master Lease between Borrower and Master Tenant and that upon foreclosure of the Mortgage the Master Tenant will render performance to the successor landlord; and

8) During construction, Lender agrees to provide the Fund with distribution evaluations as they are provided to Borrower.

A true copy of the Mortgage Loan Addendum is attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1) The Mayor is authorized and directed to sign the attached Mortgage Loan Addendum and the City Clerk is hereby authorized to attest the Mayor's signature.

2) Upon execution of the Mortgage Loan Addendum, the City Clerk is authorized and directed to return copies of all documents to the Office of Economic Development, 400 Robert D. Ray Drive, Des Moines, Iowa 50309. The Office of Economic Development is authorized and directed to record a copy of the Mortgage Loan Agreement in the Official Record of Polk County, Iowa.

MOVED BY \_\_\_\_\_ to adopt.

FORM APPROVED:



Michael F. Kelley  
Assistant City Attorney

(Council Communication No. 07-024)

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
KIERNAN				
HENSLEY				
MAHAFFEY				
VLASSIS				
TOTAL				
MOTION CARRIED	APPROVED			

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk