Date February 22, 2016

COMMUNICATION OF FIRE ESCROW AT 5206 DOUGLAS AVENUE

Communication from Neighborhood Inspection Division regarding demolition cost reserve escrowed for main structure located at 5206 Douglas Avenue, Des Moines, Iowa.

(Communication and documentation attached)

Moved by _____

to receive and file and to direct the City Attorney to bring legal action within one hundred eighty (180) days of mailed letter dated January 24, 2016, if owner(s) has not demolished or renovated the structure.
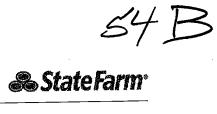
COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MOORE				
WESTERGAARD				
TOTAL				

MOTION CARRIED   APPROVED

_____ **Mayor**

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.

_____ **City Clerk**

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&. StateFarm®

January 24, 2016

CITY OF DES MOINES
NEIGHBORHOOD INSPECTION
DIVISION
THE ARMORY BLDG
602 ROBERT D RAY DR
DES MOINES IA 50309-1881

State Farm Insurance Companies
Fire Claims
PO Box 106169
Atlanta, GA 30348-6169
Fax 844 236 3646

RE: Claim Number: 15-7W26-413
     Insured: Alexandria Christian
     Date of Loss: January 20, 2016

Dear Mr. Dennis Rule:

5206 Douglas Avenue, Des Moines, Iowa sustained fire damage on the above-referenced date of loss. We have received a proof of loss for a sum exceeding 75% of the value of the policy. Iowa law requires fire and casualty companies to hold a demolition cost reserve under such circumstances. In general, insurers must reserve $10,000.00 or 10% of the payment, whichever is greater, to cover demolition costs under the circumstances if:

A.   The property without repairs is uninhabitable or unfit for its purpose.

B.   The property owner has submitted a proof of loss for a sum exceeding 75% of the face value of the policy.

Therefore, to be in compliance with Iowa Statute HB-499 Section 515.510, I am notifying you that a reserve for demolition costs has been withheld.

It is my understanding that the City shall release all interest in the demolition cost reserve within 180 days after receiving notice of the existence of the demolition cost reserve unless the City has instituted legal proceedings for the demolition of said building and has notified the insured in writing of the institution of such legal proceedings. Failure of the City to notify the insured of such legal proceedings shall terminate the City's claim to any proceeds from the reserve.

A reserve for demolition cost shall no longer be required if:

A.   The insurer has received notice from the insured and the City Council that the insured has commenced repairs to the properties or has commenced demolition of the property.

B.   The City has failed to notify the insurer as provided above.

If the City is required to demolish the damaged property at City expense after instituting legal proceedings, emergency actions, or obtaining waivers for the demolition of the building or other insured structure, the City shall present to the insurer the actual costs of the demolition of the property, including engineering, legal and other demolition project costs, and the insurers shall compensate the City for the actual cost of the demolition project up to the amount in a demolition cost reserve. Any amount left from the demolition cost reserve after the cost of demolition of the property is paid to the City, shall be to the insured if the insured is entitled to the remaining proceeds under the policy. The insurer is not liable for any amount in excess of the limits of the liability set out by the policy.

This letter is notice of our compliance with Iowa law. Please call if you have any questions.

Sincerely,

Jed Behrens
Claim Specialist
515 577 4704
State Farm Fire and Casualty Company

28/744/2276063