

Date December 17, 2018

COMMUNICATION OF FIRE ESCROW AT 2202 E WALNUT STREET

Communication from Neighborhood Inspection Division regarding demolition cost reserve escrowed for main structure located at 2202 E Walnut Street, Des Moines, Iowa.

(Communication and documentation attached)

Moved by _____

to receive and file and direct the City Attorney to continue with legal action previously directed by Roll Call 18-1763 on October 22, 2018.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MOORE				
WESTERGAARD				
TOTAL				

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.

MOTION CARRIED APPROVED

Mayor

City Clerk

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RECEIVED

NOV 19 2018

LEGAL DEPARTMENT

November 14, 2018

City of Des Moines
Attn: Victoria Cresta
602 Robert D Ray Drive
Des Moines IA 50309

State Farm Claims
PO Box 52257
Phoenix AZ 85072-2257

SENT VIA CERTIFIED MAIL

RE: Claim Number: 15-3901-M64
Date of Loss: April 23, 2018
Our Insured: Lei Freed

Dear Ms. Cresta :

The home at 2202 E Walnut St in Des Moines Iowa sustained fire damage on the above-referenced date of loss. The damage to the property rendered it uninhabitable without repair. Iowa law requires fire and casualty companies to hold a demolition cost reserve under such circumstances in the amount of \$10,000.00 or 10% of the payment, whichever is greater, to cover demolition costs.

Therefore, to be in compliance with Iowa Statute I.C.A., sec. 515.139, I am notifying you that a \$10,000 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

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reserve. Any amount left from the demolition cost reserve after the cost of demolition of the property is paid to the City shall be paid 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 contact us if you have any questions.

Sincerely,

Patrick Yates
Claim Specialist
Special Investigative Unit
(800) 331-1169 Ext. 2534598997
Fax: (844) 236-3646

State Farm Fire and Casualty Company

cc: City State Bank, Attn: Jan Sparks, POB 159, Norwalk IA 50211