

★ Roll Call Number

13-1643

Agenda Item Number

28

Date October 21, 2013

RESOLUTION APPROVING SUBORDINATION AGREEMENT BETWEEN
COMMUNITY BUSINESS LENDERS SERVICE COMPANY, LLC,
BECKLEY PROPERTIES, LLC, BECKLEY IMPORTS, INC. AND THE CITY OF DES MOINES

WHEREAS, on April 22, 2002 by Roll Call No. 02-1037, the City Council approved a Loan Agreement, Promissory Note and Subordinate Real Estate Mortgage for \$80,000.00 with Beckley Properties, LLC and Beckley Imports, Inc. (hereinafter collectively referred to as "Company") for new construction of the commercial building located at 901 Eighth Street, Des Moines; and

WHEREAS, on November 19, 2007, by Roll Call 07-2210, the City Council approved the subordination of the City Mortgage to new mortgage financing provided by Community Business Lenders Service, LLC that refinanced then existing mortgage debt on the building, and to new financing provided by Community Choice Credit Union

WHEREAS, Company is requesting that the City subordinate its existing collateral position on the real estate to facilitate the refinance of the existing first real estate mortgage with a balance of \$454,000, and the second real estate mortgage with a balance of \$303,000, plus usual and customary closing and filing fees, now existing on 901 Eighth Street with Community Business Lenders Services, LLC for \$780,000; and

WHEREAS, the subordination agreement, attached hereto, has been approved by the legal department.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the subordination agreement which subordinates the City's mortgage from Beckley Properties, LLC given to secure the City of Des Moines Economic Development Loan to a new loan from Community Business Lenders Service Company, LLC in the amounts of \$780,000 on 901 Eight Street, Des Moines is hereby approved and the Mayor is authorized and directed to execute such document on behalf of the City.

(Council Communication No. 13-524)

APPROVED AS TO FORM:

Moved by Hensley to adopt.

[Signature]

Michael F. Kelley, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			

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

T. M. Franklin
Mayor

Diane Rauh

City Clerk