

Date January 22, 2007

RESOLUTION APPROVING SUBORDINATION AGREEMENT  
IN FAVOR OF COMMUNITY BUSINESS LENDERS, L.C.  
FOR RENOVATION TO 216 COURT AVENUE

WHEREAS, Court Center L.C. ("Developer") has executed and delivered to the City of Des Moines ("City") a mortgage securing a construction loan in the amount of \$200,000 from the City in connection with the development of a real estate project located at 216 Court Avenue, Des Moines, Iowa; and

WHEREAS, pursuant to the Economic Development Agreement between the City and Borrower approved by the City Council on December 19, 2005, Roll Call No. 05-2995, the city's mortgage and loan was subordinated to a \$4,100,000 loan from Community Business Lenders, L.C. to Developer for renovations to the building at 216 Court Avenue and for tenant improvements; and

WHEREAS, Developer has leased the entire building and needs additional financing due to increased cost for building shell improvements and expanded tenant improvements. It has obtained approval from senior mortgagee Community Business Lenders, L.C. for additional financing of \$1,630,000 subject to the City subordinating its mortgage to a new mortgage executed by Borrower in favor of the senior mortgagee to secure the increased loan amount of \$5,730,000 (the original loan for \$4,100,00 plus \$1,630,000 in new financing); and

WHEREAS, subordination of the City's mortgage to the new mortgage as described herein is in the City's best interest as it advances the purpose of the Development Agreement and promotes revitalization of Court Avenue.

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 Subordination Agreement and the City Clerk is hereby authorized to attest to the Mayor's signature.

★ Roll Call Number

Agenda Item Number

27

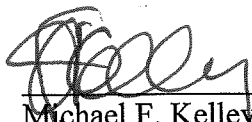
January 22, 2007  
Date.....

2. Upon execution of the Subordination Agreement, 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.

(Council Communication No. 07- 045 )

Moved by \_\_\_\_\_ to adopt.

APPROVED AS TO FORM:



Michael F. Kelley  
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
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