

CITY OF BEACON

CITY COUNCIL

Resolution No. _____ of 2017

**RESOLUTION AGREEING TO SUBORDINATE CITY’S RIGHT OF REVERTER FOR
FINANCING FOR A CERTAIN 0.3 ACRE PARCEL OF LAND ON BEEKMAN STREET SOLD
TO DMS CONSOLIDATORS, LTD.**

WHEREAS, the City of Beacon entered into a Contract of Sale to convey an approximately 0.3 acre of vacant land located on Beekman Street to DMS Consolidators, Ltd. (“DMS”); and

WHEREAS, said Contract of Sale and the Deed dated July 5, 2015 conveying the property from the City to DMS contained certain terms and conditions, which among other matters, provide the City with a Right of Reversion such that title to the Property will revert to the City in the event DMS does not comply with certain conditions enumerated within the Conditions of Sale attached to the Deed; and

WHEREAS, DMS has advised the City that lending institutions have indicated they will not secure a loan against property which contains a right for the City to have a reversionary interest in the Property; and

WHEREAS, the City recognizes its right of a reversionary interest is a business term that will impact the ability for DMS to obtain a loan and the City is willing to subordinate its reversionary interest as set forth herein.

NOW, THEREFORE, BE IT RESOLVED, that the City of Beacon subordinate the City’s rights to its reversionary interest set forth in Paragraphs 15 of the Conditions of Sale attached to the Deed to the rights of any first mortgage secured against the Property; and

BE IT FURTHER RESOLVED, the City Council recognizes that any Lender who secures a loan against the property will retain and have the right to complete the work on the project in the event DMS is in default of any of the loan terms and that such construction and completion of the work by the Lender will be on notice to the City and will not be in breach of the Conditions of Sale; and

BE IT FURTHER RESOLVED, that the City Attorney is authorized to negotiate and prepare, at DMS's cost and expense, any documentation required to subordinate the City's reversionary interest and the City Administrator is authorized to sign same.

Resolution No. _____ of 2017			Date: <u>October 16, 2017</u>				
<input type="checkbox"/> <input type="checkbox"/> Amendments			<input type="checkbox"/> On roll call			<input type="checkbox"/> 2/3 Required	
<input type="checkbox"/> <input type="checkbox"/> Not on roll call.						<input type="checkbox"/> 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Ali Muhammad					
		Omar Harper					
		Lee Kyriacou					
		George Mansfield					
		Pam Wetherbee					
		Peggy Ross					
		Mayor Randy J. Casale					
		Motion Carried					