

**CITY OF BEACON  
CITY COUNCIL**

**RESOLUTION NO. \_\_\_\_ OF 2018**

**AUTHORIZING ENTERING INTO SUBORDINATION AGREEMENT WITH THE  
KEARNEY REALTY AND DEVELOPMENT GROUP, INC. AND MODIFICATION TO  
AGREEMENT**

**WHEREAS**, on March 28, 2018, the City of Beacon conveyed real property known and designated as proposed Lot No. 2 on a certain subdivision map entitled “Final Plat Prepared for The West End Lofts, etc.,” dated March 21, 2018, filed in the Office of the Dutchess County Clerk on March 27, 2018 as Map No. 9899A; and

**WHEREAS**, the Deed conveying said property contained certain terms and conditions which included a right of reversion and that the Certificate of Occupancy of the market rate building to be constructed on Lot 2 to be obtained within twenty months of issuance of the building permit; and

**WHEREAS**, the Kearney Realty and Development Group advises that its lender will not make a construction loan unless the City’s right of reversion contained with the Deed is subordinated to the Lender’s mortgage and the time period for it to obtain the Certificate of Occupancy is extended to 22 months from the date the building permit is issued.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Beacon hereby authorizes the City Administrator, subject to the approval of the City Attorney, to sign the Subordination Agreement with the Kearney Realty and Development Group such that the City’s right under its restrictive covenant contained in the conveyance deed are subordinate to the rights of the Lender, but that the Kearney Realty and Development Group, Inc. is obligated to comply with all such conditions; and

**BE IT FURTHER RESOLVED**, that paragraph 4 of Schedule B to the Conveyance Deed is modified to provide that “Grantee must diligently pursue construction of the market rate building and obtain a Certificate of Occupancy from the market rate building within twenty-two months of issuance of the building permit for Lot 2” and that all other conditions remain unmodified.

Resolution No. _____ of 2018		Date: <u>2018</u>					
<input type="checkbox"/> Amendments						<input type="checkbox"/> 2/3 Required	
<input type="checkbox"/> Not on roll call.		<input type="checkbox"/> On roll call				<input type="checkbox"/> 3/4 Required	
Motion	Second	Council Member	Yes	No	Abstain	Reason	Absent
		Terry Nelson					
		Jodi McCredo					
		George Mansfield					
		Lee Kyriacou					
		John Rembert					
		Amber Grant					
		Mayor Randy Casale					
<b>Motion Carried</b>							