

RESOLUTION 14D-31

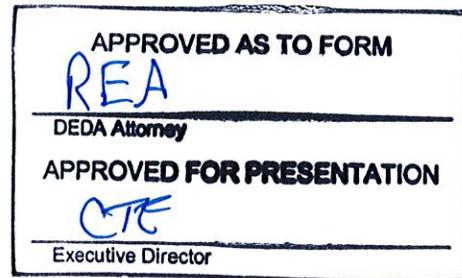
RESOLUTION AUTHORIZING FIRST AMENDMENT TO LOAN AGREEMENT WITH THE DULUTH HOUSING AND REDEVELOPMENT AUTHORITY IN THE AMOUNT OF \$230,000 PERTAINING TO THE SEAWAY HOTEL PROJECT

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a First Amendment to Loan Agreement, substantially in the form of that attached hereto (DEDA Contract No. _____) with the Duluth Housing and Redevelopment Authority amending the agreement to extend the date for closing to July 1, 2014.

Approved by the Duluth Economic Development Authority this 28th day of May, 2014.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to authorize an amendment to the Loan Agreement with the Duluth HRA to fund the purchase by the HRA of the Seaway Hotel property as a first step in a program to revitalize the Lincoln Park Business District to extend the closing date to allow closing to be delayed if necessary to July 1, 2014.

The original agreement contemplated closing to later than March 1, 2014 based on HRA's purchase option agreement with the owner. However, due to process of securing State funding being more complicated than originally contemplated, it was necessary to extend the term of the option and the closing date in the DEDA Loan Agreement.

The complications with the state have been dealt with and the funding secured and so now closing is contemplated to occur during the month of June.

FIRST AMENDMENT TO
HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH
SEAWAY HOTEL PROJECT
INTERIM LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT, entered into this _ day of June, 2014, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, and economic development authority under the Minnesota Statutes (1989) Chapter 469, hereinafter referred to as "DEDA", and the HOUSING AND REDEVELOPMENT AUTHORITY OF DULUTH, a housing and redevelopment authority under Minnesota Statues Chapter 469, hereinafter referred to as "HRA".

WHEREAS, on March 26, 2014 DEDA and HRA entered into an Interim Loan Agreement pertaining to the Seaway Hotel property bearing DEDA Contract No. 14-865-732 (the "Agreement") for the loan DEDA funds to the HRA to assist HRA in acquiring the Seaway Hotel property as therein described for the purpose of rehabilitating and operating said facility on an interim basis; and

WHEREAS, due to circumstances beyond the control of the parties, closing on said property has been delayed beyond the Closing Date contemplated in the Agreement; and

WHEREAS, the parties are desirous of amending the Agreement extending the latest date for Closing as hereinafter set forth.

NOW THEREFORE, the parties hereby agree as follows:

1. That Subparagraph A of Paragraph 1. Of the Agreement is hereby amended to read as follows:
 - A. Closing: shall mean that date agreed to by the Owner, the Executive Director of HRA and the Executive Director of DEDA but in no event later than July March 1, 2014.
2. That in all other respects, the Agreement, together with all of its terms, covenants and conditions, is hereby confirmed in its entirety.

IN WITNESS WHEREAS, the parties have hereunto set their hands the day and date first above shown.

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY, an economic development
authority under MinnStat. (1989)
Chapter 469.

HOUSING AND REDEVELOPMENT AUTHORITY
OF DULUTH, a Minnesota housing and
redevelopment Authority under Minn
Stat. Chapter 469.

It's President

It's _____

It's Secretary

