

RESOLUTION NO. 3593

A RESOLUTION OF THE SOUTH BEND REDEVELOPMENT COMMISSION APPROVING SUBORDINATION OF LOAN, ACCEPTING GUARANTY, AND AUTHORIZING EXECUTION OF AGREEMENTS

WHEREAS, the South Bend Redevelopment Commission (the “Commission”), governing body of the South Bend Department of Redevelopment (“Redevelopment”), exists and operates pursuant to I.C. 36-7-14; and

WHEREAS, the Commission closed on a sale of certain real estate located at 3408 Ardmore Trail, South Bend, Indiana (the “Property”), to the Career Academy of South Bend, Inc., an Indiana nonprofit corporation (“Career Academy”) on February 18, 2015; and

WHEREAS, as a part of the transaction, the Career Academy executed a mortgage and promissory note in favor of the Commission, in which the Career Academy would make annual payments in increasing amounts on the purchase price commencing on or about February 18, 2018, through February 18, 2031; and

WHEREAS, the Career Academy has been paying the amounts due and owing in a timely manner; and

WHEREAS, the Career Academy is entering into a financial transaction to issue bonds in furtherance of its mission and has requested a subordination of the City’s mortgage on the Property and the promissory note in favor of the bond purchaser; and

WHEREAS, the projects to be financed by the bonds will benefit the residents of the City of South Bend (the “City”); and

WHEREAS, concurrent with the subordination, the Commission will obtain a guaranty from The Garatoni-Smith Family Foundation for the payment of amounts due and owing under the note; and

WHEREAS, the Commission desires to support the projects by approving the subordination transaction, accepting the guaranty, and authorizing the City’s Executive Director of Community Investment to execute the relevant documents once approved by City’s Corporation Counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH BEND REDEVELOPMENT COMMISSION AS FOLLOWS:

1. The Commission hereby ratifies and approves subordination of its Real Estate Mortgage and Security Agreement and its Promissory Note to a senior lender pursuant to the Career Academy’s issuance of Educational Facilities Revenue Bonds, Series 2024A and Educational Facilities Revenue Bonds, Series 2024B.

2. The Commission authorizes the City's Corporation Counsel to negotiate the terms of the subordination agreement and guaranty on its behalf.

3. The Executive Director of the City's Department of Community Investment is hereby authorized and instructed to execute the final subordination agreement, as well as any necessary ancillary documents, and to accept the guaranty on behalf of the Commission.

4. This Resolution will be in full force and effect upon its adoption by the Commission.

Signature Page Follows

ADOPTED at a meeting of the South Bend Redevelopment Commission held on February 22, 2024.

SOUTH BEND REDEVELOPMENT
COMMISSION

Marcia I Jones, President

ATTEST:

Vivian G Sallie, Secretary