

ECONOMIC DEVELOPMENT AUTHORITY FOR THE
CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. E2019- 018

RESOLUTION APPROVING SUBORDINATION AGREEMENT
RELATING TO THE FAÇADE LOAN TO MOBOB SHAKOPEE LLC

WHEREAS, the Economic Development Authority for the City of Shakopee, Minnesota (the “Authority”) was created pursuant to Minnesota Statutes, Sections 469.090 through 469.1082, as amended, and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Shakopee, Minnesota (the “City”); and

WHEREAS, the City has previously adopted a Façade Improvement Loan Program (the “Program”), allowing businesses to apply for a forgivable loan from the City for exterior building improvements; and

WHEREAS, MOBOB Shakopee, LLC (the “Borrower”) applied for a loan under the Program for the purposes of restoring the storefront of its business located at 120 First Avenue E (the “Project”); and

WHEREAS, on August 15, 2017, the City approved a façade loan to the Borrower in the amount of \$50,000 (the “EDA Loan”) for the Project; and

WHEREAS, in order to finance the remaining costs of the Project and additional improvements to its building, the Borrower intends to obtain a loan from First Resource Bank (the “Bank”) in the amount of \$421,500 (the “Bank Loan”); and

WHEREAS, as a condition to providing the Bank Loan, the Bank is requiring that the Authority subordinate the mortgage provided by MOBOB Shakopee, LLC to the Authority to secure the EDA Loan, all pursuant to the terms of the Subordination Agreement (the “Subordination Agreement”); and

WHEREAS, the form of Subordination Agreement has been presented to the Authority Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Economic Development Authority for the City of Shakopee, Minnesota that:

1. The Subordination Agreement is hereby in all respects authorized, approved, and confirmed, and the President and the Executive Director are hereby authorized and directed to execute the Subordination Agreement for and on behalf of the Authority in substantially the form now on file with the City Hall but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

2. The President and Executive Director are hereby authorized to execute any other documents or certificates deemed necessary to carry out the intention of this resolution and the Subordination Agreement.

Sworn and Executed Under My Hand this 1st day of October, 2019.

President

Executive Director