

City of Carson City
Agenda Report

Item # 9-3

Date Submitted: 3/24/2009

Agenda Date Requested: 4/2/2009

Time Requested: Consent

To: Mayor and Supervisors

From: City Manager's Office

Subject Title: Action to authorize the Mayor to sign the Subordination Agreement required pursuant to the Amended and Restated Commitment Agreement for Continuing Business Operations by and between Carson City and Richard Campagni.

Staff Summary: Carson City and Richard Campagni entered into an Amended and Restated Commitment Agreement for Continuing Business Operations ("Commitment Agreement") by which Richard Campagni agreed to continue business operations of Carson City Toyota-Scion, Carson City Mazda-Hyundai and Capital Ford in Carson City for twenty (20) years and Carson City provided an incentive of Three Million and Six Hundred Thousand Dollars (\$3,600,000) to Mr. Campagni for the purpose of assisting Mr. Campagni in purchasing property for the construction of a new facility for the Carson Toyota dealership. In conjunction with the Commitment Agreement, a Deed of Trust in favor of Carson City was executed to secure the obligations of Mr. Campagni under the Commitment Agreement. Pursuant to the Commitment Agreement, Carson City has agreed to subordinate that Deed of Trust to a Deed of Trust used to secure construction financing for the new facility for the Carson Toyota dealership.

Type of Action Requested: (check one)
 Resolution () Ordinance
 Formal Action/Motion () Other (No action)

Does This Action Require A Business Impact Statement: () Yes (x) No

Recommended Board Action: I move to authorize the Mayor to sign the Subordination Agreement required pursuant to the Amended and Restated Commitment Agreement for Continuing Business Operations by and between Carson City and Richard Campagni.

Explanation for Recommended Board Action: Pursuant to the terms of the Commitment Agreement, Carson City has agreed to subordinate the Deed of Trust executed in its favor to a Deed of Trust used to secure construction financing for the new facility for the Carson Toyota dealership.

Applicable Statue, Code, Policy, Rule or Regulation: n/a

Fiscal Impact: NA.

Explanation of Impact: NA

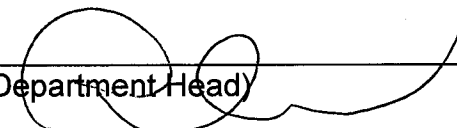
Funding Source: NA

Alternatives: Not authorize the Mayor to execute the Subordination Agreement.

Supporting Material:

Proposed draft of the Subordination Agreement.

Prepared By: Joel C. Benton, Senior Deputy District Attorney

Reviewed By:  Date: _____
(Department Head)
Concurrences: _____ Date: 2/24/09
(City Manager)
Melanie Burkette Date: 3-23-09
(District Attorney)
Will Shoultz Date: 3-24-09
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____ _____

(Vote Recorded By)

APN: 09-051-10
When Recorded Mail To:
TOYOTA MOTOR CREDIT CORPORATION
19001 S. Western Ave., EF 12
Torrance, CA 90509-2958

THE UNDERSIGNED affirm by executing this document that it does not contain the social security number of any person. (Per NRS 239B.030).

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT, entered into this _____ day of _____, 2009, by and between (hereinafter referred to as "Beneficiary"), and RICHARD NELLO CAMPAGNI and MARY JANE CAMPAGNI, as Trustees of the Richard and Mary Campagni Family Trust, dated July 23, 1993, and amended in its entirety on November 18, 2004 (hereinafter referred to as "Trustor"), CARSON CITY, a political subdivision of the State of Nevada, CARSON CITY REDEVELOPMENT AUTHORITY (hereinafter collectively referred to as "Beneficiary") and TOYOTA MOTOR CREDIT CORPORATION, a California corporation (hereinafter referred to as "Lender").

WITNESSETH:

WHEREAS, on August 12, 2005, Trustor executed a Deed of Trust and Assignment of Rents in favor of Beneficiary, recorded on August 12, 2005, as Document No. 341077 of the Official Records, Carson City, Nevada, encumbering certain real property in Carson City, Nevada and commonly known as Assessor's Parcel Number 009-051-10 (Beneficiary's Deed of Trust), to secure an amended and restated promissory note dated January, 2009, in favor of Beneficiary;

WHEREAS, Trustor has, or is about to execute a Promissory Note and Deed of Trust in the amount of \$6,500,000.00, dated _____, 2009, in favor of Lender, payable with interest and upon the terms and conditions described therein, which Deed of Trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan from Lender that said Deed of Trust in favor of Lender shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of Beneficiary's Deed of trust first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Deed of Trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of Beneficiary's Deed and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of Beneficiary's Deed of Trust to the lien or charge of the Deed of Trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Deed of Trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of Beneficiary's Deed of Trust above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said Deed of Trust securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of Beneficiary's Deed of Trust.
- (2) That Lender would not make its loan above described without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of Beneficiary's Deed of Trust to the lien or charge of the Deed of Trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of Trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in Beneficiary's Deed of Trust, which provide for the subordination of the lien or charge thereof to another Deed or Deed of Trust or to another Mortgage or Mortgages.

Beneficiary declares, agrees and acknowledges that:

- (a) It consents to and approves all provisions of the Note and Deed of Trust in favor of Lender above referred to;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or sue of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Deed of Trust first above mentioned in favor of the lien or charge upon

said land of the Deed of Trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination;

- (d) In the event the Beneficiary commences a foreclosure action against the Owner, Beneficiary shall provide Lender with all written notices of the default and shall provide Lender the opportunity to cure any default of Owner.

IN WITNESS WHEREOF, the parties hereto have set their hands on the day and year first above written.

"BENEFICIARY"

"TRUSTOR"

CARSON CITY,
a political subdivision of the state of Nevada

By: _____

Richard Campagni

CARSON CITY REDEVELOPMENT
AUTHORITY

By: _____

"LENDER"

TOYOTA MOTOR CREDIT CORPORATION
a California corporation

By: _____

STATE OF NEVADA)
 : ss.
CARSON CITY)

On _____, 2009, personally appeared before me, a notary public, _____, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he/she is the _____ of CARSON CITY, a political subdivision of the state of Nevada, and who further acknowledged to me that he/she executed the foregoing document on behalf of said entity.

NOTARY PUBLIC

STATE OF NEVADA)
 : ss.
CARSON CITY)

On _____, 2009, personally appeared before me, a notary public, _____, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he/she is the _____ of CARSON CITY REDEVELOPMENT AUTHORITY, and who further acknowledged to me that he/she executed the foregoing document on behalf of said entity.

NOTARY PUBLIC

STATE OF NEVADA)
 : ss.
CARSON CITY)

On _____, 2009, personally appeared before me, a notary public, RICHARD CAMPAGNI, personally known (or proved) to me to be the person whose name is subscribed to the foregoing document, who acknowledged to me that he executed the foregoing document.

NOTARY PUBLIC

STATE OF _____)
 : ss.
COUNTY OF _____)

On _____, 2009, personally appeared before me, a notary public, _____, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he/she is the _____ of TOYOTA MOTOR CREDIT CORPORATION, a California corporation and who further acknowledged to me that he/she executed the foregoing document on behalf of said entity.

NOTARY PUBLIC

From: Larry Werner
To: Gardner, Rose; Plemel, Lee
Date: 3/25/2009 2:06 PM
Subject: Re: Fwd: Carson City Airport Runway Construction

I'm OK to meet.
Larry

>>> Rose Gardner 3/25/2009 11:29 am >>>

I have the original email you sent however, am waiting for direction from Larry. I'll copy him on this email and get his thoughts.
Thanks for following-up on it.
Rose

>>> Lee Plemel 3/25/2009 10:58 AM >>>

Hi Rose,

Will you be looking at our calendars and scheduling this for Larry with Jim Clague?

Lee

>>> "Clague, Jim" <jclague@pbsj.com> 3/25/2009 10:45 AM >>>

Larry/Lee/Jeff

Regarding my email from last week, we'd like to schedule a meeting with you to discuss the proposed runway project at the airport. Please let me know what works for you so that I can schedule a day, time, and place. Thank you

Jim Clague, P.E.
Group Manager
PBS&J
555 Double Eagle Court, Suite 2000
Reno, NV 89521
775-828-1622 (Telephone)
775-828-1826 (Fax)
775-690-9369 (Cellular)
jclague@pbsj.com
<http://www.pbsj.com/> <<http://www.pbsj.com/>>

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Rose Gardner - Mtg. with Mike Fischer & Peter Barton re AB 507

From: "Robert Crowell" <RCrowell@kkbrf.com>
To: "Robert Crowell" <RCrowell@kkbrf.com>, "Janet Busse" <JBusse@ci.carson-city.nv.us>, "Rose Gardner" <RGardner@ci.carson-city.nv.us>
Date: 3/26/2009
Time: 1:15 PM - 2:15 PM
Subject: Mtg. with Mike Fischer & Peter Barton re AB 507
Place: Mayor's Office
Attachments: meeting.ics

When: Thursday, March 26, 2009 1:15 PM-2:15 PM (GMT-08:00) Pacific Time (US & Canada).
Where: Mayor's Office

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