

RESOLUTION NO. 46-2005

WHEREAS, on or about February 27, 2001, the City of Reading entered into a certain Construction and Term Loan Agreement for \$250,000.00 (FRED) with William M. McMahon, Jr., and Judith A. McMahon, his wife, as renovation financing for 230 N. Fifth St., Reading, PA; and

WHEREAS, on or about April 2, 2002, the City of Reading agreed to provide an additional \$100,000.00 to William M. McMahon, Jr., and Judith A. McMahon, his wife, for the 230 N. Fifth St. project; and

WHEREAS, William M. McMahon, Jr., and Judith A. McMahon, his wife, desire to sell subject premises of 230 N. Fifth St., Reading, PA; and

WHEREAS, the Construction and Term Loan Agreement for \$250,000.00 (FRED) and subsequent Mortgage and Term Loan Modification Agreement provide that the the outstanding principal balance shall be immediately due and payable after the date of closing for sale to a third party purchaser; and

WHEREAS, a third party purchaser has expressed interest in purchasing 230 N. Fifth St., Reading, PA, and is willing to assume the balance of any outstanding loan balance owed to the City of Reading by William M. McMahon, Jr., and Judith A. McMahon, his wife; and

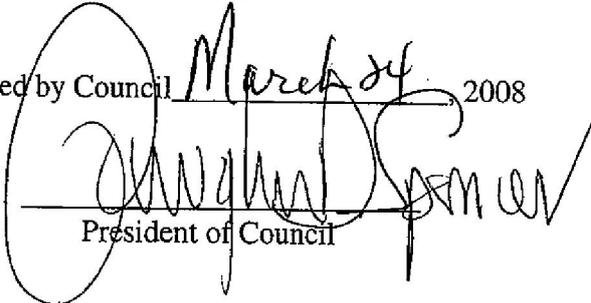
WHEREAS, the City of Reading agrees to the assumption the subject loan and outstanding principal balance by a third party purchaser, and further agrees to accept a second lien position after any mortgage between William M. McMahon, Jr., and Judith A. McMahon, his wife, to a third party purchaser, NOW, THEREFORE

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS FOLLOWS:

That the Mayor of the City of Reading is authorized to enter into and execute any and all documents, including an inter-creditor agreement, to effect the assumption by a third party purchaser of 230 N. Fifth St., Reading, Berks County, PA, of the outstanding principal loan balance of William M. McMahon, Jr., and Judith A. McMahon, his wife, owed to the City of Reading and arising from a certain Construction and Term Loan Agreement (2001) and a certain Mortgage and Term Loan Modification Agreement

(2002) as well as maintaining the City of Reading's second lien position when another mortgage is signed and recorded.

Adopted by Council March 24 2008

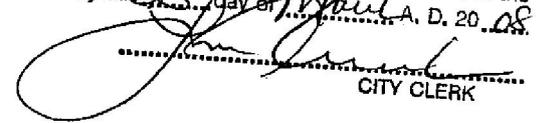

President of Council

Attest:


City Clerk

(Law)

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original Resolution passed by the Council of the City of Reading, on the 24 day of March A. D. 20 08. Witness my hand and seal of the said City this 25 day of April A. D. 20 08.


CITY CLERK