

CITY OF HAMILTON

MOTION

Council Date: May 28, 2014

MOVED BY COUNCILLOR

SECONDED BY COUNCILLOR.....

That subsection (a) of Item 3 of General Issues Committee Report 13-008, approved by Council on April 10, 2013, respecting Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP) – 137-149 Main Street be amended by adding the words “and subject to the following additional conditions” after the word “conditions” and by adding the following subsections

- (i) the corporate control be amended to Azim Kassam 50% shareholder and Jose Fernandez 50% shareholder;
(ii) Joint and several guarantees of the two Azim Kassam and Jose Fernandez;
(iii) no payments shall be made by Jackson Hospitality Inc. or Azim Kassam in respect of any loan by Jose Fernandez (shareholder’s loan) to Jackson Hospitality until the City’s loan has been paid in full;
(iv) any security of any shareholder in respect of any debt to Jackson Hospitality Inc. shall be postponed and subordinated to any security of the City of Hamilton in respect of its loan to Jackson Hospitality Inc.

The amended resolution to read as follows:

3. Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP) – 137-149 Main Street West (PED13052) (Ward 2) (Item 5.3)

(a) That a conditional loan commitment totalling \$2,325,000 for Jackson Hospitality Inc. (Azim Kassam), the registered owner of the property at 137-149 Main Street West, be authorized and approved under the Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP) in accordance with the Program’s terms and conditions and subject to the following additional conditions;

- (i) the corporate control be amended to Azim Kassam 50% shareholder and Jose Fernandez 50% shareholder;

- (ii) *Joint and several guarantees of the two Azim Kassam and Jose Fernandez;***
 - (iii) *no payments shall be made by Jackson Hospitality Inc. or Azim Kassam in respect of any loan by Jose Fernandez (shareholder's loan) to Jackson Hospitality until the City's loan has been paid in full;***
 - (iv) *any security of any shareholder in respect of any debt to Jackson Hospitality Inc. shall be postponed and subordinated to any security of the City of Hamilton in respect of its loan to Jackson Hospitality Inc.***
- (b) That the Mayor and City Clerk be authorized and directed to execute a loan agreement together with any ancillary documentation required, to effect recommendation (a), above, in a form satisfactory to the City Solicitor;**
 - (c) That the General Manager of the Planning and Economic Development Department be authorized to approve and execute any loan amending agreements, together with any ancillary amending documentation, if required, provided that the terms and conditions of the Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP), as approved by City Council, are maintained.**