
AGENDA REPORT

Meeting Date:	<u>April 11, 2023</u>	Item Number:	<u>1</u>
Prepared By:	<u>Jason Greiner</u>	Account Code:	<u></u>
Date Prepared:	<u>4/6/23</u>	Exhibits:	<u>1</u>

Subject

Consider approval of the First Extension and Modification of Real Estate Lien Note, Security Interest and Lien with Glen Echo Brewing LLC to extend the maturity date of the loan.

Recommendation

Motion to approve the First Extension and Modification of Real Estate Lien Note, Security Interest and Lien and to authorize the Board President or his designee to negotiate, finalize, and execute said document.

Discussion

As the Board will recall, the Real Estate Contract between the WEDC and Glen Echo Brewing LLC was approved on January 18, 2023, for sale of the .2100-acre property at 106 N. Birmingham. As such, Glen Echo Brewing LLC closed on the purchase of the property on February 21, 2023.

Texas Bank approved the loan subject to SBA approval and now the SBA has identified a potential issue:

It appears that the seller's carryback note has a term of three years. If that is the case, the seller cannot secure its loan with the subject property (if secured with junior position on the subject property, the term of the loan cannot be shorter than the term of the SBA loan). Wylie EDC can adjust the Seller Note to reflect a 25-year term to match the SBA 504 loan OR they can add an addendum stating the Wylie EDC will not have a lien on the subject property.

For your review is a First Extension and Modification of Real Estate Lien Note as prepared by legal. Note: Approval of the proposed extension of the real estate lien note extends the maturity date for the Note and Deed of Trust from 3 years to 25 years, until 2048.