

November 16, 2004

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
November 23, 2004

**SOUTH BAY ALANO CLUB APPROVAL OF EXTENSION OF
NOTE SECURED BY DEED OF TRUST**

Recommendation:

That the City Council approve an extension of existing note secured by deed of trust from May 17, 2005 through May 17, 2010 with all other terms and conditions remaining the same and that the City Council direct the City Manager to execute any required documents on behalf of the City.

Background:

The City sold the property to the South Bay Alano Club in 1995 and executed a 10 year note with them that is due on May 17, 2005. The Club has requested that the City extend the note for an additional 5 years ending on May 17, 2010 under the same terms and conditions. The remaining balance is \$153,835.30 as of November 2004. The interest received is greater than the City would receive on any other type of investment or deposit and the Club has made all of its payments in a timely manner. Therefore, it would seem reasonable to grant the request to extend the note.

A copy of the letter of request and the existing note is attached.

Respectfully submitted,

Stephen R. Burrell
City Manager