1) Call to Order/ Rollcall

2) Approving Loan Commitment Letter for Pablo's Mexican Restaurant LLC (Action)

3) Open Forum for LEDC Board Members

4) Other Business

5) Public Comment

6) Adjournment

The Lansing Economic Development Corporation's mission is to create quality jobs, diversify the local economy and improve overall quality of life by attracting, expanding and retaining business and industry in the City of Lansing.
Lansing Economic Development Corporation  
Special Board of Director's Meeting Minutes  
Tuesday, March 12, 2019 – 10:00 AM  
Conference Call  
DIAL: 1-888-557-8511  
ACCESS CODE: 4485570

Members Present: Thomas Donaldson, Blake Johnson, Kimberly Coleman,  
Mayor Andy Schor, Frederick Schaible  
Members Absent: Calvin Jones, Shelley Boyd, James Butler III, Andrea Binoniemi  
Temp Members Present: Julian Darden  
Staff Present: Kris Klein, Marchelle Smith  
Guests: None

Call to Order

Vice-Chair Donaldson welcomed everyone and called the LEDC Special Board of Directors meeting to order at 10:03 a.m. Rollcall was conducted by Parsons and recorded for public record.

Approving Loan Committee Letter for Pablo’s Mexican Restaurant LLC (Action)

Vice-Chair Donaldson provided an overview of the Resolution being presented to approve the LEDC Loan Committee letter for Pablo Mexican Restaurant LLC, he reintroduced Klein, LEAP and Julian Darden, Temporary Board Member, thanking them for their hard work on preparing this information for the LEDC Board’s approval. Vice-Chair Donaldson noted the loan being presented is in the amount of $143,100. Darden noted he felt this was a good loan and supports presenting this to the LEDC Board for approval. Vice-Chair Donaldson asked Parsons to do a rollcall vote on the Resolution being presented. Discussion ensued.

MOTION: Schaible moved to approve the Loan Committee Letter for Pablo’s Mexican Restaurant LLC, as presented and place on file. Motion seconded by Coleman. Motion carried.

YEAS: Four (4)  
NAYS: Zero (0)  
ABSENT: Four (4)  
ABSTAIN: One (1) – Donaldson

Open Forum for LEDC Board of Directors

Vice-Chair Donaldson opened the floor to the LEDC Board Members, who provided the following announcements/updates: None.

Other Business & Public Comment
None.

Adjournment

There being no further business, Vice-Chair Donaldson declared the LEDC meeting adjourned at 10:09 a.m.

Kris Klein, Economic Development Specialist  
Lansing Economic Area Partnership (LEAP)
- DRAFT DOCUMENT -

March 12, 2019

Pablo Maldonado
Pablo's Mexican Restaurant, LLC
1102 S. Washington Ave.
Lansing, MI 48910

Re: Commitment for a $143,100 Secured Commercial Term Loan

Dear Mr. Maldonado:

We are pleased to confirm that the Economic Development Corporation of the City of Lansing (the "EDC") has approved a Secured Commercial Term Loan for Pablo’s Mexican Restaurant LLC, a Michigan limited liability company, referred to in this letter as the "Borrower." This letter constitutes the EDC's commitment to provide the approved financing, subject to the terms and conditions contained in this letter and subject to documentation which is satisfactory in form and content to the EDC and the EDC's legal counsel.

This commitment will expire at the EDC's option if any of the following occurs: (a) the EDC has not received the Borrower's signed acceptance of this commitment by March 26, 2019 (the "Acceptance Date"); (b) the closing of the financing does not occur on or before April 30, 2019 (the "Expiration Date"); (c) there occurs any material adverse change in the financial condition or affairs of the Borrower from that represented to the EDC; (d) there occurs any material decline in the value of the collateral for the EDC's financing from that represented to the EDC; (e) there is a change in the management of the Borrower; (f) the Borrower fails to comply with any of the terms and conditions of this letter; and/or (g) if, upon closing, the Borrower would be in default under any EDC and/or independent Bank loan document. The terms and conditions of this commitment are as follows:
Secured Commercial Term Loan

(1) **Amount:** The principal amount of the EDC's proposed secured commercial term loan to the Borrower (the "Loan") is $143,100.

(2) **Purpose and Disbursement:** The Loan proceeds ($143,100) will be used together with loan amounts from other lenders (including Independent Bank and Cinnaire) and equity provided by the Borrower to create a total pool of funds ($447,616) to be used for the following purposes: (a) to complete building renovations at 1102 S. Washington Ave. ($73,100), (b) to purchase a liquor license for use at 1102 S. Washington Ave. ($50,000), and (c) to purchase inventory for restaurant operations at 1102 S. Washington Ave. ($20,000). At the closing of the Loan, 100% of the Loan proceeds will be disbursed by the EDC to (or for the benefit of) the Borrower.

(3) **Commercial Term Note and Loan Interest Rate.** The Loan will be evidenced by a Commercial Term Note. The form of the Commercial Term Note will be as prescribed and drafted by the EDC. The Commercial Term Note will bear interest on the principal balance outstanding from time to time, computed on the basis of the actual number of days elapsed in a year of 365 days, at the fixed interest rate of seven percent (7.0%).

(4) **Loan Term to Maturity.** The Commercial Term Note will have a seven (7) year term to maturity.

(5) **Loan Payments and Prepayments.** The Note must be paid in monthly installments over the 7 year (84 month) term. The first 6 monthly payments will be interest only payments of $834.76. After the first six monthly interest only payments, the monthly payments will be principal and interest payments of $2,288.75, calculated on the basis of an initial principal balance of $143,100, the Loan interest rate, and a 6.5 year (78 month) amortization schedule. A late fee of 5% of the payment amount must be paid by the Borrower on each Loan payment that is received by the EDC five (5) or more days after its due date. All outstanding principal and interest under the Commercial Term Note must be paid in full on or before the maturity date of the Note, seven (7) years after the date of the Commercial Term Note. The Commercial Term Note may be prepaid, in whole or in part, at any time, without the payment of a prepayment premium. All prepayments will be applied first to accrued interest and then to principal. Prepayments will not affect the scheduled monthly payments, except to the extent that payments will no longer be required when the Loan is paid in full.

(6) **Collateral:** Collateral security for the Loan will be a mortgage on the Borrower's real estate commonly known as 1102 S. Washington Ave., Lansing, Michigan 48910 (the "Real Estate"). In connection with the mortgage, and as a condition to closing the Loan, the EDC must be satisfied with a commitment to issue a mortgage title insurance policy, on the 2006 ALTA form, without standard exceptions, naming the EDC as insured, in the amount of the Loan, issued by a title insurance company.
acceptable to the EDC, and including title endorsements deemed necessary or desirable by the EDC. Title to the Real Estate must be subject to no exceptions unless approved in writing by the EDC prior to the closing date. The mortgage title insurance policy (or an equivalent mark up that is acceptable to the EDC) must be issued on the closing date. The EDC understands and agrees that its mortgage of the Real Estate will be junior to a mortgage held by Independent Bank to secure the Borrower's $150,000 obligation to Independent Bank; provided, however, that Independent Bank must agree with the EDC that Independent Bank's mortgage will not have priority as to future advances (that is, Independent Bank advances made after the Loan closing) unless such future advances are protective advances (that is, advances made by Independent Bank to protect the security of its mortgage, such as advances to pay property taxes and/or hazard insurance premiums).

Additional collateral security for the loan to be provided by the Borrower includes: A Liquor License, Personal Guaranty from Pablo Maldonado, and Life Insurance Policy on Pablo Maldonado.

(7) **Insurance:** As a condition to closing the Loan, the Borrower must furnish to the EDC proof of appropriate hazard insurance with respect to the Real Estate. The insurance must be in a form, in amounts and with insurance companies satisfactory to the EDC. All insurance policies must contain mortgagee and/or lender loss payable clauses, as appropriate, which are acceptable to the EDC and must name the EDC as mortgagee and/or loss payee, as appropriate, and must require at least thirty (30) days written notice to the EDC prior to cancellation, non-renewal, reduction in coverage or material change in policy terms.

(8) **Servicing Requirements:** From time to time, the Borrower must provide to the EDC financial information requested by the EDC when such information is deemed necessary or desirable by the EDC for monitoring the Borrower's ability to repay the Loan.

(9) **Fees:** At or before the closing of the Loan, the Borrower must pay all of the EDC's expenses associated with the Loan, including, without limitation, the costs of document preparation, title insurance, the EDC's legal fees, and the EDC's $1,431 closing fee. The EDC's legal fees have been capped at $5,000. Such expenses, costs, and fees may be paid from Loan proceeds. If Loan proceeds are not available for paying the EDC's expenses, costs, and fees, then such expenses, costs, and fees must be paid from the Borrower's out-of-pocket funds.

(10) **Documentation:** The Loan will be evidenced by Loan documents that are deemed necessary or desirable by the EDC. All Loan documents will be drafted by the EDC's counsel, and they must be in form and substance satisfactory to the EDC.

(11) **No Sale or Assumption.** If the Real Estate, the Borrower's business, or any other items offered as collateral are sold or otherwise conveyed without the prior written consent of the EDC, the EDC may, in its discretion, declare the entire indebtedness
of the Borrower to be immediately due and payable. Further, if the Real Estate, the Borrower's business, or any other items offered as collateral are sold or otherwise conveyed, the Borrower's obligations are not assumable without the prior written consent of the EDC.

(12) Survey. As a condition to the closing of the Loan, the Borrower must furnish to the EDC a current survey of the Real Estate. The survey must meet the title insurance company's requirements for the removal from the EDC's title insurance commitment of the standard survey exception and for the issuance of a comprehensive endorsement. If it satisfies the title insurance company's requirements, the EDC will rely on the survey issued in connection with the Independent Bank mortgage on the Real Estate.

(13) Environmental Concerns. The EDC's obligation to make the Loan is conditioned upon receipt by the EDC of evidence reasonably satisfactory to the EDC that the Real Estate is free of environmental contamination. The Loan documents will contain certain requirements, warranties, representations and indemnifications regarding environmental liability which are binding upon the Borrower. With regard to the Real Estate, the Borrower will be required to sign the EDC's prescribed Environmental Indemnification Agreement.

(14) Appraisal. The Borrower must furnish the EDC with an appraisal acceptable to the EDC and in a form acceptable to the EDC showing an acceptable relationship (in the EDC's discretion) between the amount of the Loan, the amount of the obligations secured by the senior Independent Bank mortgage, and the appraised value of the Real Estate.

This commitment is made only to the Borrower and may not be assigned in any manner by the Borrower. No person other than the Borrower may rely on this commitment, and the EDC has no liability under this commitment letter to any person other than the Borrower. The terms and provisions set forth in this commitment survive the closing of the Loan described in the letter and will continue until all amounts due and owing on the Loan have been paid in full. The terms of this commitment may not be changed or waived except in writing signed by the EDC.

If the terms and conditions of this commitment are satisfactory to you, please execute the ACCEPTANCE set forth below, and return this letter to me not later than the Acceptance Date.

[Signatures are on the following page]
Sincerely,

ECONOMIC DEVELOPMENT
CORPORATION OF THE CITY OF LANSING

______________________________

Karl Dorshimer,
Authorized Representative

ACCEPTANCE

The undersigned hereby accepts the terms and conditions of the foregoing letter.

BORROWER:

Pablo’s Mexican Restaurant LLC, a Michigan limited liability company owned by sole member Pablo Maldonado.

Dated: March __, 2019

______________________________
Pablo Maldonado, Member
LANSING ECONOMIC DEVELOPMENT CORPORATION
RESOLUTION APPROVING LOAN COMMITMENT LETTER FOR
PABLO'S MEXICAN RESTAURANT, LLC

At a special meeting of the Board of Directors of the Lansing Economic Development Corporation (LEDC), Lansing, Michigan, held on the 12th day of March, 2019 at 10:00 a.m., pursuant to notice duly given.

Members Present: Thomas Donaldson, Blake ‘Christopher’ Johnson, Kimberly Coleman, Mayor Andy Schor, Frederick Schaible

Temporary Members Present: Julian Darden

Members Absent: Calvin Jones, Shelley Boyd, James Butler III, Andrea Binioni

The following preamble and resolution was offered by:

Member: Schaible and supported by;

Member: Coleman

WHEREAS, Pablo’s Mexican Restaurant LLC (the “Borrower”) submitted a Business Finance Assistance Program (BFAP) Loan application to the Lansing Economic Development Corporation (LEDC) (the “Issuer”) for $143,100 to assist with building renovations, operational licenses, and inventory necessary to complete the Pablo’s Mexican Restaurant Project (the “Project”) and begin restaurant operations on property commonly known as 1102 South Washington Ave. and West Elm St., Lansing, Michigan, legally described as: 1.) N 1/2 LOT 1 & E 46 FT OF N 1/2 LOT 2 BLOCK 195 ORIG PLAT, CITY OF LANSING, INGHAM COUNTY, MICHIGAN, 2.) E 4 FT OF W 20 FT OF N 82.5 FT LOT 2 BLOCK 195 ORIG PLAT, CITY OF LANSING, INGHAM COUNTY, MICHIGAN, 3.) COM S LINE ELM ST 49 FT E OF NE COR LOT 4, TH E 33 FT, S 82.5 FT, W 33 FT, N 82.5 FT TO BEG; BLOCK 195 ORIG PLAT, CITY OF LANSING, INGHAM COUNTY, MICHIGAN, and 4.) E 43 FT OF W 49 FT OF N 1/2 LOT 3 BLOCK 195 ORIG PLAT, CITY OF LANSING, INGHAM COUNTY, MICHIGAN; and

WHEREAS, the Issuer, at its January 11, 2019 board meeting, approved a project plan (the “Plan”) for the Project and requested the Lansing City Council review and approve the Plan in accordance with Public Act No. 338, Public Acts of Michigan, 1974, as amended (the “Act”); and

WHEREAS, the Lansing City Council, following a public hearing on February 25, 2019, approved the Plan on March 11, 2019 and authorized the Issuer to take such steps as are necessary to implement the Project, including the BFAP; and

WHEREAS, the Issuer has prepared a Commitment Letter for the Project, a copy of which has been presented to this meeting.
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANSING ECONOMIC DEVELOPMENT CORPORATION AS FOLLOWS:

1. The Authorized Representative of the Lansing Economic Development Corporation is authorized to finalize and execute the Commitment Letter for a LEDC BFAP Loan, as drafted, with Pablo’s Mexican Restaurant, LLC.

2. Upon receipt of a written acceptance and approval of the Commitment Letter by the Borrower, the Authorized Representative is directed to proceed with the loan (in conformity with the terms and conditions specified in the Commitment Letter).

YEAS: Four (4)

NAYS: Zero (0)

ABSENT: Four (4)

ABSTAIN: One (1) – Donaldson
RESOLUTION DECLARED ADOPTED

STATE OF MICHIGAN    )
                  ) SS.
COUNTY OF INGHAM    )

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a Special Meeting of the Lansing Economic Development Corporation held on the 12th day of March, 2019, and said resolution is on file in the LEDC Office and is available to the public. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting. In addition, said meeting was held in full compliance with the LEDC’s Bylaws.

IN WITNESS WHEREOF, I have hereto affixed my official signature.

[Signature]
Calvin Jones, Chair

Tuesday, March 12, 2019
Date