

AS AMENDED ON JULY 14, 2014
RESOLUTION NO. 2418

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND APPROVING A LOAN TO ECHELON SBY, LLC FROM THE CITY'S REVOLVING LOAN FUND TO ASSIST IN THE RENOVATION OF THE BUILDING LOCATED AT 100 NORTH DIVISON STREET, SALISBURY MARYLAND 21801

WHEREAS, the City has a revolving loan fund for the purpose of aiding in the revitalization of the downtown area; and

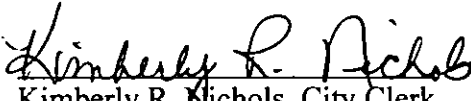
WHEREAS, ECHELON SBY, LLC has requested a loan from this fund to help finance the renovation of a restaurant located at 100 North Division Street; and

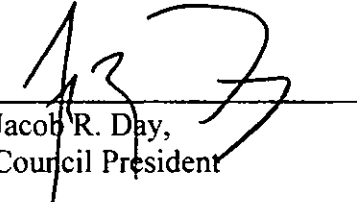
WHEREAS, the City's Bankers Review Committee has reviewed this request and determined that it meets all of the guidelines for the revolving loan fund;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that a loan of ~~\$24,000~~ \$24,560 from the City's Revolving Loan fund to Echelon Sby, LLC for the renovation of a restaurant building located at 100 N. Division Street St. is hereby approved subject to the conditions set forth in the attached commitment letter.

THIS RESOLUTION was duly passed at a meeting of the Council of the City of Salisbury held on July 14, 2014 and is to become effective immediately upon adoption.

ATTEST;


Kimberly R. Nichols, City Clerk


Jacob R. Day,
Council President

APPROVED BY ME THIS:

15th Day of July, 2014


James Heaton Jr., Mayor

City of Salisbury



MARYLAND



125 NORTH DIVISION STREET
SALISBURY, MARYLAND 21801
Tel: 410-548-3170
Fax: 410-548-3107

JAMES IRETON, JR.
MAYOR

M. THOMAS STEVENSON, JR.
CITY ADMINISTRATOR

TERENCE ARRINGTON
ASSISTANT CITY ADMINISTRATOR

June 24, 2014

Echelon SBY LLC
100 N Division Street
Salisbury, MD 21801

Dr. Chauwan Matthews:

I am pleased to inform you that the City of Salisbury Banking Review Committee has approved your loan request of \$24,000, subject to all of the terms and conditions which follow herein following approval from the Salisbury City Council. This loan is being made from the City of Salisbury Revolving Loan Fund for Downtown Redevelopment. For simplicity, the City will be referred to as the "City", you as the "Borrower," the foregoing loan as the "Loan" and the hereinafter mentioned security as the "Collateral Property".

This letter of commitment is not meant to be nor shall be construed as an attempt to define all of the terms and conditions involved in this financing. Rather, it is intended only to outline certain key points regarding our understanding around which the final terms and conditions are to be structured.

Upon receipt of your acceptance of our commitment, we will forward your funding request to City Council. Assuming approval by the City Council we will schedule the loan closing.

This commitment letter is provided to you, solely for the purposes described herein, and may not be disclosed to or relied upon by any other party without prior consent from the City.

TERMS

Borrower: Echelon SBY LLC,
C/O Chauwan Matthews
100 North Division Street
Salisbury, MD 21801

Loan Amount: \$24,000

Purpose: To provide financing for renovation to lease commercial space

Collateral: Uniform Commercial Code (UCC) –Equipment

Assignment or Modification

This loan cannot be modified or assigned without written consent from the City of Salisbury. In order for this commitment to remain effective, the acceptance copy of commitment must be executed by Borrower and returned to the City at 125 North Division Street, Salisbury, Maryland, 21801 on or before the expiration of twenty (20) days from the date hereof. Any extension of such time for acceptance must be in writing and signed by the City.

Termination of Commitment

The City may terminate this commitment if any material change shall occur with respect to the borrower, guarantors, lender(s), collateral, or with respect to any entity or person connected with the repayment of this loan prior to the closing. Termination of this commitment can occur if the collateral used to satisfy the requirement of this loan have been repossessed or other court proceedings is pending at the time of closing unless approved in writing by the City. The terms and conditions of this commitment shall survive settlement and any violation of said terms and conditions will constitute default under the note and mortgage.

If you have any questions relating to this commitment, please contact the City at (410).548-3100. We appreciate the opportunity to provide for your financing needs and look forward to a mutually rewarding relationship.

Regards,

Terence Arrington

Terence Arrington
Assistant City Administrator

The undersigned hereby accepts the foregoing commitment and the terms and conditions herein set forth and agrees to be bound thereby:

Accepted:
ECHELON SBY, LLC



Chauwan Matthews
Owner

6/24/14

Date

INTER

OFFICE

MEMO

OFFICE OF THE MAYOR

To: Tom Stevenson
From: Terence Arrington
Subject: Revolving Loan Application
Date: June 24, 2014

Upon your review and approval, please advance the attached letter of commitment and resolution approving Echelon Sby LLC application requesting assistance by way of the City of Salisbury Revolving Loan Fund. The Banker's Review Committee reviewed Echelon's business plan and cash flow projections for this project and unanimously recommended Chauwan Matthews, owner of Echelon Sby LLC to receive \$24,000 in Revolving Loan funds. The funds will be used to help finance the renovation of Echelon Southern Bistro and Lounge located at 100 North Division Street formally the Seth Mitchell Law Office in Downtown Salisbury. This loan is securable by a Uniform Commercial Code (UCC) filing with the State of Maryland, positioning the City as first lienholder on all equipment within the facility. The execution of this loan is contingent upon Echelon Sby LLC receiving a secondary loan from Maryland Capital Enterprises (MCE) up to \$25,000. The total estimated cost of the project is approximately \$88,162.

Salisbury's Revolving Loan Fund was established in FY 83 using Community Development Block Grant (CDBG) funds originally intended for a bulk-heading project. When the project could not be undertaken, the City was directed to appropriate the funds into a Revolving Loan Fund to support revitalization efforts in Downtown Salisbury. Since 1983, Revolving Loan Funds have been used as a resource to business owners who own property in Downtown Salisbury. Salisbury's Revolving Loan Program has assisted in the revitalization of numerous of properties in the Downtown Salisbury, primarily on Main Street.

The Director of Finance monitors the funding for this program. M&T Bank services all loan approved by City Council under an agreement with the City. Eligible business owners can apply for a loan by contact the Business Development Specialist located in the Office of Community Development. Eligible applications are forward to the Assistant City Administrator for review with members of the Bankers Review Committee. After review, the Committee members make a motion to advance approved applications to City Council for considerations. If a borrower is delinquent on payment, M&T will notify the City.

Revolving Loan Application

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The Banking committee is comprised of Martin Neat from First Shore Federal Bank, Heather Bacher-Smith from M&T Bank, Dennis Hebert from Shore Bank, and William Turner of Farmer's Bank of Willards. The Assistant City Administrator and Business Development Specialist administrate the Revolving Loan Program with recommended action from members of the Banker's Review Committee.

In order to qualify for a loan, the applicant must own or lease the property, use the proceeds of the loan to establish a business in Downtown Salisbury. Approved applicants must be willing to personally guarantee the loan. The Banking Committee reviews the information presented by the applicant, and makes a recommendation to the City Council based on a number of factors, including the ability of the applicant to repay the loan, the contribution to Downtown Development, conformity to program guidelines, and the soundness of the loan. Most, if not all, of the loans made under this program have been for the purpose of exterior or interior renovations to the building owned or leased by the applicant.

Notwithstanding any provision to the contrary above, I do not authorize the City of Salisbury to share my personal information with the Mayor, City Council, City Solicitor, and/or the Bankers Review Committee, other than information the City of Salisbury may share as otherwise provided by law.

ASSETS		LIABILITIES	
Cash on hand and in Banks (Schedule 1)	\$5,000	Notes Payable to Banks (Schedule 5)	\$
Cash Value of Life Insurance (Schedule 2)		Loans on Cash Value of Life Ins. (Schedule 2)	
Stocks and Bonds - at market (Schedule 3)		Notes Payable to Others (Schedule 5)	
Real Estate - at market (Schedule 4)		Mortgages Payable (Schedule 4)	
Autos and Trucks	\$8000	Charge Accounts and Bills Payable (Schedule 6)	
Accounts or Notes Receivable		Other Liabilities (Itemize)	
Other Assets (Itemize)			
Refrigerator, 2 convection ovens, microwave, freezer, pizza oven, induction plate, Furniture, glassware, flat ware, grills (3), electronics	\$16000		
		Total Liabilities	
		Net Worth (Total Assets Minus Total Liabilities)	
Total Assets	\$29,000	Total Liabilities and Net Worth	\$

INCOME INFORMATION			PERSONAL INFORMATION		
	Person 1	Person 2		Person 1	Person 2
Gross Salary - Annual	\$34,275	\$	Date of Birth	08/04/1978	
Bonus			Social Security Number		
Rental Income			Have you ever been bankrupt?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Dividend or Investment Income			Are you a defendant in any legal action?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other income (income from alimony, child support or separate maintenance need not be revealed if you do not choose to rely upon such income in applying for credit.)			Do you endorse, guaranty, or co-sign any loan not listed above? (Schedule 7)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			Are you under indictment, on probation or parole or ever been convicted for a criminal offense?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Total Income	\$34,275	\$	Are any of your taxes past due?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Attach additional schedules if necessary

Schedule 1 CASH ON HANDS & IN BANKS				
Name of Bank	Type of Account	Maturity (if any)	Assigned to (if any)	Amount
				Total \$

Schedule 2 CASH VALUE OF LIFE INSURANCE					
Face Amount	Name of Insurance Company	Beneficiary	Loans on Cash Value of Life Insurance	Assigned to (if any)	Cash Value
\$			\$		\$

Total \$

Total \$

Schedule 3

STOCKS & BONDS

No. of Shares	Description	Owner(s) of Record	Assigned to (if any)	Market Value
				\$
Total \$				

Schedule 4

REAL ESTATE

Location and Property Use	Owner(s) of Record	Year Acquired	Cost	Mortgage Balance	Held By	Monthly Payment	Market Value
			\$	\$		\$	\$
Total \$							Total \$

Schedule 5

NOTES PAYABLE TO BANKS & OTHERS

Name of Creditor	Type of Note	Monthly Payment	Maturity	Secured By	Endorsed or Guaranteed by	Present Balance
		\$				\$
Total \$						

Schedule 6

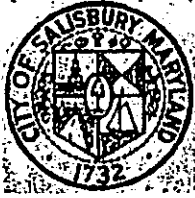
CHARGE ACCOUNTS & BILLS PAYABLE (list only amounts over \$500)

Owed to	Type of Account	Monthly Payment	Secured by	Present Balance
		\$		\$

Schedule 7

LOANS ENDORSED, GUARANTEED OR CO-SIGNED

Name of Borrower	Type of Loan	How obligated (endorser guarantor or co-signer)	Secured by	Present Balance
				\$
Total \$				\$



City of Salisbury

125 North Division Street
Room 304
Salisbury, MD 21801

LOAN APPLICATION Downtown Revolving Loan Program

I. APPLICANT INFORMATION

1. Name of Applicant: Chauwan Matthews
 Mailing Address: 100 N. Division St. Salisbury, MD 21801
 Telephone Number(s): 410-430-8304 (Office)
 _____ (Home)
 _____ (Cell)
 _____ (Fax)
 E-Mail Address: echelonstby@gmail.com

2. Taxpayer I.D. Number: 46-5303640
 3. This Loan is Being Requested for the Following General Purpose (check one):
 a. To provide funds for a new business start-up in Salisbury
 b. To provide funds for the expansion and/or renovation of
 an existing business in Salisbury

4. Name of Existing Business or Proposed New Business:
(Bistro At The Links LLC) Echelon Sby Southern Bistro and Lounge
 5. Location of Existing Business or Proposed New Business:
100 N. Division Street Salisbury MD 21801
 6. Form of Organization (Sole proprietorship, LLC, LLP, PA, Corporations, etc.)
LLC
 (Attach a copy of articles of incorporation or partnership agreement, if applicable. [For all partners or corporate officers, attach a list of the names, addresses, telephone numbers, social security numbers and % ownership.]

If applicant is leasing building, indicate names of lessor and attach a copy of the lease agreement:
Division Street Properties LLC

7. Describe the nature of the business to be assisted, including types of products and/or Services to be offered:
Restaurant serving lunch and dinner daily. Full bar offering happy hour daily. Venue for local musicians, comedians, poets, and other local artists. Showcasing craft beers, local wines, and craft liquors.
 8. Indicate approximate date of opening of new business (if appropriate):
July 2014
 9. Does the applicant have previous experience in this type of business? yes If yes, indicate nature of said experience:
15 years management experience in local retail and restaurant establishments. 10 yrs restaurant experience including cafe, lunch counter, and all down restaurants.

II. BUILDING INFORMATION – Tenant /Owner

Building Name: Division Street Building
 Property Owner: Division Street Properties LLC
 Property Owner Address: 100 N Division Street Salisbury MD 21801
 Property Owner Phone No.: 914-629-5307
 Legal Description: _____

Address: 100 N. Division St. Salisbury MD 21801
 No. of Stories: Building 3- leasing ground floor
 Ground Floor Sq. Ft.: 2500
 Total Sq. Ft.: _____

Assessed Market Value: _____ Approved Market Value: _____
 # of Residential Units: _____ # of Bedrooms in each: Unit 1: _____

Unit 2: _____
 Unit 3: _____
 Unit 4: _____
 Unit 5: _____
 Unit 6: _____
 Unit 7: _____
 Unit 8: _____

Space Allocation	
Retail %: _____	Residential %: _____
Office %: _____	Other %: _____
Other Commercial %: _____	

III. FINANCIAL INFORMATION

FINANCIAL SUMMARY	AMOUNT 200,000
Appraised Value of Property	200,000 \$
Existing Financing	
First and Second Mortgage(s) or Other Long-term Debt(s)	\$
Other Loans or Debts	\$
Gross Equity in Property	\$
Total Project Cost (as per attached estimates)	\$ 88,162
Applicants Investment (provide confirmation of investment)	\$ 39,829
Balance to be Financed	\$ 48,333
Committed Project Financing (provide confirmation of financing)	\$
Requested Revolving Loan Amount	\$ 24,000

3. Provide evidence of the commitment of applicant's share.