

RESOLUTION NO. 2943

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND APPROVING A LOAN TO SHAMROCK HOSPITALITY GROUP, LLC FROM THE CITY'S REVOLVING LOAN FUND TO ASSIST IN THE PURCHASE OF RESTAURANT EQUIPMENT AT 100 E MAIN STREET, SUITE 111, SALISBURY, MD 21801


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

WHEREAS, SHAMROCK HOSPITALITY, LLC has requested a loan from this fund to help finance a restaurant located at 100 East Main Street, Suite 111; and

WHEREAS the Revolving Loan 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 \$100,000 from the City's Revolving Loan fund to Shamrock Hospitality Group, LLC for the purpose of purchasing restaurant equipment is hereby approved subject to the conditions set forth in the attached commitment letter.

The above Resolution was introduced and read and passed at the regular meeting of the Salisbury City Council on the 13th day of May 2019.

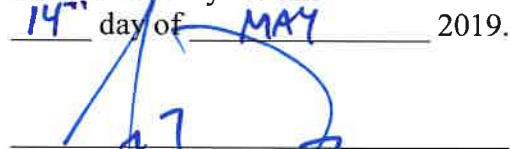


Kimberly R. Nichols
CITY CLERK

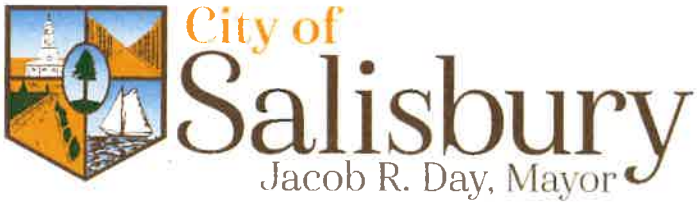


John R. Heath
PRESIDENT, City Council

APPROVED by me this
14th day of MAY 2019.



Jacob R. Day
MAYOR, City of Salisbury

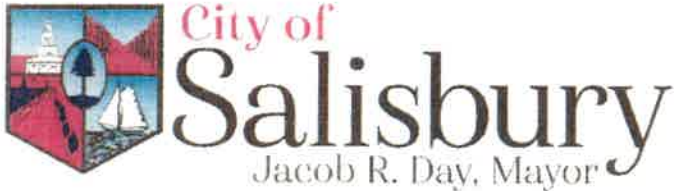


MEMORANDUM

TO: City Council
FROM: Laura Soper, Business Development
DATE: May 8, 2019
SUBJECT: Revolving Loan Application

Attached for your consideration is the letter of commitment and resolution approving Shamrock Hospitality Group, LLC's application for a loan from the City of Salisbury Revolving Loan Fund. The Revolving Loan Committee has reviewed Shamrock Hospitality Group, LLC's request and determined that it meets all of the guidelines and has recommended the loan in the amount of \$100,000. The loan will assist the applicant in the purchase of restaurant equipment at 100 E. Main Street, Suite 111, Salisbury, MD 21801.

If you have any questions, please let me know.



March 28, 2019

Shamrock Hospitality Group, LLC
100 North Division Street, Apt 301
Salisbury, MD 21801

Dear Mr. Davis:

I am pleased to inform you that the City of Salisbury Revolving Loan Review Committee has approved your loan request for \$100,000, 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 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:	Shamrock Hospitality LLC, c/o Dennis Mogan, Bret Davis, and Kirk Davis 100 North Division Street, Apt 301 Salisbury, MD 21801
Loan Amount:	\$100,000
Purpose:	To provide financing for purchase of restaurant equipment
Collateral:	Uniform Commercial Code (UCC) – Equipment
Guarantors:	Bret Davis, Dennis Mogan, Kirk Davis (and the spouses of all married guarantors)
Amortization:	7 years

Office of Business Development
110 N. Division St., Salisbury MD 21801
410-677-1915 (fax) 410-334-3033
www.salisbury.md



City of
Salisbury
Jacob R. Day, Mayor

Interest Rate: 10 year treasury rate plus 1%

Points: 0

Payee: M&T Bank
155 E. Carroll Street
Salisbury, MD 21801

Closing Attorney: S. Mark Tilghman

DOCUMENTATION CONDITIONS

Prior to the disbursement of any portion of the Loan proceeds, Borrower shall have satisfied completely the following documentation conditions:

Note and Mortgage

The Loan is to be evidenced by a promissory note from the Borrower and secured by a Uniform Commercial Code (UCC) filing on all equipment located at 100 E Main Street, Suite 111, Salisbury, Maryland, 21801, the substance of which is subject to approval by the City. The UCC filing shall be a first position lien on said equipment. The note and UCC filing shall be prepared by the City prior to execution and recordation. Upon approval and recordation, the City will be issued a copy of conformed copies with the original recording receipts attached. The loan shall be secured with personal guarantees of the borrowers. The guarantees shall be signed by Bret Davis, Dennis Mogan, Kirk Davis, and their spouses (if married), and by any LLCs or other entities that may own any property to be used as security for the loan. *This loan is contingent upon the Borrower's submission of remaining operating agreement, tax, and financial paperwork for any remaining principals of Shamrock Hospitality Group, LLC and subsequent review and approval of aforementioned paperwork by the Revolving Loan Committee.*

Hazard Insurance

Borrower shall furnish to the City, standard fire insurance policies issued by a company acceptable to the City (together with "Paid" premium invoice) in an amount, which is the greater of the amount of the Loan or 100% of the insurable value of the Collateral Property, with extended coverage, vandalism, and malicious mischief insurance. Said policy shall contain standard mortgage loss payable clauses in favor of the City.

Representations of Borrower

The validity of this commitment is subject to the accuracy of all information, representations, and materials submitted with, an in support of, Borrower's application for the Loan. In the event the City determines that any information or representations contained in the Loan application are not accurate or correct, the City shall have the right to terminate this commitment, where upon the City shall have no further obligations hereunder.



City of
Salisbury
Jacob R. Day, Mayor

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 the Borrower and returned to the City at 110 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 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 are 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 a default under the note and mortgage.

If you have any questions relating to this commitment, please contact the City at 410-677-1916. We appreciate the opportunity to provide for your financing needs and look forward to a mutually rewarding relationship.

Regards,

Laura Soper

Laura Soper
Director of Business Development

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

Accepted
SHAMROCK HOSPITALITY GROUP, LLC

Bret Davis

Bret Davis

Dennis Mogan

Dennis Mogan

Kirk Davis

Kirk Davis

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