

## Department of Community Development

222 Meigs St.  
Sandusky, OH 44870  
Phone: 419.627.5891  
[www.ci.sandusky.oh.us](http://www.ci.sandusky.oh.us)

### **ECONOMIC DEVELOPMENT INCENTIVE COMMITTEE MEETING AGENDA September 12, 2017**

- I. Meeting called to order
- II. Approval of minutes 2 - 6
- III. Program financial update 7
- IV. Old business
  - a. Imagine Baking 8 - 9
- V. Review of applications
  - a. Kamans Korner 10 - 32
  - b. Chris Andrews, LLC 33 - 65
- VI. Reminder of next meeting – October 10<sup>th</sup>, 2017
- VII. Public Participation
- VIII. Meeting Adjournment

## Economic Development Incentive Committee

August 8, 2017  
Meeting Minutes

### Call To Order

Mr. Harris called the meeting to order at 1:05 PM. The following members were present: Mr. Matt Lasko, Mr. Justin Harris and Mr. Paul Koch. Commissioner Naomi Twine, Ms. Maria Muratori, Development Specialist and Debi Eversole, Clerk from the Community Development Department were also present. Sharon Johnson, Sandusky City Resident was present along with Dr. John Davenport and Mr. Shawn Daley, applicants. Chairman Nickles and Ms. Bemis were excused. There were 3 voting members present.

### Approval Of Minutes

Mr. Koch moved to approve the minutes from the July 18, 2017 meeting. Mr. Lasko seconded the motion. The motion carried with a unanimous vote.

### Program Financial Update

Ms. Muratori presented the program financial update as of August 8, 2017:

| ECONOMIC DEVELOPMENT FUNDS                      |                |                   |               |            |        |         |                |                    |          |
|---|----------------|-------------------|---------------|------------|--------|---------|----------------|--------------------|----------|
|   | 2016 Carryover | Beginning Balance | Date Approved | Committed  | Spent  | Revenue | Ending Balance | Total Project Cost | New Jobs |
|   | \$ 209,713     | \$ 609,713        |               |            |        |         | \$ 75,773      |                    | 67       |
| Substantial Development                         |                | \$ 364,713        |               |            |        |         |                |                    |          |
| SandCity, LLC                                   |                |                   | 3/14/2017     | \$ 325,000 | \$ 150 | \$ 125  | \$ 39,688      | \$ 6,645,872       | 32.5     |
| Façade  |                | \$ 100,000        |               |            |        |         |                |                    |          |
| Kagland, LLC                                    |                |                   | 4/11/2017     | \$ 37,397  | \$ 150 | \$ 150  |                | \$ 59,778          | 0        |
| Bait House Brewery, LLC                         |                |                   | 5/9/2017      | \$ 16,853  | \$ -   | \$ -    |                | \$ 84,089          | 0        |
| Sandusky Salvage Center, LLC                    |                |                   | 7/18/2017     | \$ 9,500   | \$ -   | \$ -    |                | \$ 25,500          | 1        |
| Leisa Oakes Davis (non-comprehensive)           |                |                   | 7/18/2017     | \$ 2,000   | \$ -   | \$ -    |                | \$ 57,500          | 0        |
| Cable Block, LLC (non-comprehensive)            |                |                   | 7/18/2017     | \$ 1,000   | \$ -   | \$ -    | \$ 33,250      | \$ 2,959           | 0        |
| Signage   |                | \$ 20,000         |               |            |        |         |                |                    |          |
| Sandusky Tours, LLC                             |                |                   | 4/11/2017     | \$ 5,401   | \$ -   | \$ -    |                | \$ 6,912           | 0        |
| Zeller Gaming Enterprises, LLC                  |                |                   | 4/11/2017     | \$ 6,994   | \$ -   | \$ -    |                | \$ 9,325           | 0        |
| Warehouse Properties, LLC                       |                |                   | 5/9/2017      | \$ 7,500   | \$ 150 | \$ 125  | \$ 80.54       | \$ 47,500          | 0        |
| Small Business Assistance                       |                | \$ 125,000        |               |            |        |         |                |                    |          |
| Bait House Brewery, LLC                         |                |                   | 3/14/2017     | \$ 15,000  | \$ 150 | \$ 125  |                | \$ 180,000         | 3        |
| Harbourview Products International, LLC         |                |                   | 3/14/2017     | \$ 9,500   | \$ 150 | \$ 125  |                | \$ 58,900          | 0        |
| Kagland, LLC                                    |                |                   | 4/11/2017     | \$ 15,000  | \$ -   | \$ -    |                | \$ 193,548         | 12       |
| Warehouse Properties, LLC                       |                |                   | 4/11/2017     | \$ 15,000  | \$ -   | \$ -    |                | \$ 87,500          | 1        |
| Sandusky Tours, LLC                             |                |                   | 4/11/2017     | \$ 4,082   | \$ 150 | \$ 125  |                | \$ 6,200           | 2        |
| Zeller Gaming Enterprises, LLC                  |                |                   | 4/11/2017     | \$ 15,000  | \$ 150 | \$ 125  |                | \$ 285,086         | 8        |
| Gundlach Sheet Metal Works, Inc.                |                |                   | 4/11/2017     | \$ 5,432   | \$ 150 | \$ -    |                | \$ 15,720          | 0        |
| Manny's 100% Car Wash, LLC                      |                |                   | 5/9/2017      | \$ 4,326   | \$ 150 | \$ 125  |                | \$ 7,209           | 0        |
| Omeca Inc., dba Cameo Pizza                     |                |                   | 5/9/2017      | \$ 9,500   | \$ 150 | \$ 125  |                | \$ 101,900         | 2        |
| HavinFun, LLC, dba Shore House Tavern           |                |                   | 6/13/2017     | \$ 9,500   | \$ -   | \$ -    |                | \$ 33,150          | 4        |
| Martin's Tailoring with Stephanie Mayfield, LLC |                |                   | 6/13/2017     | \$ 3,165   | \$ -   | \$ -    |                | \$ 5,275           | 0.5      |
| American Colors, Inc.                           |                |                   | 7/18/2017     | \$ 9,500   | \$ -   | \$ -    |                | \$ 1,116,761       | 4        |
| Lakes Eleven, LLC                               |                |                   | 7/18/2017     | \$ 6,917   | \$ 150 | \$ 125  |                | \$ 11,528          | 1        |
| Leverage  | 16.9           |                   |               | \$ 533,565 |        |         | \$ 2,754       | \$ 9,042,212       |          |

Ms. Muratori stated that there was roughly \$75,000 left for the 2017 year.

## **Old News**

Ms. Muratori introduced Dr. John Davenport and Mr. Shawn Daley, partners in **HALO 1848** located at 805 Wayne Street.

Dr. Davenport stated that both he and Mr. Daley are military veterans. They plan to serve several functions at the building that was formerly a church. The church was founded in 1848. The proposed functions of the building will be:

- HALO Live, showcasing live events
- HUSH will be in the basement. This is more of an acoustic listening room
- Music recording, sound production and teaching are also proposed

He plans to save the historical aspects and stained glass. They already have an employee that is doing odd jobs at the location. Once the project is complete, they plan to have at least 3 employees.

Dr. Davenport stated that some of the challenges in making a building that is 104 years old safe and viable are:

- ADA Restrooms
- Handicap Accessibility
- Signage & Façade
- Fire escape
- Ceiling
- Plumbing
- Landscaping
- Wrought iron fencing

The total estimated cost for the project is \$102,650. When complete, the property should be valued at \$150,000 - \$200,000.

Mr. Koch asked if the project will be done in phases and if the applicants do not receive all of the money requested, will the project die? Dr. Davenport stated that the basement is almost done. Once the basement is done, they can open and start making money on HUSH. The concept behind HUSH is people will purchase tickets for \$10 or \$20. This will give you 2 drink tickets. You turn off your phone and enjoy artists talk and play their original music.

The next part of the project will be the first floor. The ceiling, plumbing and floor need to be complete before this floor can be used. This will be the live event venue.

Ms. Muratori stated that if awarded grant funding, the funding will be a reimbursement of money spent to get the project up and running. The committee would need to know specifically what part of the project will be under the grant so that staff will know when to inspect and process the reimbursement.

Mr. Harris stated that there are 2 proposed grants. One covers the interior and one covers the exterior. If funds were limited, would he prefer the funding to go toward the façade or the ADA compliance? Dr. Davenport stated that he would definitely go toward the ADA compliance because without that, he would not be able to open.

Ms. Muratori stated that from the City standpoint, there is an interest in beautifying exterior appearances of these buildings. Dr. Davenport replied that landscaping, an awning and the wrought iron fencing will really make the exterior look nice. Mr. Daley stated that he would like for his building to be a landmark that people would recognize.

Mr. Koch stated that he thinks it is a great concept. Ms. Twine asked what the hours of operation were because she is concerned that the project is located within a residential neighborhood. Dr. Davenport stated that nothing will be late at night. The hours will begin after 5:00pm and each artist will be 1 ½ - 2 hours each. There will be nothing later than 10:00pm or 11:00pm. There will be no after hours parties.

Mr. Lasko asked if the admittance would be general admission or pre-purchased tickets. Dr. Davenport stated that pre-purchased tickets would control the crowds much better than general admission. And once the event is over, there will be no people hanging around after. They do not wish to anger their neighbors.

Dr. Davenport stated that they will not have a liquor license, at least at the beginning. They may welcome the concept of bringing your own, but he has no interest in having a bar where people can get drunk. He stated that maybe a beer or wine tasting would be nice. There will be no smoking close to the entrances and there are resources to security if needed as the business grows.

Mr. Lasko asked if not receiving the funding would delay his project. Dr. Davenport stated not at all. He has resources, but would like to take advantage of the city funding if it is available. If he is awarded city funding, the deadline for the project is 9/30/2018.

Dr. Davenport stated that there is a large under utilized parking lot by Imagine Baking that they would like to use and hire valet attendants. This would create even more jobs.

Ms. Muratori thanked the applicants for coming in today and answering the questions. She excused them so that the committee could finish the meeting.

Ms. Muratori stated that she recommended a \$10,000 Small Business Assistance grant and a \$10,000 Signage and Façade grant. The applicant requested more than that and another option is for the applicant to apply for a loan through the City.

Mr. Koch stated that he feels that the applicant will make the property look better and make it ADA accessible so he is all for the project. Mr. Lasko stated that he thought the improvements were tailored to the specific business that will be operating out of this space and now that he saw the presentation, he feels better.

Ms. Muratori stated that the applicants are responsible business owners and they have stated that they will go ahead with the project regardless. Since they have requested grant money, we could possibly prioritize what the grant money is used for. Ms. Twine stated that if they are doing the project anyway, they will keep up with the exterior maintenance and the building will not continue to deteriorate.

Ms. Muratori stated that she is comfortable with recommending \$15,000 to the committee. Mr. Harris stated that he is comfortable with designating most of the money to the inside ADA compliance issues.

Mr. Lasko moved to approve a Small Business Assistance grant in the amount of \$15,000 to be used significantly towards ADA improvements. Mr. Koch seconded the motion, which was approved unanimously.

Ms. Muratori presented a video featuring Derrick Moore, the next applicant.

### **Application Review**

Derrick Moore, owner of Derrick's Diner 902 W. Adams Street has applied for a Small Business Assistance grant and a Signage grant. The grant will assist in relocating to 1109 Warren Street. Ms. Muratori recommended \$10,605.00 in Small Business Assistance and \$4,395.00 for Signage. The project completion date will be 3/31/2018. In order for the relocation to be feasible, a hood installation is necessary. This is the major portion of the project as the space is otherwise ready to go. Per the estimates received, Hohler Furnace & Sheet Metal will install an exhaust hood, fabricate and install a welded grease duct, install an exhaust fan, make up air fan and air duct among other items. The hood, fan, fire system and additional items will be procured from Hood Mart. Lastly, Feick Design Group provided architectural drawings for the project. Total project cost will be \$17,675.00. Derrick plans to expand his employees to 8 people versus current employment of 3. The applicant provided a letter of intent for a lease agreement. He will have an option to purchase the property if he wishes to do so after 1 year.

Mr. Lasko asked if the Signage grant is required. Ms. Muratori stated that Derrick does want new signage and if the signage does not cost as much as the recommendation, he will receive less for the grant.

Mr. Lasko stated that this is a success story, moving from a food cart, to a physical space to a property. The property is ready to run, except for replacing the hood system.

Mr. Lasko moved to approve the recommended \$10,605 in Small Business Assistance and up to \$4,395.00 for Signage grant as written by Staff. Mr. Harris seconded the motion, which carried with a unanimous vote.

### **Next Meeting**

Ms. Muratori stated that the next meeting will be September 12, 2017.

### **Public Participation**

Ms. Johnson stated that she is surprised that Dr. Davenport was willing to put so much of his own money into his project.

**Adjournment**

Mr. Koch moved to adjourn the meeting. The meeting adjourned at 2:10pm.

APPROVED:

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Debi Eversole, Clerk

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Justin Harris, Acting Chairperson



## Maria Muratori

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**From:** Adrienne O'Donnell <ao@imaginebaking.com>  
**Sent:** Friday, September 1, 2017 2:39 PM  
**To:** Maria Muratori  
**Subject:** Re: Signage Deadline

Hi Maria,

We would like to request that our signage grant deadline for completion be extended until the end of this year. We are in the middle of roof renovations and they are consuming all our available capital improvement funds at present. We appreciate the opportunity that the City of Sandusky has allowed us and ask for their understanding in extending the execution of this portion of the grant.

Sincerely,

*Adrienne O'Donnell*



1034 Hancock St.  
Sandusky, OH 44870  
(419) 502-9000 p  
(419) 502-9915 f  
(805) 689-6339 c  
[ao@imaginebaking.com](mailto:ao@imaginebaking.com)  
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**From:** Maria Muratori <[mmuratori@ci.sandusky.oh.us](mailto:mmuratori@ci.sandusky.oh.us)>  
**Date:** Thursday, August 31, 2017 at 11:03 AM  
**To:** Adrienne O'Donnell <[ao@imaginebaking.com](mailto:ao@imaginebaking.com)>  
**Subject:** FW: Signage Deadline

Hi Adrienne,

I got your message. Can you please put your extension request in writing and I will bring it to the committee for review?

Thanks!

Sincerely,  
Maria



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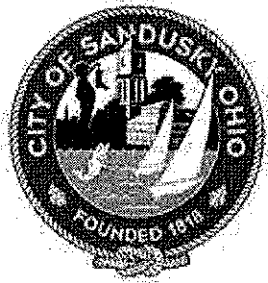
**From:** Maria Muratori  
**Sent:** Tuesday, August 29, 2017 4:24 PM  
**To:** 'Adrienne O'Donnell'  
**Subject:** Signage Deadline

Hi Adrienne,

I noticed that the deadline for completion of your signage grant is 9/30/17. Will you complete the signage portion of your project by this time?

If you will need an extension, please request it by 8/31/17 so I can bring it to the committee in September. On the extension request, please indicate a date by which the project will be complete.

Thanks!



Maria Muratori | *Development Specialist*  
**COMMUNITY DEVELOPMENT**  
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**September 12, 2017**

**Economic Development Incentive Committee Summary**

**Sandra Kaman /Sandy Beach Rentals, LLC ("The Company")**

|                               |   |
|-------------------------------|---|
| <b>APPLICANT:</b>             | Sandra Kaman<br>1328 Milan Road<br>Sandusky, Ohio 44870 |
| <b>CORPORATE STRUCTURE:</b>   | Limited Liability Company                               |
| <b>PRINCIPAL/% OWNERSHIP:</b> | Sandra Kaman, Owner – 100%                              |
| <b>PROGRAM APPLIED FOR:</b>   | Small Business Assistance                               |
| <b>RECOMMENDATION:</b>        | \$0 currently – requested additional information        |

I do not believe we currently have enough information on project costs to make a recommendation. I have contacted the applicants and notified them as such. The project is ongoing and may be presented to the Committee upon obtaining additional information.

**PREFERENCES:**

- Projects that involve the redevelopment of vacant, foreclosed or underutilized sites and buildings, especially projects that focus on creating ready-to-lease commercial space.
- Minority or female owned business enterprises.
- Projects which offer proportionately high opportunities to persons of low- and moderate-income households.
- Projects that are located in a designated Community Reinvestment Area (CRA).
- Projects involving the beautification and enhancement of properties listed on the National Register of Historic Places.
- Businesses and/or projects that promote goals and objectives of the City of Sandusky Comprehensive Masterplan and Strategic Plan.

**TYPE OF FUNDING:** All projects funded under the Small Business Assistance program will receive grant proceeds.

**TERM OF GRANT:** Provided directly to third party contractors or on a reimbursable basis to the applicant.

**APPLICATION TO FOLLOW ON THE NEXT PAGE**

Applicant / Borrower Company:

Sandra Kaman

(Applicant Name)

owner (Sandy Beach Rentals) LLC  
MMM

(Title)

Kaman's Korner (Ranae and Jackie Kaman)

(Company Name – if different than Applicant Name)

1328 Milan Road

(Street Address)

(Suite, Apt, etc.)

Sandusky, OH 44870

(City, State, Zip)

419-627-9039

(Phone Number)

5200

(Federal Tax ID or last 4 of SSN)

jackie.kaman@gmail.com

(Email)

(Fax Number)

**Existing Business Information:**

Type of Business: ☐ Industrial ☒ Commercial/Retail ☐ Distribution ☐ Service

☐ Other \_\_\_\_\_

Legal Structure: Bae / Tavern

Primary Product or Service: Resturant and/or Bae

Date Established: 1936

NAICS-SIC Code: \_\_\_\_\_

Website (if applicable): \_\_\_\_\_

**Principal Officers / Owners:**

Name / Title: Sandra Kaman

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

SSN (last 4): 5200

% Ownership: \_\_\_\_\_

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

SSN (last 4): \_\_\_\_\_

% Ownership: \_\_\_\_\_

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

SSN (last 4): \_\_\_\_\_

% Ownership: \_\_\_\_\_

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

SSN (last 4): \_\_\_\_\_

% Ownership: \_\_\_\_\_

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

SSN (last 4): \_\_\_\_\_

% Ownership: \_\_\_\_\_

**Location of Proposed Project:**

1328 Milan Road

(Address)

Sandusky, OH 44870

(City, State, Zip)

Erie

(County)

If a relocation, indicate from where \_\_\_\_\_

**Project Type:**

☒ Renovation

☐ Expansion

☐ Start-Up/New

**Applicant / Business Background Information:**

Please provide a brief summary about your background and experience. Please also provide historical information regarding the building or property at which the business will operate, including but not limited to the most recent building use (attach additional page if necessary).

See Attached



**Need for ED Funding:**

Applicants must document a need for ED funding in order to make the project occur. Select reason(s) why ED funds are needed for the project, and attach appropriate documentation.

- ☒ Inadequate equity/private lender financing (attach bank letter/documentation of equity unavailability).
- ☐ Unable to pay market interest rates for entire project (include projections showing market rates produce inadequate return on investment.)
- ☐ Incentive financing is needed in order to improve the economics of locating and expanding in Sandusky relative to other communities (show comparative costs analysis to undertake project in Sandusky versus other cities).
- ☐ Other (please specify): \_\_\_\_\_



**Project Source & Use Of Funds:**

Break out total project costs by use of funds and allocate each use cost by source (attach additional page if necessary).

Total Project Cost (itemize below): \$40,000 + labor for renovations.

Indoor Renovations - Removal and disposal of existing floors  
to make structure sound again, installation of new floors,  
update walls by removal of carpet, refinish bar-top and foot  
rest. - ~~Blacktop Parking lot~~  
12,500- Cooler System

Owner Equity (dollars and source):

Private Lending (dollars, source, and terms):

See Attached.

Request for City Assistance (dollars and type):

Assistance with completing  
Indoor Renovations and ~~Blacktop Parking lot~~ \$65,000.00  
35,000

**Project Timeline:**

Please outline the project timeline. Please include expected completion dates for items including but not limited to obtaining site control, obtaining financing, and construction.

|                            | Start   | Complete       | N/A | Comments |
|----------------------------|---------|----------------|-----|----------|
| <b>Site Control</b>        |         |                |     |          |
| ▪ Site acquisition/lease   | 8-13-17 | Approx 2 weeks |     |          |
| <b>Financing</b>           |         |                |     |          |
| ▪ Secure financing         | 8-13-17 | Approx 2 weeks |     |          |
| <b>Construction</b>        |         |                |     |          |
| ▪ Permit                   | 8-13-17 | Approx 2 weeks |     |          |
| ▪ Demo & site prep         | 8-13-17 | Approx 2 weeks |     |          |
| ▪ Construction             | 8-13-17 | Approx 2 weeks |     |          |
| ▪ Certificate of occupancy | 8-13-17 | Approx 2 weeks |     |          |
| <b>Other</b>               |         |                |     |          |
| ▪                          |         |                |     |          |
| ▪                          |         |                |     |          |
| ▪                          |         |                |     |          |

**Project Impact and Employment:**

|                                 | Current Year | Year One | Year Two | Year Three |
|---------------------------------|--------------|----------|----------|------------|
| <b>Annual Sales Revenue</b>     | 500,866      |          |          |            |
| <b>Annual Payroll</b>           |              |          |          |            |
| <b>Current Employment (FTE)</b> |              |          |          |            |
| <b>Average Pay Per Employee</b> |              |          |          |            |

Average employee pay.  
\$10 per hour 5 full time  
Employees would like to employ  
at least 10.

**Project Concept:** Use the space below to address the following:

- How does the proposed project relate to a strategic approach to revitalization of the surrounding area?
- Will the project contribute to a change in the market dynamics, economic status, physical appearance or perception of the area?
- Does the project address specific area needs or missing services?

The renovations to the building will allow the business to continue to serve their current patrons but with some updated equipment. Blacktopping the parking lot will help the business to have a sharper look outside to accommodate the newly paved streets around the area.

**Historical Financial Information (Past Three Years), if applicable:**

|                             | 2014 | 2015 | 2016 |
|-----------------------------|------|------|------|
| <b>Annual Sales Revenue</b> |      |      |      |
| <b>Cost of Goods</b>        |      |      |      |
| <b>Depreciation</b>         |      |      |      |
| <b>Operating Expenses</b>   |      |      |      |
| <b>Interest Expense</b>     |      |      |      |
| <b>Earnings Before Tax</b>  |      |      |      |
| <b>Profit After Tax</b>     |      |      |      |

**Attachments:**

The following should be submitted with your ED Application:

- ☐ Map showing location of Project or business
- ☐ Business plan (if applicable)
- ☐ Three years of historical financial statements, if more detailed than above (if applicable)
- ☐ Three years of projected financial statements, if more detailed than above (if applicable)
- ☐ Letter of intent or decline from private lender (if applicable)
- ☐ Evidence of private funds and matching funds
- ☐ Third party cost estimates
- ☐ Lease agreement, purchase agreement, or proof of ownership (if applicable)

Historical Financial Information (Past Three Years), if applicable:

|                      | 2014    | 2015       | 2016       |
|----------------------|---------|------------|------------|
| Annual Sales Revenue | 473,545 | 507,472    | 500,866    |
| Cost of Goods        | 261,233 | 292,415    | 313,827    |
| Depreciation         | 4,813   | 3,979      | 2,929      |
| Operating Expenses   | 204,858 | 214,442    | 194,091    |
| Interest Expense     | 23      | -0-        | -0-        |
| Earnings Before Tax  | 2,618   | < 33,647 > | < 99,817 > |
| Profit After Tax     | 2,618   | < 33,647 > | < 99,817 > |

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- ☐ Three years of projected financial statements, if more detailed than above (if applicable)
- ☒ Letter of intent or decline from private lender (if applicable)
- ☒ Evidence of private funds and matching funds
- ☒ Third party cost estimates
- ☐ Lease agreement, purchase agreement, or proof of ownership (if applicable)

Attestation of Financial Condition

Do you or your business have any of the following:

|   | YES                      | NO                                  |
|---|--------------------------|-------------------------------------|
| Outstanding collections                             | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Judgement liens                                     | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other court judgements                              | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Delinquent taxes                                    | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Delinquent loans                                    | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other tax liens                                     | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Previous bankruptcy                                 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes to bankruptcy, has it been fully discharged? | <input type="checkbox"/> | <input type="checkbox"/>            |
| Real estate that is tax delinquent                  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Code violations                                     | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Non-registered rental units                         | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Real estate that is in foreclosure                  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Submission Acknowledgment

The undersigned certifies that he/she is authorized to complete, sign and submit this application on behalf of the applicant/owner. Further, the undersigned certifies that the information contained in this application has been reviewed by him/her and that all information, including exhibits, are, to the best of his/her knowledge, complete and accurate and presents fairly the condition of the applicant and project accurately. Intentionally falsifying information in this document constitutes a criminal offense. The undersigned hereby authorizes the City of Sandusky to investigate the credit worthiness and of the undersigned, and/or applicant. The undersigned understands that information submitted to the City of Sandusky as part of this application is considered a public record. The undersigned also agrees to display signage showing City support on their property for up to one (1) year.

The undersigned understands that additional information may be required to finalize the approval process, and that, if the project is funded, **Economic Development funds cannot pay for projects completed before grant approval and notice of award.** The undersigned also understands that the submission of the application for financial assistance does not automatically constitute approval.

☒ By checking this box, I acknowledge that I have read, understand, and agree to the policies and procedures outlined in this document. If you have questions, please contact the Department of Community Development.

Company Name: Kaman's Korner

By: Sandra L. Kaman - owner

(Print or type name and title)

X Sandra L Kaman

(Signature)

7/25/17

(Date)

☒ Please check this box if you are willing to be interviewed or photographed or have your business photographed for Economic Development marketing purposes

**Inter-Office Use Only**

State the date, time, and City staff member(s) present at the pre-application meeting:

7/25/17 Maria Muratori

Has the applicant received approval from Planning? YES \_\_\_\_\_ NO \_\_\_\_\_ NA \_\_\_\_\_

If yes, indicate staff and/or committee and date(s) of approval:

\_\_\_\_\_

Has the applicant received approval from other relevant departments? YES \_\_\_\_\_ NO \_\_\_\_\_ NA \_\_\_\_\_

If yes, indicate staff and/or committee and date(s) of approval:

\_\_\_\_\_

Date of Completed Application Submittal: \_\_\_\_\_

Staff Reviewer: \_\_\_\_\_

Date of Committee Review: \_\_\_\_\_

Approve/Deny: \_\_\_\_\_

Amount Awarded and terms: \_\_\_\_\_

**CONTACT**

Ms. Maria Muratori, Development Specialist  
Department of Community Development  
222 Meigs Street  
Sandusky, Ohio 44870

Phone: 419.627.5891

Email: [mmuratori@ci.sandusky.oh.us](mailto:mmuratori@ci.sandusky.oh.us)



Kaman's Korner is far from your common watering hole. This local treasure has been serving the community for generations, dating back to the 1930's. Originally owned and run by the late Grandpa Kaman, Kaman's Korner was passed down and kept within the family for generations. Fast forward to current date: 2017, the Kaman's is operated by the granddaughters Ranae and Jackie Kaman. The sisters are serving their customers a cool drink with a warm familiar face. Drinks aren't all they offer; they have a four page full menu, with daily specials, including their famous Kaman's wings on Thursdays. Fair prices for the working men and women, along with a place to pull up a stool and take a load off, is something these ladies take pride in. After a century of changes taking place around this tavern, it has remained almost the same. It's time for some updates. The updates consist of mostly cosmetic renovations, such as, new floors and refinishing of the original bar top inside, while using the original front door, Grandpa Kaman had back in the day, as the men's bathroom door. These ladies have a plan to give the bar the face-lift it deserves, they just need the financial support of the community to make it happen.

[illegible]

4.6 ★★★★★ • 35 reviews  
Restaurant

**Quick bite • Great cocktails • Great beer selection**

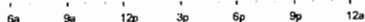
1328 Milan Rd, Sandusky, OH 44870

(419) 627-9039

Open now: 7AM-1AM

Add missing information

Popular times Thursdays ▼



5  
4  
3  
2  
1

## 4.6

35 reviews

**\*Good food, good people, good service.\***



July 13, 2017

RE: Kaman's Korner, Inc. / Sandusky Beach Rentals, LLC  
1328 Milan Rd., Sandusky

To Whom It May Concern:

It is the intention that Civista Bank will provide the above mentioned borrowers with a loan for improvements to the interior of the property known as Kaman's Korner Bar and using 1328 Milan Rd. as collateral for the loan. If you have any questions concerning this matter, please feel free to contact me either by phone at 419-627-4503 or by email at [rjgrathwol@civistabank.com](mailto:rjgrathwol@civistabank.com).

Sincerely,

Robin J. Grathwol  
Vice President / Commercial Lending

7:24 PM

01/10/14

Accrual Basis

**Kaman's Korner**  
**Sales by Item Summary**  
**January through December 2013**

|                     | Jan - Dec 13 |                   |               |           |
|---------------------|--------------|-------------------|---------------|-----------|
|                     | Qty          | Amount            | % of Sales    | Avg Price |
| Other Charges       |              |                   |               |           |
| Beer/Wine AM        | 360          | 61,425.73         | 16.0%         | 170.63    |
| Beer/Wine PM        | 353          | 40,411.14         | 10.5%         | 114.48    |
| Food AM             | 359          | 17,077.05         | 4.4%          | 47.57     |
| Food AM CO          | 358          | 25,814.60         | 6.7%          | 72.11     |
| Food PM             | 329          | 15,590.65         | 4.1%          | 47.39     |
| Food PM CO          | 354          | 34,543.55         | 9.0%          | 97.58     |
| Liquor AM           | 361          | 77,301.32         | 20.1%         | 214.13    |
| Liquor PM           | 356          | 98,314.11         | 25.6%         | 276.16    |
| Misc. AM            | 363          | 8,545.25          | 2.2%          | 23.54     |
| Misc. PM            | 353          | 5,736.96          | 1.5%          | 16.25     |
| Total Other Charges |              | 384,760.36        | 100.0%        |           |
| TOTAL               |              | <u>384,760.36</u> | <u>100.0%</u> |           |

7:21 PM  
07/24/17  
Accrual Basis

**Kaman's Korner**  
**Sales by Item Summary**  
January through December 2016

| Jan - Dec 16        |     |                   |               |           |
|---------------------|-----|-------------------|---------------|-----------|
|                     | Qty | Amount            | % of Sales    | Avg Price |
| Other Charges       |     |                   |               |           |
| Beer/Wine AM        | 354 | 68,720.54         | 12.9%         | 194.13    |
| Beer/Wine PM        | 323 | 43,152.33         | 8.1%          | 133.60    |
| Food AM             | 361 | 28,504.54         | 5.4%          | 78.96     |
| Food AM CO          | 360 | 41,068.20         | 7.7%          | 114.08    |
| Food PM             | 316 | 20,319.35         | 3.8%          | 64.30     |
| Food PM CO          | 313 | 49,340.40         | 9.3%          | 157.64    |
| Liquor AM           | 354 | 119,308.42        | 22.5%         | 337.03    |
| Liquor PM           | 325 | 146,992.93        | 27.7%         | 452.29    |
| Misc. AM            | 357 | 8,438.81          | 1.6%          | 23.64     |
| Misc. PM            | 321 | 5,306.77          | 1.0%          | 16.53     |
| Total Other Charges |     | 531,152.29        | 100.0%        |           |
| TOTAL               |     | <u>531,152.29</u> | <u>100.0%</u> |           |

**Kaman's Korner  
Sales Tax Worksheet**

| Period End Date          | Jan 2015 | Feb 2015  | March 15  | April 15  | May 15    | June 15   |
|--------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| Gross Sales              | 39,477.- | 40,681.24 | 45,844.19 | 42,686.75 | 40,262.33 | 42,148.29 |
| Exempt Sales             | 7895.50  | 8136.25   | 9169.83   | 8537.35   | 8052.47   | 8429.65   |
| Net Taxable Sales        | 31581.50 | 32545.01  | 36674.36  | 34149.40  | 32209.86  | 33718.60  |
| Clerk of Courts          |          |           |           |           |           |           |
| Reportable Taxable Sales | 31581.50 | 32545.01  | 36674.36  | 34149.40  | 32209.86  | 33718.60  |
| Tax Liability            | 2131.75  | 2196.78   | 2475.85   | 2305.08   | 2174.17   | 2276.00   |
| Discount                 | 15.98    | 16.47     | 18.54     | 17.28     | 16.31     | 17.07     |
| Additional Charge        |          |           |           |           |           |           |
| Interest Owed            |          |           |           |           |           |           |
| Net Tax Due              | 2115.77  | 2180.31   | 2457.31   | 2287.80   | 2157.86   | 2258.93   |
| Amount Paid              |          |           |           |           |           |           |
| Confirmation Number      |          |           |           |           |           |           |

**Kaman's Korner  
Sales Tax Worksheet**

| Period End Date          | July '15 | Aug 15   | Sept. '15 | Oct. '15  | Nov. '15 | Dec '15   |
|--------------------------|----------|----------|-----------|-----------|----------|-----------|
| Gross Sales              | 45879.24 | 40951.43 | 42271.05  | 43,834.50 | 38507.60 | 42,246.40 |
| Exempt Sales             | 9175.84  | 8190.89  | 8484.12   | 8766.90   | 7701.52  | 8449.28   |
| Net Taxable Sales        | 36703.40 | 32760.54 | 33,816.84 | 35067.60  | 30806.08 | 33797.12  |
| Clerk of Courts          |          |          |           |           |          |           |
| Reportable Taxable Sales | 36703.40 | 32760.54 | 33,816.84 | 35067.60  | 30806.08 | 33797.12  |
| Tax Liability            | 2477.47  | 2211.53  | 2282.63   | 2367.06   | 2079.41  | 2281.30   |
| Discount                 | 18.58    | 16.58    | 17.11     | 17.75     | 15.59    | 17.10     |
| Additional Charge        |          |          |           |           |          |           |
| Interest Owed            |          |          |           |           |          |           |
| Net Tax Due              | 2458.89  | 2194.96  | 2265.52   | 2349.31   | 2063.82  | 2264.20   |
| Amount Paid              |          |          |           |           |          |           |
| Confirmation Number      |          |          |           |           |          |           |

MOYER CONSTRUCTION  
BRADLEY MOYER  
P.O. BOX 788  
SANDUSKY OH 44870  
419-656-1258

Proposal Submitted To:  
Name: MS. RANAE & JACKIE KAMANN  
Street: 1328 MILAN RD.  
City: SANDUSKY State: OH  
Telephone Number: 419-271-4011

Work to be Performed at:  
Street: SAME  
City: State:  
Date of Plans: Open  
Date: 04 JULY 2017

We hereby propose to furnish the materials and perform the labor necessary for the completion of repairing floor, walls, and bar in Kamann's Korner per owners instruction.

Includes: - jacking up of floor as much as possible to make level again - removal and disposal of existing floor around bar and coolers - replacement of anything necessary to make structure sound again - removal and disposal of existing carpet on walls - installation of a new water proof laminate floor in bar area - installation of a laminate floor material on walls to match existing, as close as possible - refinishing of the existing bar top and foot rest - clean up on a daily basis - warranty of one year on all labor performed.

All work will be performed on a time and material basis, consisting of \$38.00 / hr. / man plus the cost of any materials used, with payments to be made upon invoicing. There may be a request for an advance payment to secure job and/or purchase materials.

All materials not used become the property of Moyer Construction, LLC. ( If supplied )

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanship manner.

An advance payment of **\$14,000.00** with any remaining amounts to be made upon invoicing. Terms: Balance due upon completion of job. A Finance Charge of 24% annually is computed @ the rate of 2% per month on any account over 30 days.

Payment in full will be made upon the completion of job upon final invoicing.

Respectfully Submitted

Bradley J. Moyer - President

Any alteration or deviation from above specifications involving extra costs may be requested to be in writing, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance upon above work. Workman's Compensation Insurance on above work to be taken out by Moyer Construction, LLC.

NOTE: This proposal may be withdrawn by us if not accepted within 30 days.

#### ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

5 employees  
estimated 10 hrs per day  
for at least 10 days at  
38<sup>00</sup> per hour. per employee



**September 12, 2017**

**Economic Development Incentive Committee Summary**

**Chris Andrews / Chris Andrews, LLC ("The Company")**

**APPLICANT:** Chris Andrews  
1801 George Street  
Sandusky, Ohio 44870

**CORPORATE STRUCTURE:** Limited Liability Company

**PRINCIPAL/% OWNERSHIP:** Chris Andrews, Owner – 100%

**PROGRAM APPLIED FOR:** Substantial Development

**RECOMMENDATION:** \$15,000.00 Substantial Development grant; contingent upon obtaining title reports, obtaining all relevant permits, submitting before and after photographs, and displaying temporary signs during construction and a sign for at least one year upon completion noting the City of Sandusky's support. This project will be complete by 6/30/2018.

**\*\*Assistance greater than \$10,000 requires final approval by the Sandusky City Commission\*\***

The completion of this project meets several goals laid out in the Strategic Plan. Specifically, it helps to attract a new business into the City of Sandusky and further supports its growth. This project also transforms vacant and underutilized property into a revenue generating endeavor.

**BACKGROUND**

Chris Andrews, the sole owner of Chris Andrews, LLC ("the Company"), established the Company in 2009. The Company purchases, refurbishes, cleans, paints, and resells long haul semi-trucks to customers from across the country. The Company specializes in Kenworth and Peterbilt long hood semi-trucks. The Company currently employs 26 full-time employees (tax abatement committed to ten new jobs from a baseline 24). Chris Andrews recently purchased underutilized property at 1801 and 1707 George Street in order to relocate the Company's offices from the current location on Milan Road in Perkins Township. The company is currently operating out of its previous location and expects to complete the relocation in November 2017.

**PROJECT DESCRIPTION**

The project consists of an addition to the existing building and renovations of a second building for offices. Additionally, the Company will likely build a new facility for degreasing and longer term will construct a new building to house a mechanic shop (this will occur one to two years from now). The

Company will construct other infrastructure including fencing, a driveway, and a parking lot. Please note Chris Andrews has also received real estate tax abatement for this project (10-year, 75%).

### **PROJECT FINANCING**

The project sources and uses are as follows:

|   |                        |
|---|------------------------|
| <b><u>Uses</u></b>                      |                        |
| Acquisition of Property                 | \$ 386,580.00          |
| Construction                            | \$ 800,000.00          |
| Paint Booth and Mixing Room             | \$ 139,300.00          |
| Site Work and Parking Lot               | \$ 500,000.00          |
| Equipment                               | \$ 91,060.00           |
| <b>Total</b>                            | <b>\$ 1,916,940.00</b> |
| <b><u>Sources</u></b>                   |                        |
| Owner Equity                            | \$ 467,330.00          |
| VLFCU - Closed Loans                    | \$ 884,250.00          |
| VLFCU - Yet to be Closed Loans          | \$ 550,360.00          |
| Grant Request - Substantial Development | \$ 15,000.00           |
| <b>Total</b>                            | <b>\$ 1,916,940.00</b> |
| Employment (future additional expected) | 7.0                    |
| Revenue                                 | \$ 8,000,000.00        |
| Payroll                                 | \$ 1,300,000.00        |
| <b>City Grant as a % of Total</b>       | <b>1%</b>              |
| <b>Leverage</b>                         | <b>127.8</b>           |

This phase of the project is expected to be completed in 2017.

The recommended grant amount of \$15,000.00 is equivalent to 1% of total project costs and will leverage private dollars over 120x.

Please note that the Company has already obtained a 10-year 75% tax abatement for the project.

### **FINANCIAL SUMMARY – BUSINESS**

The Company experienced sales growth of 7.5% in 2016, bringing sales to over \$5 million. The Company expects substantial sales growth this year – to over \$6 million. The Company is profitable and currently has payroll of over \$1.1 million for 26 full-time employees.

## **RECOMMENDATION**

I recommend a \$15,000 Substantial Development grant to assist with this project. The completion of this project will support an expanding business that is new to the City of Sandusky. Furthermore, the Company will be utilizing a space that was formerly vacant and blighted and will invest a substantial amount of capital to improve the appearance and viability of the property. The Company will bring 26 jobs to the City of Sandusky initially and intends to increase employment to 35 after three years. Payroll is anticipated to grow to \$1.5 million within the same time frame.

Applicant / Borrower Company:

Andrews Real Estate - Chris Andrews

(Applicant Name)

Owner

(Title)

Andrews Real Estate

(Company Name – if different than Applicant Name)

1801 George Street

(Street Address)

(Suite, Apt, etc.)

Sandusky, OH 44870

(City, State, Zip)

419-656-3568

(Phone Number)

Andrews806@aol.com

(Email)

45-3995505

(Federal Tax ID or last 4 of SSN)

(Fax Number)

**Existing Business Information:**

Type of Business: ☐ Industrial ☒ Commercial/Retail ☐ Distribution ☐ Service

☐ Other \_\_\_\_\_

Legal Structure: \_\_\_\_\_

Primary Product or Service: Truck Sales - Peterbilt's + Kenworth Semi Trucks

Date Established: 1-1-10 NAICS-SIC Code: \_\_\_\_\_

Website (if applicable): OhioTrucks.com

**Principal Officers / Owners:**

Name / Title: Chaz Andrews

Email: Andrews806@aol.com Phone: 419-656-3568

SSN (last 4): [REDACTED]-\*\*-1659 % Ownership: 100

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_

Name / Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

SSN (last 4): \_\_\_\_\_ % Ownership: \_\_\_\_\_

Location of Proposed Project:

1801 George Street

(Address)

Sandusky, OH 44870

(City, State, Zip)

Erie

(County)

If a relocation, indicate from where \_\_\_\_\_

Project Type:

☒ Renovation

☐ Expansion

☐ Start-Up/New

Applicant / Business Background Information:

Please provide a brief summary about your background and experience. Please also provide historical information regarding the building or property at which the business will operate, including but not limited to the most recent building use (attach additional page if necessary).

Property was recent junk yard that went out of business.

New site will be used for sales of Kenworth + Peterbilt  
semi trucks.

**Project Description:**

Please provide a brief description of the project to be undertaken for which City assistance is being sought (attach additional page if necessary).

As construction of the new buildings continue, we are looking to concrete 5 acres of the 9 acre lot.

**Business/Personal References:**

Name / Title: Smetzer Paint & Supply LLC  
 Email: \_\_\_\_\_ Phone: (419) 624-9007  
 Relationship: paint supplier

Name / Title: C&W Auto Supply Co.  
 Email: CWAutoSupply@sbcglobal.net Phone: (419) 332-7337  
 Relationship: paint supplier

Name / Title: United Pacific - Mike Mowchan  
 Email: mike.mowchan@att.net Phone: (216) 212-9584  
 Relationship: chrome parts supplier

**Need for ED Funding:**

Applicants must document a need for ED funding in order to make the project occur. Select reason(s) why ED funds are needed for the project, and attach appropriate documentation.

- ☒ Inadequate equity/private lender financing (attach bank letter/documentation of equity unavailability).
- ☐ Unable to pay market interest rates for entire project (include projections showing market rates produce inadequate return on investment.)
- ☐ Incentive financing is needed in order to improve the economics of locating and expanding in Sandusky relative to other communities (show comparative costs analysis to undertake project in Sandusky versus other cities).
- ☐ Other (please specify): \_\_\_\_\_



**Project Source & Use Of Funds:**

Break out total project costs by use of funds and allocate each use cost by source (attach additional page if necessary).

Total Project Cost (itemize below): \$1.9 million

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Owner Equity (dollars and source): \$500,000 cash

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Private Lending (dollars, source, and terms): Vacationland Federal Credit Union -  
20 year loan - \$1.4 million

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Request for City Assistance (dollars and type): \$60,000 towards new truck paint  
booth

---

mm: Paint booth: \$140,000

**Project Timeline:**

Please outline the project timeline. Please include expected completion dates for items including but not limited to obtaining site control, obtaining financing, and construction.

|                            | Start   | Complete | N/A | Comments |
|----------------------------|---------|----------|-----|----------|
| <b>Site Control</b>        | 3-20-16 | 4-5-16   |     |          |
| ▪ Site acquisition/lease   |         |          |     |          |
| <b>Financing</b>           |         |          |     |          |
| ▪ Secure financing         | 4-5-16  | 4-5-16   |     |          |
| <b>Construction</b>        |         |          |     |          |
| ▪ Permit                   | 12-1-16 | 8-15-17  |     |          |
| ▪ Demo & site prep         | 5-1-16  | current  |     |          |
| ▪ Construction             | 4-1-17  | 10-30-17 |     |          |
| ▪ Certificate of occupancy |         | 11-1     |     |          |
| <b>Other</b>               |         |          |     |          |
| ▪                          |         |          |     |          |
| ▪                          |         |          |     |          |
| ▪                          |         |          |     |          |

**Project Impact and Employment:**

|                                 | Current Year           | Year One   | Year Two   | Year Three |
|---------------------------------|------------------------|------------|------------|------------|
| <b>Annual Sales Revenue</b>     | 6,500,000              | 8,000,000  | 10,000,000 | 12,000,000 |
| <b>Annual Payroll</b>           | 1,150,000              | 1,300,000  | 1,400,000  | 1,500,000  |
| <b>Current Employment (FTE)</b> | 26 full time employees | 33 Nov/Dec | 34         | 35         |
| <b>Average Pay Per Employee</b> | \$42,592               | \$39,393   | \$42,424   | \$45,454   |

ED Program Guidelines &amp; Application | 2/6/2017

**Project Concept:** Use the space below to address the following:

- How does the proposed project relate to a strategic approach to revitalization of the surrounding area?
- Will the project contribute to a change in the market dynamics, economic status, physical appearance or perception of the area?
- Does the project address specific area needs or missing services?

The project area was an abandoned junkyard that had been deserted and was very unappealing. The new building will enhance the physical appearance of the property and the well maintained lawns will add appeal not only to the property itself but will also improve the overall appearance of the surrounding area.

Ohio Truck Sales is the only used semi truck dealership in Sandusky.

Historical Financial Information (Past Three Years), if applicable:

|                      | 2014      | 2015      | 2016      |
|----------------------|-----------|-----------|-----------|
| Annual Sales Revenue | 3,517,948 | 4,751,248 | 5,111,717 |
| Cost of Goods        | 2,296,085 | 3,153,458 | 3,217,140 |
| Depreciation         | 580,171   | 273,012   | 396,846   |
| Operating Expenses   | 563,429   | 1,124,541 | 1,282,229 |
| Interest Expense     | 3,363     | 21,266    | 35,306    |
| Earnings Before Tax  | 74,900    | 178,971   | 180,196   |
| Profit After Tax     | 61,175    | 125,922   | 126,670   |

Attachments:

The following should be submitted with your ED Application:

- ☐ Map showing location of Project or business
- ☐ Three years of historical financial statements, if more detailed than above (if applicable)
- ☐ Three years of projected financial statements, if more detailed than above (if applicable)
- ☐ Interim financial statements, not more than 90 days old (if applicable)
- ☐ Personal financial statements for each equity holder
- ☐ Tax returns for most recent 2 years (business and personal)
- ☐ Letter of intent or decline from private lender (if applicable)
- ☐ Evidence of private funds and matching funds
- ☐ Third party cost estimates
- ☐ Lease agreement, purchase agreement, or proof of ownership (if applicable)

Attestation of Financial Condition

Do you or your business have any of the following:

Outstanding collections

Judgement liens

Other court judgements

Delinquent taxes

Delinquent loans

Other tax liens

Previous bankruptcy

If yes to bankruptcy, has it been fully discharged?

Real estate that is tax delinquent

Code violations

Non-registered rental units

Real estate that is in foreclosure

| YES | NO                                  |
|-----|-------------------------------------|
|     | <input checked="" type="checkbox"/> |
|     | <input checked="" type="checkbox"/> |
|     | <input checked="" type="checkbox"/> |
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|     | <input checked="" type="checkbox"/> |
|     | <input checked="" type="checkbox"/> |

Submission Acknowledgment

The undersigned certifies that he/she is authorized to complete, sign and submit this application on behalf of the applicant/owner. Further, the undersigned certifies that the information contained in this application has been reviewed by him/her and that all information, including exhibits, are, to the best of his/her knowledge, complete and accurate and presents fairly the condition of the applicant and project accurately. Intentionally falsifying information in this document constitutes a criminal offense. The undersigned hereby authorizes the City of Sandusky to investigate the credit worthiness and of the undersigned, and/or applicant. The undersigned understands that information submitted to the City of Sandusky as part of this application is considered a public record. The undersigned also agrees to display signage showing City support on their property for up to one (1) year.

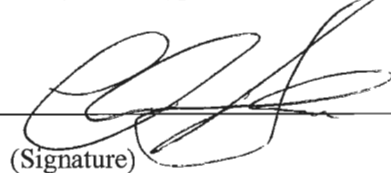
The undersigned understands that additional information may be required to finalize the approval process, and that, if the project is funded, **Economic Development funds cannot pay for projects completed before grant approval and notice of award.** The undersigned also understands that the submission of the application for financial assistance does not automatically constitute approval.

☒ By checking this box, I acknowledge that I have read, understand, and agree to the policies and procedures outlined in this document. If you have questions, please contact the Department of Community Development.

Company Name: Chris Andrews, LLC

By: Chris Andrews (owner)

(Print or type name and title)

  
(Signature)

7-26-17  
(Date)

☐ Please check this box if you are willing to be interviewed or photographed or have your business photographed for Economic Development marketing purposes

Inter-Office Use Only

State the date, time, and City staff member(s) present at the pre-application meeting:

8/29/17 @ 11am, Maria Muratori

Has the applicant received approval from Planning?

YES \_\_\_\_\_ NO \_\_\_\_\_ NA X

If yes, indicate staff and/or committee and date(s) of approval:

Contingent

Has the applicant received approval from other relevant departments?

YES \_\_\_\_\_ NO \_\_\_\_\_ NA \_\_\_\_\_

If yes, indicate staff and/or committee and date(s) of approval:

Contingent

Date of Completed Application Submittal: 8/21/17

Staff Reviewer: MTM

Date of Committee Review: 9/12/17

Approve/Deny: \_\_\_\_\_

Amount Awarded and terms: \_\_\_\_\_

CONTACT

Ms. Maria Muratori, Development Specialist  
Department of Community Development  
222 Meigs Street  
Sandusky, Ohio 44870

Phone: 419.627.5891

Email: [mmuratori@ci.sandusky.oh.us](mailto:mmuratori@ci.sandusky.oh.us)



## SALES INSTALLATION SERVICE

August 9, 2017

TO: Chris Andrews Motor Sports  
3020 Milan Rd.  
Perkins Twp. Ohio

ATTN: Chris Andrews

REF: Paint Spray Booth and Mix Room      UPDATED PROPOSAL V

We are pleased to submit the following updated proposal. Updates to include; extending the booth to 46' long and 're-circulating' heat curing system and paint mix room

### PAINT BOOTH – CUSTOM "PRESSURIZED" DRIVE-THRU TRUCK BOOTH WITH HEATED AIR REPLACEMENT AND HEAT RE-CIRCULATING CURING SYSTEM

This is Pressurized Booth with the Heated Air Replacement System mounted above the booth.

- ONE 46Ft. LONG, SEMI-DOWN DRAFT INDUSTRIAL DRIVE-THRU SPRAY BOOTH

- 208/230-460 volt -60cy -3phase Power

- Work Dimensions of 16'0" W. x 16'0" H. x 46'0" Deep

- Overall Dimensions of 17'0" W. x 18'9" H. x 46'6" Deep

- Comprised of # 18 Galvanized Steel Panels and Structural Steel Supports

- Including:

- "Powder Coated" White Inside & Out
    - Structural Steel to support the Overhead Air Replacement/Heating Unit
    - Supply Blower with 20 Hp Motor
    - 2.7 MBTU Burner w/ Heat and "Recirculating" Curing Mode
    - CONTROL PANEL with heat/cure features and balance control with
    - VFD controlling the exhaust fan speed
    - (2) Set of "Bi-Folding" Product Doors - nom. Opng. 11'6" W x 15'9" H
    - (2) Side Personnel Access Doors w/ obs. Windows
    - (28) 4-Tube, 48", T-8 Light Fixtures all C.1, Div2 inside access type
    - (1) 42" dia. 7.5 Hp, 25,000 CFM, Tube Axial Exhaust Fan
    - Air Solenoid Valve

- DUCTING

- Intake & Exhaust Ducting Package – IS included- straight up through the roof (no off-sets or roof curbs)

- FREIGHT (Booth & AMU)

Delivery: Approx. 6-8 weeks from order formal order acknowledgment.

(continued)



## SPRAY BOOTH & HEATED AIR REPLACEMENT INSTALLATION

- **INSTALLATION** (Basic) pending level surface (floor) area \$ 25,780.00
  - **Installation** – Basic assembly and set up of furnished equipment; booth, components, exhaust ducting, air replacement system and supply air ducting
  - **Ducting** – Exhaust, 'assemble' straight up through roof
  - **Ducting** – Supply, 'assemble' straight up through roof  
NOTE: \$ 1800.00 is allotted to furnish supply ducting
  - **Wiring** – "integral" to the booth; i.e. fan, lights, heated AMU and controls
  - **Start-Up & Test**

## FIRE SUPPRESSION

- **Fire Suppression** - Dry Chemical Type

## INCLUDED OPTIONS:

- 2 Ft Extension to 46 Feet Long -
- Heat 'Re-circulating' Cure -
- Powder Coating White -

**PAINT BOOTH TOTAL** (less taxes & permits)      **\$ 126,200.00**

## PAINT MIX ROOM

Mix rooms are NFPA compliant, power ventilated units, designed to draw "heavier-than-air" solvent vapors from near floor level, exhausting outdoors and operating 24-7. These may be 'standalone' units or designed to attach directly to the paint booth. (allow 8-12" between) These are bolt together units. (allow space for assembly)

## MIX ROOM – CUSTOM 8' x 12'

Dimensions: 8'0" wide X 8' high X 12'0" deep Inside  
8'4" wide X 8'2" high X 12'4" deep Outside

- 12" Powered Exhauster - 2/3 HP
- (2) 4-tube, 48", T8 C. 1, Div.2, Inside Access, Fluorescent Light Fixtures
- 'Powder Coated' White inside and out
- Ducting / Exhaust to Outdoors

**Mix Room FOB Factory**      **\$ 7,900.00**

- **MIX ROOM INSTALL**      **\$ 2,100.00**
  - **Installation** – Basic 'mechanical' assembly and set up includes; installing 12" exhaust ducting to outdoors and wire light to GP light switch to code

### ▪ NOT Included:

Single phase power feed & connect for lighting and 24-7 operation – BY OTHERS  
Any power required inside the mix room MUST be 'Explosion Proof' and to be – BY OTHERS

- **FIRE SUPPRESSION** for an 8' x 12' MIX ROOM – 'Dry Chemical' type, to be provided, 'permitted' and Installed by a 'licensed' contractor      **\$ 3,100.00 \***  
\* (price includes wire tie-in with booth suppression sys.)

**MIX ROOM TOTAL** (less taxes)      **\$ 13,100.00**

**TOTAL PAINT BOOTH and MIX ROOM**      **\$ 139,300.00**

(continued)

**NOT INCLUDED** at this time:

- **Unloading**– Unlading of equipment – NOT Included at this time
- **Roof Curb** – NOT Included – Consult Building Contractor
- **Roof Penetration**– NOT Included – Consult Building Contractor
- **Electrical** – Power Feed & Hook-up – NOT Included at this time  
NOTE: A single point connection at the Air Replacement Unit will be required!
- **Plumbing:**
  - Air lines** – NOT Included at this time
  - Gas Piping** – NOT Included at this time
  - House Lines** - capacity verification and/or meter upgrades – NOT INCLUDED

**NOT INCLUDED:** SALES TAX, INSTALLATION (other than described), FIRE SUPPRESSION SYSTEM (other than described), RENTAL EQUIPMENT FEES (if required) PERMITS, PERMIT FEES, SUBMITTALS, DRAWINGS,

**PERMITS:** As permitting and fees are subject to local jurisdiction and any requirements beyond Bonds and Registration Fees i.e.; "Plans Review" that may entail Submittals including Certified or Stamped Engineers or Architectural Drawings, only actual costs will be incurred.

**"Budget"     \$ 1,800.00 - \$ 4,000.00**

**TERMS:**        TO BE DETERMINED

PLEASE CALL IF YOU HAVE ANY QUESTIONS.

NORM KVETENSKY    Cell 440 463-4518

13837 HAWKE RD. COLUMBIA STATION, OHIO 44028 \* 440-236-6192 \* FAX 440-236-6819  
[WWW.CLEVELANDSPRAYBOOTH.COM](http://WWW.CLEVELANDSPRAYBOOTH.COM)

AGREEMENT TERMS – Andrews Motor Sports – REVISED 8/9/17

DELIVERY: Approval drawings for fabrication will be available approximately 2-3 weeks after receipt of down payment. Booth will ship approximately 6-8 weeks after receipt of signed approval drawings. This estimate is based upon current schedules and is subject to revision to provide for better or possible extended delivery, in the event that purchase order and approved dimensional data is received within five (5) days from the date of Proposal. Any later changes or alterations requested by you will affect estimated shipping time.

INSTALLATION: Initiation and completion dates are yet to be determined.

PERMITS: To Be Determined.

**PURCHASE PRICE AND TERMS OF PAYMENT (Revised) :**

The Total Purchase Price of this proposal is Revised As Follows:

|   |                 |
|---|-----------------|
| PAID - Received December 17, 2014                               | = \$ 109,200.00 |
| Purchase Total Due From Lender                                  | = \$ 139,300.00 |
| Due Customer Upon Payment from Lender (pending any adjustments) | = \$ 109,200.00 |

TOTAL [pending adjustments]      \$ \$139,300.00

IF THIS PROPOSAL IS NOT ACCEPTED WITHIN 30 DAYS, PRICES ARE SUBJECT TO CHANGE.

Prices are firm provided we are permitted to ship as quickly as schedules permit and prior to six (6) months after receipt of an order.

This Proposal is void at our option unless accepted within (60) days. In the event that we should be favored with an order for this equipment and more than (60) days have elapsed from the date of the proposal, CSB reserves the right to review the price and make necessary adjustments.

Acceptance of this Proposal constitutes an order. The order may be cancelled only upon payment of reasonable and proper cancellation charges. Acceptance of your order, based on this quotation, is subject to approval of your credit by CSB.

This Proposal, when accepted, is the complete agreement between the parties and there are no other agreements or verbal understanding with respect to the subject matter.

Prices are subject in part, to the acceptance of this proposal in whole.

Your Proposal is accepted this \_\_\_\_\_ Day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
Purchaser

By: \_\_\_\_\_  
Title

\_\_\_\_\_  
Witness

To avoid misunderstanding, please initial and return drawing(s) [If included] and Proposal to the address indicated.

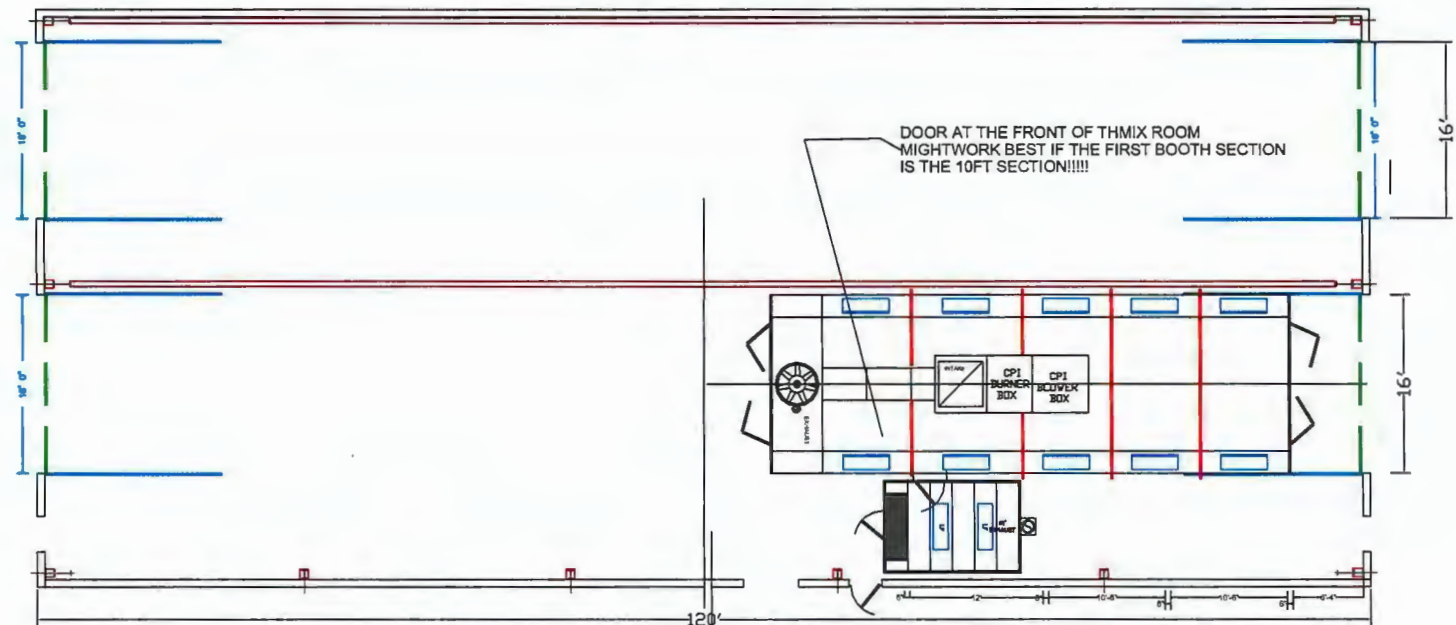
Very truly yours,  
CSB

\_\_\_\_\_  
Gary Lehky, President

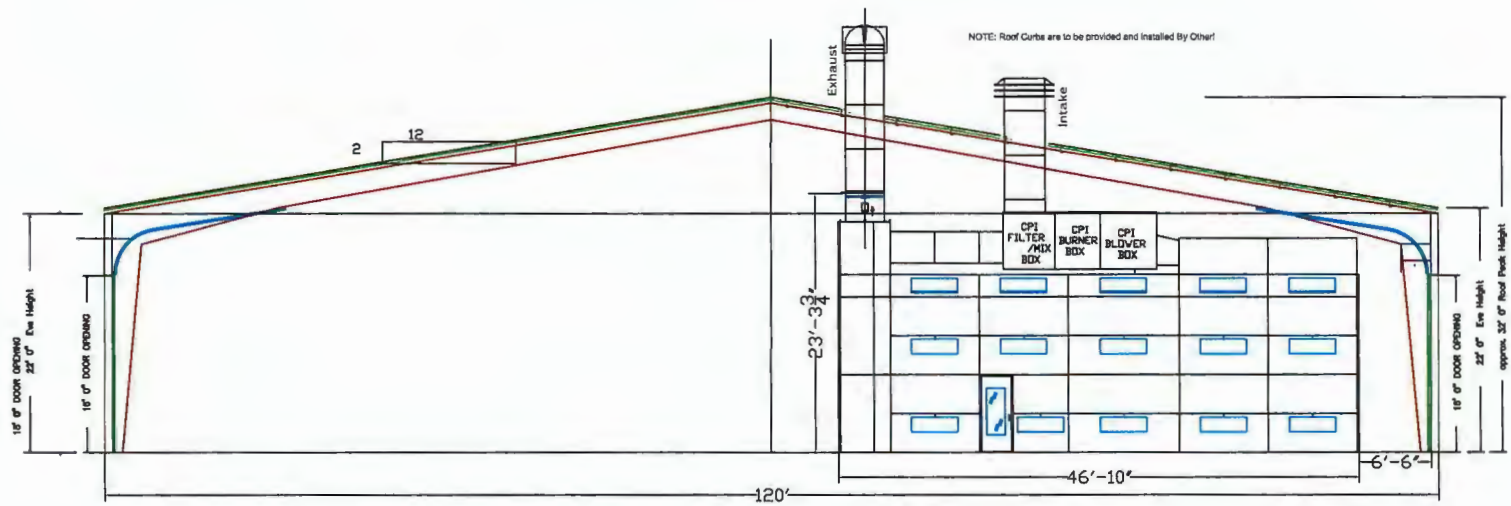
For information concerning this Proposal, please contact:

Cleveland Spray Booth  
Gary Lehky, President

13837 Hawke Road  
Columbia Station, Ohio 44028



PLAN



ELEVATION

## Maria Muratori

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**From:** Mike Mowchan <Mike.Mowchan@att.net>  
**Sent:** Wednesday, August 30, 2017 9:07 AM  
**To:** Maria Muratori  
**Subject:** RE: Chris Andrews / Ohio Truck Sales - Reference

Maria,  
See below in red. I cannot answer the second question since Chris and I have not discussed anything other than he is trying to relocate.

Mike Mowchan  
Sherman Pearson Company  
216-272-9584 cell  
440-565-7789 fax

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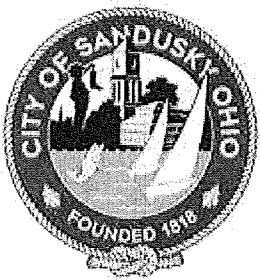
**From:** Maria Muratori [<mailto:mmuratori@ci.sandusky.oh.us>]  
**Sent:** Tuesday, August 29, 2017 12:07 PM  
**To:** [mike.mowchan@att.net](mailto:mike.mowchan@att.net)  
**Subject:** Chris Andrews / Ohio Truck Sales - Reference

Hello Mr. Mowchan,

Chris Andrews indicated you as a reference on his economic development grant application with the City of Sandusky. Please speak to the following regarding his project at 1801 George Street in Sandusky / Ohio Truck Sales:

- What is your relationship with Mr. Andrews? Our relationship is that of a distributor (Chris) and a supplier (me).
- What is your confidence in Mr. Andrews' ability to successfully complete the projects at 1801 George Street, including the relocation and expansion of Ohio Truck Sales?
- Is there any other information you would like to share regarding Chris Andrews / Ohio Truck Sales? I have never had any issues with him as a customer or with his bill paying for the factories I represent.

Thank you for your help.



Maria Muratori | *Development Specialist*  
**COMMUNITY DEVELOPMENT**  
222 Meigs Street | Sandusky, OH 44870  
T: 419.627.5891 | F: 419.627.5713  
[www.ci.sandusky.oh.us](http://www.ci.sandusky.oh.us)



NOTICE: This electronic message transmission and all attachments transmitted with it are intended for the use of the individual or entity that is the intended recipient and may contain legally privileged, protected, or

## Maria Muratori

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**From:** MIKE SHETENHELM <cwautosupply@sbcglobal.net>  
**Sent:** Tuesday, August 29, 2017 1:41 PM  
**To:** Maria Muratori  
**Subject:** Re: Chris Andrews / Ohio Truck Sales - Reference

- What is your relationship with Mr. Andrews?  
We sell him Automotive Paint and supplies for his truck sales business.
- What is your confidence in Mr. Andrews' ability to successfully complete the projects at 1801 George Street, including the relocation and expansion of Ohio Truck Sales?  
I know Chris has been looking to relocate for some time now and has outgrown his current location.
- Is there any other information you would like to share regarding Chris Andrews / Ohio Truck Sales?  
Chris Andrews has always been prompt in all payments of his account and I believe he would carry out all expectations asked of him in any shape or form as he does seem to be a great person to have a business relationship with.

*Mike Shetenhelm  
President*

*C & W Auto Supply Co.  
900 Lime Street  
Fremont Ohio 43420*

*Phone # 419-332-7337  
[www.cwautosupply.com](http://www.cwautosupply.com)*

On Tuesday, August 29, 2017 12:05 PM, Maria Muratori <[mmuratori@ci.sandusky.oh.us](mailto:mmuratori@ci.sandusky.oh.us)> wrote:

Hello,

Chris Andrews indicated you as a reference on his economic development grant application with the City of Sandusky. Please speak to the following regarding his project at 1801 George Street in Sandusky / Ohio Truck Sales:

- What is your relationship with Mr. Andrews?
- What is your confidence in Mr. Andrews' ability to successfully complete the projects at 1801 George Street, including the relocation and expansion of Ohio Truck Sales?
- Is there any other information you would like to share regarding Chris Andrews / Ohio Truck Sales?

Thank you for your help.

Maria Muratori | *Development Specialist*  
**COMMUNITY DEVELOPMENT**  
222 Meigs Street | Sandusky, OH 44870  
T: 419.627.5891 | F: 419.627.5713

## Maria Muratori

---

**From:** andrews806@aol.com  
**Sent:** Wednesday, September 6, 2017 9:17 AM  
**To:** Maria Muratori  
**Subject:** Re: Sandusky Register: Andrews/truck business

|                                      | <u>Loan Amount</u>  |
|--------------------------------------|---------------------|
| Acquisition of Property              | \$ 284,250          |
| Construction                         | \$ 600,000          |
| <b>Paint Booth &amp; Mixing Room</b> | <b>\$ 139,300</b>   |
| <b>Site Work &amp; Parking Lot</b>   | <b>\$ 320,000</b>   |
| <b>Equipment</b>                     | <b>\$ 91,060</b>    |
| <b>TOTAL</b>                         | <b>\$ 1,434,610</b> |

Building Shell - \$410,000  
HVAC - \$110,000  
Electrical - \$50,000  
Plumbing - \$25,000  
Sprinklers - \$30,000  
Concrete Floor - \$40,000  
Garage Doors - \$50,000  
Fire Wall - \$40,000

Paint Booth & Mixing Room - \$140,000  
Hose Reels - \$10,000  
Wheel Polish Machine - \$120,000

*Other 150k*

-----Original Message-----

**From:** Maria Muratori <mmuratori@ci.sandusky.oh.us>  
**To:** Andrews806 <Andrews806@aol.com>  
**Sent:** Tue, Sep 5, 2017 9:24 am  
**Subject:** RE: Sandusky Register: Andrews/truck business

Chris,

I do have the loan information – we are all set on that.

We did also discuss in our meeting you providing cost estimates for the project. Do you have that information?

Sincerely,  
Maria

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**From:** Andrews806 [<mailto:Andrews806@aol.com>]  
**Sent:** Tuesday, September 5, 2017 7:34 AM  
**To:** Maria Muratori  
**Subject:** Re: Sandusky Register: Andrews/truck business

Maria, just checking that you have all the information on the break down of our loan?



## Maria Muratori

---

**From:** Brett J. Gerber <BGerber@vlfcu.org>  
**Sent:** Friday, September 1, 2017 12:48 PM  
**To:** Maria Muratori  
**Cc:** andrews806@aol.com  
**Subject:** RE: Chris Andrews - Loan Docs

Here is a breakdown of the various loans associated with this project. Please note the ones in bold have not closed yet but should close by the end of the year assuming no more delays in construction.

|                                      | <u>Loan Amount</u>  |
|--------------------------------------|---------------------|
| Acquisition of Property              | \$ 284,250          |
| Construction                         | \$ 600,000          |
| <b>Paint Booth &amp; Mixing Room</b> | <b>\$ 139,300</b>   |
| <b>Site Work &amp; Parking Lot</b>   | <b>\$ 320,000</b>   |
| <b>Equipment</b>                     | <b>\$ 91,060</b>    |
| <b>TOTAL</b>                         | <b>\$ 1,434,610</b> |

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**From:** Maria Muratori [<mailto:mmuratori@ci.sandusky.oh.us>]  
**Sent:** Thursday, August 31, 2017 4:41 PM  
**To:** Brett J. Gerber <BGerber@vlfcu.org>  
**Cc:** [andrews806@aol.com](mailto:andrews806@aol.com)  
**Subject:** RE: Chris Andrews - Loan Docs

Thank you, Brett.

Chris indicated on his application that he will be receiving a \$1.4 million 20-year loan – do you have evidence of this?

Sincerely,  
Maria

---

**From:** Brett J. Gerber [<mailto:BGerber@vlfcu.org>]  
**Sent:** Thursday, August 31, 2017 10:19 AM  
**To:** Maria Muratori  
**Cc:** [andrews806@aol.com](mailto:andrews806@aol.com)  
**Subject:** Chris Andrews - Loan Docs

Attached are the loan docs you requested for Chris Andrews. Please let me know if you need anything else.

Thanks



Brett J. Gerber | Senior Vice President – Business Lending

| LOAN NUMBER       | LOAN NAME                | ACCT. NUMBER | NOTE DATE     | INITIALS     |
|-------------------|--------------------------|--------------|---------------|--------------|
| [REDACTED]        | Andrews Real Estate, LLC |              | 06/06/16      | 57           |
| NOTE AMOUNT       | INDEX (w/Margin)         | RATE         | MATURITY DATE | LOAN PURPOSE |
| \$284,250.00      | Not Applicable           | 4.420%       | 06/15/21      | Commercial   |
| Creditor Use Only |                          |              |               |              |

## PROMISSORY NOTE

(Commercial - Single Advance)

**DATE AND PARTIES.** The date of this Promissory Note (Note) is June 6, 2016. The parties and their addresses are:

**LENDER:**

VACATIONLAND FEDERAL CREDIT UNION  
2911 South Hayes Avenue  
PO Box 2257  
Sandusky, OH 44870  
Telephone: (419) 625-9025

**BORROWER:**

ANDREWS REAL ESTATE, LLC  
an Ohio Limited Liability Company  
808 Marshall Avenue  
Sandusky, OH 44870

**1. DEFINITIONS.** As used in this Note, the terms have the following meanings:

- A. **Pronouns.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Note. "You" and "Your" refer to the Lender, any participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
- B. **Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- C. **Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.
- D. **Loan Documents.** Loan Documents refer to all the documents executed as a part of or in connection with the Loan.
- E. **Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- F. **Percent.** Rates and rate change limitations are expressed as annualized percentages.
- G. **Dollar Amounts.** All dollar amounts will be payable in lawful money of the United States of America.

**2. PROMISE TO PAY.** For value received, I promise to pay you or your order, at your address, or at such other location as you may designate, the principal sum of \$284,250.00 (Principal) plus interest from June 6, 2016 on the unpaid Principal balance until this Note matures or this obligation is accelerated.

**3. INTEREST.** Interest will accrue on the unpaid Principal balance of this Note at the rate of 4.420 percent (Interest Rate).

- A. **Post-Maturity Interest.** After maturity or acceleration, interest will accrue on the unpaid Principal balance of this Note at the Interest Rate in effect from time to time, until paid in full.
- B. **Maximum Interest Amount.** Any amount assessed or collected as interest under the terms of this Note will be limited to the maximum lawful amount of interest allowed by state or federal law, whichever is greater. Amounts collected in excess of the maximum lawful amount will be applied first to the unpaid Principal balance. Any remainder will be refunded to me.
- C. **Accrual.** Interest accrues using an Actual/365 days counting method.

**4. REMEDIAL CHARGES.** In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

- A. **Late Charge.** If a payment is more than 10 days late, I will be charged 5.000 percent of the Amount of Payment. I will pay this late charge promptly but only once for each late payment.

**5. GOVERNING AGREEMENT.** This Note is further governed by the Commercial Loan Agreement executed between you and me as a part of this Loan, as modified, amended or supplemented. The Commercial Loan Agreement states the terms and conditions of this Note, including the terms and conditions under which the maturity of this Note may be accelerated. When I sign this Note, I represent to you that I have reviewed and am in compliance with the terms contained in the Commercial Loan Agreement.

**6. PAYMENT.** I agree to pay this Note on demand, but if no demand is made, I agree to pay this Note in 60 payments. This Note is amortized over 240 payments. I will make 59 payments of \$1,788.43 beginning on July 15, 2016, and on the 15th day of each month thereafter. A single "balloon payment" of the entire unpaid balance of Principal and interest will be due June 15, 2021.

Payments will be rounded to the nearest \$.01. With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf. Payments scheduled to be paid on the 29th, 30th or 31st day of a month that contains no such day will, instead, be made on the last day of such month.

Each payment I make on this Note will be applied first to interest that is due, then to principal that is due, then to late charges that are due, then to escrow that is due, and finally to any charges that I owe other than principal and interest. If you and I agree to a different application of payments, we will describe our

agreement on this Note. You may change how payments are applied in your sole discretion without notice to me. The actual amount of my final payment will depend on my payment record.

**7. PREPAYMENT.** I may prepay this Loan in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full.

**8. LOAN PURPOSE.** The purpose of this Loan is to finance the purchase of real estate.

**9. SECURITY.** The Loan is secured by separate security instruments prepared together with this Note as follows:

**Document Name**

Mortgage - 1701 George St, Sandusky, OH 44870

**Parties to Document**

Andrews Real Estate, LLC

**10. LIMITATIONS ON CROSS-COLLATERALIZATION.** The cross-collateralization clause on any existing or future loan, but not including this Loan, is void and ineffective as to this Loan, including any extension or refinancing.

The Loan is not secured by a previously executed security instrument if a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Real Estate Settlement Procedures Act, (Regulation X), that are required for loans secured by the Property or if, as a result, the other debt would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act, (Regulation Z), that are required for loans secured by the Property.

**11. DUE ON SALE OR ENCUMBRANCE.** You may, at your option, declare the entire balance of this Note to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law, as applicable.

**12. WAIVERS AND CONSENT.** To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

**A. Additional Waivers By Borrower.** In addition, I, and any party to this Note and Loan, to the extent permitted by law, consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to this Note.

(1) You may renew or extend payments on this Note, regardless of the number of such renewals or extensions.

(2) You may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.

(3) You may release, substitute or impair any Property securing this Note.

(4) You, or any Institution participating in this Note, may invoke your right of set-off.

(5) You may enter into any sales, repurchases or participations of this Note to any person in any amounts and I waive notice of such sales, repurchases or participations.

(6) I agree that any of us signing this Note as a Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.

(7) I agree that you may inform any party who guarantees this Loan of any Loan accommodations, renewals, extensions, modifications, substitutions or future advances.

**B. No Waiver By Lender.** Your course of dealing, or your forbearance from, or delay in, the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Note, or any other Loan Document, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you.

**13. COMMISSIONS.** I understand and agree that you (or your affiliate) will earn commissions or fees on any insurance products, and may earn such fees on other services that I buy through you or your affiliate.

**14. APPLICABLE LAW.** This Note is governed by the laws of Ohio, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

**15. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** My obligation to pay the Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on the Loan, or any number of us together, to collect the Loan. Extending the Loan or new obligations under the Loan, will not affect my duty under the Loan and I will still be obligated to pay the Loan. This Note shall inure to the benefit of and be enforceable by you and your successors and assigns and shall be binding upon and enforceable against me and my personal representatives, successors, heirs and assigns.

**16. AMENDMENT, INTEGRATION AND SEVERABILITY.** This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me. This Note and the other Loan Documents are the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable. No present or future agreement securing any other debt I owe you will secure the payment of this Loan if, with respect to this loan, you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act (Regulation Z) or the Real Estate Settlement Procedures Act (Regulation X) that are required for loans secured by the Property or if, as a result, this Loan would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

**17. INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Note.

**18. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Borrower will be deemed to be notice to all Borrowers. I will inform you in writing of any change in my name, address or other application information. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

**19. CREDIT INFORMATION.** I agree to supply you with whatever information you reasonably request. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information.

**20. ERRORS AND OMISSIONS.** I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you of any and all loan closing documents so that all documents accurately describe the loan between you and me. I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with your requests within thirty (30) days.

**21. AGREEMENT TO ARBITRATE.** You or I may submit to binding arbitration any dispute, claim or other matter in question between or among you and me that arises out of or relates to this Transaction (Dispute), except as otherwise indicated in this section or as you and I agree to in writing. For purposes of this section, this Transaction includes this Note and the other Loan Documents, and proposed loans or extensions of credit that relate to this Note. You or I will not arbitrate any Dispute within any "core proceedings" under the United States bankruptcy laws.

You and I must consent to arbitrate any Dispute concerning a debt secured by real estate at the time of the proposed arbitration. You may foreclose or exercise any powers of sale against real property securing a debt underlying any Dispute before, during or after any arbitration. You may also enforce a debt secured by this real property and underlying the Dispute before, during or after any arbitration.

You or I may, whether or not any arbitration has begun, pursue any self-help or similar remedies, including taking property or exercising other rights under the law; seek attachment, garnishment, receivership or other provisional remedies from a court having jurisdiction to preserve the rights of or to prevent irreparable injury to you or me; or foreclose against any property by any method or take legal action to recover any property. Foreclosing or exercising a power of sale, beginning and continuing a judicial action or pursuing self-help remedies will not constitute a waiver of the right to compel arbitration.

The arbitrator will determine whether a Dispute is arbitrable. A single arbitrator will resolve any Dispute, whether individual or joint in nature, or whether based on contract, tort, or any other matter at law or in equity. The arbitrator may consolidate any Dispute with any related disputes, claims or other matters in question not arising out of this Transaction. Any court having jurisdiction may enter a judgment or decree on the arbitrator's award. The judgment or decree will be enforced as any other judgment or decree.

You and I acknowledge that the agreements, transactions or the relationships which result from the agreements or transactions between and among you and me involve interstate commerce. The United States Arbitration Act will govern the interpretation and enforcement of this section.

The American Arbitration Association's Commercial Arbitration Rules, in effect on the date of this Note, will govern the selection of the arbitrator and the arbitration process, unless otherwise agreed to in this Note or another writing.

**22. WAIVER OF TRIAL FOR ARBITRATION.** You and I understand that the parties have the right or opportunity to litigate any Dispute through a trial by judge or jury, but that the parties prefer to resolve Disputes through arbitration instead of litigation. If any Dispute is arbitrated, you and I voluntarily and knowingly waive the right to have a trial by jury or judge during the arbitration.

**23. WAIVER OF JURY TRIAL.** If the parties do not opt for arbitration, then all of the parties to this Note knowingly and intentionally, irrevocably and unconditionally, waive any and all right to a trial by jury in any litigation arising out of or concerning this Note or any other Loan Document or related obligation. All of these parties acknowledge that this section has either been brought to the attention of each party's legal counsel or that each party had the opportunity to do so.

**CONFESSION OF JUDGMENT.** If I default, I authorize any attorney to appear in a court of record and confess judgment against me in favor of you. The confession of judgment may be without process and for any amount due on this Note including collection costs and reasonable attorneys' fees. This is in addition to other remedies.

**24. SIGNATURES.** By signing, I agree to the terms contained in this Note. I also acknowledge receipt of a copy of this Note.

**WARNING: BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.**

**BORROWER:**

Andrews Real Estate, LLC

By   
Christopher R Andrews, Managing Member

Date 6-6-16

LENDER:

VacationLand Federal Credit Union

By  Date 6-6-16  
Brett Gerber, SVP Business Lending

(Attest) \_\_\_\_\_ Date \_\_\_\_\_

| LOAN NUMBER       | LOAN NAME                | ACCT. NUMBER | NOTE DATE     | INITIALS     |
|-------------------|--------------------------|--------------|---------------|--------------|
| ██████████        | Andrews Real Estate, LLC |              | 12/28/16      | 57           |
| NOTE AMOUNT       | INDEX (w/Margin)         | RATE         | MATURITY DATE | LOAN PURPOSE |
| \$600,000.00      | Not Applicable           | 4.920%       | 12/30/21      | Commercial   |
| Creditor Use Only |                          |              |               |              |

## PROMISSORY NOTE

(Commercial - Single Advance)

**DATE AND PARTIES.** The date of this Promissory Note (Note) is December 28, 2016. The parties and their addresses are:

**LENDER:**

VACATIONLAND FEDERAL CREDIT UNION  
2911 South Hayes Avenue  
PO Box 2257  
Sandusky, OH 44870  
Telephone: (419) 625-9025

**BORROWER:**

ANDREWS REAL ESTATE, LLC  
an Ohio Limited Liability Company  
806 Marshall Avenue  
Sandusky, OH 44870

**1. DEFINITIONS.** As used in this Note, the terms have the following meanings:

- A. Pronouns.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Note. "You" and "Your" refer to the Lender, any participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
- B. Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- C. Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.
- D. Loan Documents.** Loan Documents refer to all the documents executed as a part of or in connection with the Loan.
- E. Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- F. Percent.** Rates and rate change limitations are expressed as annualized percentages.
- G. Dollar Amounts.** All dollar amounts will be payable in lawful money of the United States of America.

**2. PROMISE TO PAY.** For value received, I promise to pay you or your order, at your address, or at such other location as you may designate, the principal sum of \$600,000.00 (Principal) plus interest from December 28, 2016 on the unpaid Principal balance until this Note matures or this obligation is accelerated.

**3. INTEREST.** Interest will accrue on the unpaid Principal balance of this Note at the rate of 4.920 percent (Interest Rate).

- A. Post-Maturity Interest.** After maturity or acceleration, interest will accrue on the unpaid Principal balance of this Note at the Interest Rate in effect from time to time, until paid in full.
- B. Maximum Interest Amount.** Any amount assessed or collected as interest under the terms of this Note will be limited to the maximum lawful amount of interest allowed by applicable law. Amounts collected in excess of the maximum lawful amount will be applied first to the unpaid Principal balance. Any remainder will be refunded to me.
- C. Accrual.** Interest accrues using an Actual/365 days counting method.

**4. REMEDIAL CHARGES.** In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

- A. Late Charge.** If a payment is more than 10 days late, I will be charged 5.000 percent of the Amount of Payment. I will pay this late charge promptly but only once for each late payment.

**5. GOVERNING AGREEMENT.** This Note is further governed by the Commercial Loan Agreement executed between you and me as a part of this Loan, as modified, amended or supplemented. The Commercial Loan Agreement states the terms and conditions of this Note, including the terms and conditions under which the maturity of this Note may be accelerated. When I sign this Note, I represent to you that I have reviewed and am in compliance with the terms contained in the Commercial Loan Agreement.

**6. PAYMENT.** I agree to pay this Note on demand, but if no demand is made, I agree to pay this Note in 60 payments. This Note is amortized over 240 payments. I will make 59 payments of \$3,935.09 beginning on January 30, 2017, and on the 30th day of each month thereafter. A single "balloon payment" of the entire unpaid balance of Principal and interest will be due December 30, 2021.

Payments will be rounded to the nearest \$.01. With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf. Payments scheduled to be paid on the 29th, 30th or 31st day of a month that contains no such day will, instead, be made on the last day of such month.

Each payment I make on this Note will be applied first to interest that is due, then to principal that is due, then to late charges that are due, then to escrow that is due, and finally to any charges that I owe other than principal and interest. If you and I agree to a different application of payments, we will describe our

agreement on this Note. You may change how payments are applied in your sole discretion without notice to me. The actual amount of my final payment will depend on my payment record.

**7. PREPAYMENT.** I may prepay this Loan in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full.

**8. LOAN PURPOSE.** The purpose of this Loan is to provide financing for the construction of an addition..

**9. SECURITY.** The Loan is secured by separate security instruments prepared together with this Note as follows:

| Document Name                                  | Parties to Document      |
|--|--------------------------|
| Mortgage - 1701 George St., Sandusky, OH 44870 | Andrews Real Estate, LLC |

**10. LIMITATIONS ON CROSS-COLLATERALIZATION.** The cross-collateralization clause on any existing or future loan, but not including this Loan, is void and ineffective as to this Loan, including any extension or refinancing.

The Loan is not secured by a previously executed security instrument if a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Real Estate Settlement Procedures Act, (Regulation X), that are required for loans secured by the Property or if, as a result, the other debt would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act, (Regulation Z), that are required for loans secured by the Property.

**11. DUE ON SALE OR ENCUMBRANCE.** You may, at your option, declare the entire balance of this Note to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law, as applicable.

**12. WAIVERS AND CONSENT.** To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

**A. Additional Waivers By Borrower.** In addition, I, and any party to this Note and Loan, to the extent permitted by law, consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to this Note.

(1) You may renew or extend payments on this Note, regardless of the number of such renewals or extensions.

(2) You may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.

(3) You may release, substitute or impair any Property securing this Note.

(4) You, or any institution participating in this Note, may invoke your right of set-off.

(5) You may enter into any sales, repurchases or participations of this Note to any person in any amounts and I waive notice of such sales, repurchases or participations.

(6) I agree that any of us signing this Note as a Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.

(7) I agree that you may inform any party who guarantees this Loan of any Loan accommodations, renewals, extensions, modifications, substitutions or future advances.

**B. No Waiver By Lender.** Your course of dealing, or your forbearance from, or delay in, the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Note, or any other Loan Document, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you.

**13. COMMISSIONS.** I understand and agree that you (or your affiliate) will earn commissions or fees on any insurance products, and may earn such fees on other services that I buy through you or your affiliate.

**14. APPLICABLE LAW.** This Note is governed by the laws of Ohio, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

**15. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** My obligation to pay the Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on the Loan, or any number of us together, to collect the Loan. Extending the Loan or new obligations under the Loan, will not affect my duty under the Loan and I will still be obligated to pay the Loan. This Note shall inure to the benefit of and be enforceable by you and your successors and assigns and shall be binding upon and enforceable against me and my personal representatives, successors, heirs and assigns.

**16. AMENDMENT, INTEGRATION AND SEVERABILITY.** This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me. This Note and the other Loan Documents are the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable. No present or future agreement securing any other debt I owe you will secure the payment of this Loan if, with respect to this loan, you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act (Regulation Z) or the Real Estate Settlement Procedures Act (Regulation X) that are required for loans secured by the Property or if, as a result, this Loan would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

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**BORROWER:**

Andrews Real Estate, LLC

By   
Christopher R Andrews, Managing Member

Date 12-28-16



LENDER:

VacationLand Federal Credit Union

By  Date 12-28-16  
Brett Gerber, SVP Business Lending

\_\_\_\_\_  
(Attest) \_\_\_\_\_ Date \_\_\_\_\_