



Department of Community Development

240 Columbus Avenue

Sandusky, OH 44870

Phone: 419.627.5783

www.ci.sandusky.oh.us

ECONOMIC DEVELOPMENT INCENTIVE COMMITTEE

MEETING AGENDA

JULY 14, 2020

1:30pm

- I. Meeting called to order
- II. Approval of February 11, 2020 minutes
- III. Program financial update
 - i. 2020 Spreadsheet
- IV. Review of staff reviewed applications
 - i. NONE
- V. Review of applications
 - i. NAME ONE YELLOWSTONE, LLC (Substantial Development Grant Request)
- VI. Reminder of next meeting – August 11, 2020 (tentative)
- VII. Public Participation
- VIII. Meeting Adjournment

Economic Development Incentive Committee
February 11th, 2020
Meeting Minutes

Call To Order

Mr. Nickles called the meeting to order at 1:32pm.

The following members were present constituting a quorum: Mr. Paul Koch, Ms. Abbey Bemis, Mr. Al Nickles, Ms. Hannah Nedolast, and Mr. Greg Voltz. City Commission Liaison Naomi Twine, Economic Development Specialist John Storey, and Clerk for the Community Development Department Kristen Barone were also present.

Approval of Minutes

Mr. Koch moved to approve the minutes from the January 14th 2020 meeting; Ms. Bemis seconded the motion. All members were in favor of the motion.

Program Financial Update

Mr. Storey stated that the Economic Development funds currently have a balance of \$303,930. At last night's City Commission meeting, the commissioners approved the grant to Lake Erie Island Cruises that this commission approved at the last Economic Development Incentive Committee meeting.

Mr. Koch asked if there is any benefit to putting a time limit on when the money has to be used by. He stated that there are some businesses that have been granted funds but then quite a bit of time passes and they still have not completed their projects and then other businesses get turned down for assistance because the funds have run out.

Mr. Storey explained that the application does ask when projects are expected to start and finish, and that he does call and check in on the projects. However, there is currently no policy in place that states what happens if projects have not started or completed by the dates put on the applications.

Mr. Voltz stated that he would recommend for staff to come up with a draft policy to discuss with Law Director Trevor Hayberger.

Ms. Bemis asked if meeting quarterly would help everyone understand better what might be expended.

Mr. Storey stated that he will talk with Trevor and get back with the committee on a policy.

Application Review

Mr. Storey stated that the first application on the agenda is for Family Health Services LLC. They are asking for a \$100,000 grant to go towards the cost of a 1.5 million dollar project for the construction, equipment, and start-up/soft costs of a dental facility for those with limited resources. He said that staff feel that \$50,000.00 is the appropriate amount to grant due to having allocated 40% of this year's budget so far and due to other projects that are coming up.

Ms. Bemis asked if Mr. Storey could comment on if he believes the program will be allocating all of this year's funds.

Mr. Storey said that he believes the money will go fast, as he has four applications sitting on his desk right now and his phones are always ringing. He said that there are a couple of bigger applications he is expecting, and that is why he is trying to preserve as much of the funds as possible.

Ms. Bemis stated that she would like to see more funds granted towards this project and would like to hear what the other committee members think.

Mr. Koch asked what the max percent is that can be granted on a project like this.

Mr. Storey stated that there is no max percent, but that typically 10% is granted. He said that a large majority of the applications received ask for \$10,000 or under, which staff are able to grant administratively. So that is one of the reasons the money goes quickly and something that would be detrimental to meeting quarterly.

Commissioner Twine stated that she thinks the dental clinic is something the community needs and it is in a good location for those who need it, so she would be interested to see how much more money could be considered for the project.

Ms. Bemis made a motion to support a grant of \$65,000. She said that she is compelled by the impact and mission of the business model and company.

Mr. Voltz seconded the motion.

Mr. Koch abstained from the vote, and the rest of the voting members were in favor of the motion.

Mr. Storey stated that the second application on the agenda is for Chesapeake Lofts Condominium Association. They are asking for a \$24,000 grant from the Signage and Façade program, to go towards a \$32,450 project. He said that the rules state that up to 75% of signage costs can be granted and they are asking for a little under 75%.

Mr. Nickles asked if they have money in their reserves.

Mr. Storey replied that they do have money in their reserves.

Mr. Koch stated that his opinion has not changed since the last time the applicant applied for this grant in October, as that building is still comprised of mostly residential space. There is one small commercial space in that building and it is not being used.

Ms. Bemis stated that she would like to support the work, but not at the 75% level. She then made a motion to support an \$8,000 grant for the façade improvement.

Mr. Voltz seconded the motion.

There were three votes in favor of the motion and, two votes that were not in favor of the motion. The motion passed.

Next Meeting

March 10th, 2020.

Public Participation

Sharon Johnson stated that staff should look into getting a policy on what is residential versus what is commercial so that there is no gray matter on that. She then said that she agrees that the funds should not be held up by businesses that take years to complete their projects, when there are other business that could use those funds. Sharon then stated that since Mr. Nickles is a board member of Civista Bank and should have abstained from the Family Health Services vote.

Mr. Nickles stated that he does not vote on loans at the bank unless they are more than 20 million dollars.

Mr. Koch stated that the previous Law Director for the City Mr. Harris looked into this in the past and he said that there is not a conflict if the person voting is not directly involved with the loan, and Al is not involved with the loans unless they are more than 20 million.

Sharon stated that she also believes that if someone is abstaining from a vote, that person cannot be involved in any discussion on the matter either. She then asked Mr. Nickles if he told the Law Director that he is a board member of Civista bank and has stock in Civista also.

Mr. Nickles stated that he did.

Sharon stated that maybe they ought to talk with the Ethics Committee.

Mr. Nickles stated that Mr. Harris did that.

Sharon asked if Mr. Hayberger could send that communication to her.

Ms. Nedolast stated that she will talk with the Law Director and get answers to her concerns.

Meeting Adjournment

Ms. Bemis motioned to adjourn the meeting. Meeting adjourned at 2:36pm.

APPROVED:

Kristen Barone, Clerk

Mr. Nickles, Chairman

ECONOMIC DEVELOPMENT FUNDS

<u>2019 Carryover</u>	<u>New Funds</u>	<u>Beginning Balance</u>	<u>Date Approved</u>	<u>Committed</u>	<u>Spent</u>	<u>Revenue</u>	<u>Ending Balance</u>	<u>Total Project Cost</u>	<u>New Jobs</u>
\$ 390,158	\$ 500,000	\$ 678,550					\$ 250,630		46.0

Substantial Development

Resort School, LLC				1/21/2019	\$ 150,000.00	\$ 150.00	\$ 150.00		\$ 13,600,000.00	12.0
Renaissance Too, LLC				6/11/2019		\$ 150.00	\$ 150.00		\$ 1,210,000.00	2.0
Market Street Collective, LLC				12/9/2019	\$ 9,620.00	\$ 150.00	\$ 150.00		\$ 2,500,000.00	11.0
Family Health Services, LLC				2/11/2020	\$ 65,000.00		\$ 150.00		\$ 1,500,000.00	21.0

Façade

Chesapeake Lofts Condo Association				2/11/2020	\$8,000.00	\$150.00	\$150.00		\$32,600	N/A

Signage

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Small Business Assistance

Lake Erie Island Cruises, LLC				2/11/2020	\$ 15,000.00	\$ 150.00	\$ 150.00		\$ 199,652.00	0.0
McGookey Properties, LLC				3/1/2020	\$ 10,000.00	\$ 150.00	\$ 150.00		\$ 60,000.00	0.0

Miscellaneous

Advantage Entertainment, LLC				3/1/2020	\$ 5,000.00	N/A	N/A			
Reconciliation of Limited Lien Reports				3/20/2020	\$ 450.00	N/A	N/A			
Local Business Relief Grant				Various	\$ 165,000.00	N/A	N/A			

Committed - Not Yet Paid:		
Renaissance Too, LLC (#1)		RETURNED
Renaissance Too, LLC (#2)		RETURNED
Market Street Collective	\$ 130,000.00	
Wilken Custom Heating	\$ 9,500.00	PAID
Erie Residential Living	\$ 9,411.50	
Chris Andrews, LLC		RETURNED
Lake Erie Shores & Islands	\$ 4,000.00	
Magroup, LLC	\$ 6,454.00	PAID
<i>Omeca, Inc.</i>	\$ 9,500.00	
Lake Erie Shores & Islands	\$ 10,000.00	
LUCO-Wes Properties	\$ 4,000.00	PAID
Toft Funeral Home	\$ 7,500.00	
Alittle.Life, LLC	\$ 6,242.39	PAID
MAGroup, LLC	\$ 15,000.00	PAID
TOTAL \$ 211,607.89		

Carryover (Rounded):	
Committed - Not Yet Spent	211,607.89
2019 Unspent	178,550.00
TOTAL	390,157.89

July 14, 2020

Economic Development Incentive Committee Summary

Name One Yellowstone, LLC (or its affiliates and assigns)

APPLICANT: Name One Yellowstone, LLC
1481 Lindazzo Avenue
Cleveland, Ohio 44114

CORPORATE STRUCTURE: Limited Liability Corporation

PRINCIPAL/% OWNERSHIP: Brent Zimmerman – 33.33%

Greg Zimmerman – 33.33%

Joshua Zimmerman – 33.33%

PROGRAM APPLIED FOR: Substantial Redevelopment

RECOMMENDATION: \$50,000 Substantial Redevelopment grant; contingent upon obtaining title/lien reports, obtaining all relevant permits (if necessary), submitting before and after photographs (if necessary), and displaying a sign evidencing City of Sandusky support for one year after project completion. This project will be complete by 6/30/2021.

BACKGROUND

Name One Yellowstone, LLC (the “Company”) is composed of three (3) related individuals of the Zimmerman family, led by its managing member, Brent Zimmerman. Mr. Zimmerman has a diverse background and is an experienced entrepreneur, business owner and developer. Holding an Executive MBA from Case Western Reserve University’s Weatherhead School of Management, Mr. Zimmerman began his career in the wealth and asset management field. He has also owned several Jimmy John’s franchises and moved into the real estate industry in Columbus, Ohio – purchasing, renovating, and leasing several multi-family properties. Most recently, Mr. Zimmerman has moved successfully into the development world beginning with the construction of sixteen (16) townhomes in downtown Cleveland and construction of a 30+ unit complex in Cleveland’s Ohio City neighborhood. Additionally, Mr. Zimmerman is the founder and Chief Executive Officer of Saucy Brew Works – a production craft beer facility and brewpub with locations in Cleveland and Columbus. With roots in the Sandusky Bay area, Mr. Zimmerman is looking to expand his development footprint into Sandusky.

PROJECT DESCRIPTION

The Company is currently under contract to purchase the commercially zoned property located at 333 E. Washington Street. The large historic property sits directly east from Hartung Title Agency, Inc. and has been vacant for over five (5) years. The Company, upon acquisition will adaptively reuse the property and convert it into five (5) AirBNB units to be utilized as short term / transient rental units for visitors.

The property will also come equipped with an onsite coffee station, tap room and additional outdoor amenities. The project will also be managed by a full-service professional property management company and will employ property management, accounting, and cleaning staff. The project aims to be completed in Spring of 2021 in advance of the 2021 vacation season.

PROJECT FINANCING

The project sources and uses are as follows:

Uses

Acquisition	\$	190,000.00
Hard Construction	\$	400,000.00
Soft Costs	\$	50,000.00
Total	\$	640,000.00

Sources

Owner Equity	\$	60,000.00
Mortgage Loan	\$	530,000.00
City - Substantial Redevelopment Grant	\$	50,000.00
Total	\$	640,000.00

The recommended total grant amount of \$50,000 is equivalent to just under 8% of the total project costs (in line with program guidelines) and just over 11% when excluding acquisition expenses.

FINANCIAL SUMMARY – BUSINESS

Rental Receipts: (YR1 = \$210,000, YR2 = \$215,000, YR3 = \$220,000). Payroll (both property management & on-site staff) (YR1 = \$90,000, YR2 = \$90,000, YR3 = \$90,000). Employment: (YR 1 = 3 FTE's, YR 2 = 3 FTE's, YR 3 = 3 FTE's).

RECOMMENDATION

I recommend a \$50,000 Substantial Redevelopment grant to support this project. All funds would be disbursed at the completion of the project and after the Company receives a certificate of occupancy. This project will transform a currently vacant property into a bustling hub of activity on the eastern edge of downtown – an area positioned and poised for future redevelopment and investment. Additionally, the conversion of this building into five (5) vacation and transient rental units will help meet a growing demand for vacation and extended stay lodging in Sandusky and more specifically downtown. The increase in visitor traffic will also aid the downtown business and retail climate while adding to the bed tax and income tax bases.

Applicant / Borrower Company:

"Nam One, Yellowstone, LLC"

(Applicant Name)

Brent Zimmerman, managing member

(Title)

(Company Name - if different than Applicant Name)

1481 Lindazzo Ave, Cleveland OH 44114

(Street Address)

(Suite, Apt, etc.)

Cleveland, OH 44114

(City, State, Zip)

617-823-0025

(Phone Number)

will be

(Federal Tax ID or last 4 of SSN)

brent@bczimmerman.com

(Email)

(Fax Number)

Existing Business Information:

Type of Business: ☐ Commercial ☐ Retail ☒ Service
☐ Other _____
 Legal Structure: LLC
 Primary Product or Service: AIRBNB
 Date Established: 6/19/20 NAICS-SIC Code: _____
 Website (if applicable): _____

Principal Officers / Owners:

Name / Title: Brent Zimmerman
 Email: brent@zimmerman.com Phone: 617-823-0025
 SSN (last 4): 3720 % Ownership: 33 1/3

Name / Title: Greg Zimmerman
 Email: Greg@ZimmermanConstruction.com Phone: 419-656-1753
 SSN (last 4): _____ % Ownership: 33 1/3

Name / Title: Joshua Zimmerman
 Email: _____ Phone: 614-425-8064
 SSN (last 4): _____ % Ownership: 33 1/3

Name / Title: _____
 Email: _____ Phone: _____
 SSN (last 4): _____ % Ownership: _____

Location of Proposed Project:

333 East Washington

(Address)

Sandusky

(City, State, Zip)

Erie

(County)

If a relocation, indicate from where _____

Project Type:

☒ Renovation

☐ Expansion

☐ Start-Up/New Construction

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 Resume and links to
Developments

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).

1890 house we are Remodeling and
turning into five AIRBNB units

Business/Personal References:

Name / Title: Eric C Webber
Email: _____ Phone: _____
Relationship: _____

Name / Title: Kerry McCormack
Email: Kmccormack@clevelandcitycouncil.org Phone: 216-401-0967
Relationship: _____

Name / Title: Tom McNair
Email: tmcnair@ohio-city.org Phone: 216-534-6890

Relationship: _____

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 of B+C+D should = A).

(A) Total Project Cost (itemize below): \$640,000

See Attached

(B) Owner Equity (dollars and source): \$45,500

(C) Private Lending (dollars, source, and terms): \$525,000
Core Bank

(D) Request for City Assistance (dollars and type): \$50,000
Grant

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.

	<u>Start</u>	<u>Complete</u>	<u>N/A</u>
<u>Site Control</u>	Sept 2020	March 2020	
<u>Financing</u>	↓	↓	
<u>Construction</u>			
<u>Other</u>			

Project Impact and Employment:

	Current Year	Year One	Year Two	Year Three
Annual Sales Revenue		\$708,000		
Annual Payroll		\$0		
Current Employment (FTE)		—		
Average Pay Per Employee		—		

www.Arriva.com will be property management company

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?

- 1) Activates a dormant Building
- 2) Adds to much needed lodging options
- 3) The entire property will be remodeled
Refreshed, Bright back to life
- 4) Yes, Sandusky is way under
a typical Airbnb / hotel market in
terms of rooms in the Downtown
Area

Attachments:

The following should be submitted with your ED Application:

- ☐ Three years of historical financial statements (if applicable)
- ☐ Three years of projected financial statements (if applicable)
- ☐ Interim financial statements, not more than 90 days old (if applicable)
- ☐ Personal financial statements for each equity holder that maintains over 25% equity
- ☐ Tax returns for most recent 2 years (business and personal)
- ☐ Sources of financing including evidence of private funds and matching funds
- ☐ Third party cost estimates, **INCLUDING RENDERINGS** (if applicable)
- ☐ Lease agreement, purchase agreement, or other proof of ownership/site control

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
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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 after project completion.

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.

The undersigned understands that if the business or enterprise receiving grant funding moves or relocates to a different location outside of the municipal boundaries of Sandusky within three (3) years from the effective date of the grant agreement, that the grant funding will be rescinded in its entirety and the undersigned waives any right or claim to the awarded funding. This provision does not include businesses or enterprises that cease operations and close or that open up additional locations outside of the municipal boundaries of Sandusky while maintaining their funded location within the Sandusky city limits.

☒ By checking this box, I acknowledge that I have read, understand, and agree to the policies and procedures outlined in this document. I further agree to be interviewed, photographed and/or have my business photographed for Economic Development marketing purposes. If you have questions, please contact the Department of Community Development.

Company Name: "Name One, Yellowstone, LLC"

By: Brent Zimmerman managing member
(Print or type name and title)

[Signature] 6/19/2020
(Signature) (Date)

Inter-Office Use Only

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

Date of Completed Application Submittal: _____

Staff Reviewer: _____

Date of Committee Review: _____

Approve/Deny: _____

Amount Awarded and terms: _____

CONTACT

Matthew Lasko, Chief Development Officer

Department of Community Development
240 Columbus Avenue
Sandusky, Ohio 44870

Phone: 419.627.5707

Email: mlasko@ci.sandusky.oh.us



Purchase Contract

Approved by
Firelands Association of Realtors



1 **1. PROPERTY.** The undersigned Purchaser(s),
 2 Name One, Yellowstone, LLC, (whether one or more), hereinafter called
 3 the "Purchaser", hereby offers to purchase from the undersigned Seller(s), hereinafter referred to as the
 4 "Seller", (whether one or more), and the Seller agrees to sell the following described premises:
 5 Property Address: 333 E Washington St, Sandusky, OH 44870-2968
 6 Parcel#: Erie County Auditor Parcel #56-01157.000 (hereinafter "Property")
 7 The Property shall include the land, all appurtenant rights, privileges and easements, all buildings and fixtures and
 8 such of the following as are now on the Property, in their present condition, including without limitations: All
 9 window/door shades, awnings, storms and screens, curtain/drapery rods and fixtures, TV antennas and satellite
 10 dishes (unless leased), garage door openers and controls, security system(s), gas or electric heaters that are affixed or
 11 attached, water heater and softener (unless leased), incinerator, all heating, plumbing and bathroom fixtures, affixed
 12 mirrors, all built-in appliances and accessories, door bells, all tacked down carpeting and flooring, light fixtures and
 13 ceiling fans, fireplace screen and equipment/ornaments, water treatment systems and tanks (unless leased), all
 14 landscaping and fuel tank(s), (unless leased) including fuel, swimming pools and related equipment, fire and smoke
 15 detectors, and all that is real estate including: All items now on premises with the exception of Seller's
 16 personal possessions.
 17 The Following Shall be **excluded**: Seller's personal possessions.
 18

19 **2. PURCHASE PRICE.**

20 Purchaser agrees to buy and Seller agrees to sell the Property for a sum of -- \$ 190,000.00
 21 Payable as follows:
 22 (a) Earnest money as paid (upon acceptance) shall be deposited in a
 23 trust account with: Hartung Title - Sandusky
 24 and credited against the purchase price ----- \$ 5,000.00
 25 (b) Balance of money to be deposited at closing ----- \$ _____
 26 (c) Financing by a lending institution
 27 (☒) Conv. (☐) FHA (☐) V.A. (☐) Other ----- \$ 185,000.00
 28 (d) Financing by the Seller in the form of: _____

29 **3. EARNEST MONEY.** The earnest money of Purchaser receipted for below shall be held in trust and disbursed as
 30 follows:
 31 (a) If this Purchase Contract is accepted, the earnest money shall be credited against the purchase price at
 32 closing;
 33 (b) If this Purchase Contract is not accepted within the provided time herein or if this Purchase Contract is
 34 accepted and Seller fails or refuses to perform any obligation under this agreement, or any condition of
 35 contingency is not fulfilled through no fault of the Purchaser, the earnest money shall be returned, upon
 36 written request, in full to Purchaser. The return of earnest money shall not be considered a complete release
 37 of any and all claims of Purchaser against Seller.
 38 (c) If this Purchase Contract is accepted and Purchaser fails or refuses to perform any obligation under the
 39 Purchase Contract, all earnest money shall be forfeited by Purchaser and disbursed to Seller. The return of
 40 earnest money shall not be considered a complete release of any and all claims of Seller against Purchaser.
 41 (d) In the event of a dispute between the Seller and Purchaser regarding the disbursement of the earnest money,
 42 and the Broker is holding the earnest money deposit, the Broker is required by Ohio law to maintain such funds
 43 in the broker's trust account until the Broker receives (a) written instructions signed by the parties specifying
 44 how the earnest money is to be disbursed or (b) a final court order that specifies to whom the earnest money

DS

Purchaser's Initial DE Address 333 E Washington St
Sandusky, OH 44870-2968

Seller's Initial _____

45 is to be awarded. If within two years from the date the earnest money was deposited in the Broker's trust
 46 account, the parties have not provided the Broker with such signed instruction or written notice that such legal
 47 action to resolve the dispute has been filed, the Broker shall return the earnest money to the Purchaser with
 48 no further liability to, or with no further notice to the Seller.

49 **4. FINANCING.** Purchaser agrees that within 10 days of acceptance of this Purchase Contract, Purchaser
 50 shall apply for a loan at currently prevailing rates and terms for the area, at a lending institution of the Purchaser's
 51 choice. Such application must be made in good faith, and Purchaser shall use best efforts to obtain said loan. If
 52 Purchaser cannot obtain a commitment for such financing within 60* days after Seller's acceptance of this
 53 Purchase Contract, this Purchase Contract shall thereupon terminate, be null and void, and the earnest money shall
 54 be returned in full to Purchaser. Purchaser shall inform selling Agent, immediately upon receipt of a definite
 55 commitment or non-commitment of financing.

56 **5. CLOSING DATE.** The title shall transfer from the Seller to the Purchaser on or before September 1,
 57 2020. TIME IS OF THE ESSENCE IN THIS CONTRACT.

58 **6. POSSESSION.** Seller shall deliver possession to Purchaser in the same condition as of the date of acceptance of this
 59 contract, except for ordinary wear and tear and clear of all Seller's personal property and debris, on or before
 60 September 1, 2020 at 4:00 AM PM X Seller shall remain, rent free, but pay to
 61 Purchaser \$50.00 per day for each day of Possession by Seller beyond said Possession Date. This fee shall not be
 62 construed as Purchaser's exclusive legal remedy.

63 **7. UTILITIES.** Seller shall be liable for any requirements required by gas, electric, and/or other utility companies
 64 at the time of transfer of utilities, even though such transfer may occur after Closing. Seller shall pay all accrued
 65 utility bills to the date of delivery of possession of the Property. Purchaser shall transfer utilities into his or her
 66 name by the time Purchaser takes possession of the Property. Escrow/Closing agent is authorized to withhold
 67 \$250.00 from Seller's proceeds to secure payment of final water and/or sewer bills or to use such funds to
 68 reimburse the Seller upon Escrow Agent's receipt of paid final billings from Seller.

69 **8. TITLE.** An Owner's Fee Policy of Title Insurance in the amount of the purchase price, shall be issued, showing Seller
 70 or insuring Purchaser, good and marketable title in fee simple, free and clear of all liens and encumbrances except
 71 those specifically set forth in this agreement. Merchantability of title shall be determined in accordance with the
 72 Standards of Title Examination by the Ohio State Bar Association. If a defect in the title appears, Seller shall have
 73 thirty (30) days after notice to remove such defect. If the defect cannot be remedied, then, at the option of the
 74 Purchaser, all funds and documents shall be returned to the parties depositing them and this Purchase Contract shall
 75 be null and void.

76 **9. TITLE PROVIDER.** Title evidence and escrow services shall be provided by Hartung Title - Sandusky
 77 (Company). All funds and documents necessary for the completion of this transaction shall be placed in escrow by
 78 Seller and Purchaser with Company at the direction of Company. Title shall be transferred to
 79 Name One, Yellowstone, LLC/Assignee.

80 **10. CONVEYANCE.** Seller shall deliver to Purchaser a General Warranty Deed with the appropriate release of dower
 81 (or Fiduciary Deed, if applicable) conveying a good marketable title in the Property to the Purchaser free and clear of
 82 all liens and encumbrances whatsoever except: (a) Any mortgages, liens and encumbrances created or assumed by
 83 the Purchaser; (b) restrictions, reservations, covenants, conditions, limitations of record and easements of record; (c)
 84 oil and gas leases of record; (d) zoning ordinances, if any; (e) legal highways; and (f) taxes and assessments, which are
 85 a lien, or which have not been certified to the auditor or which have been certified but have not been placed on the
 86 duplicate or have been deferred, but not yet due and payable.

87 **11. CONDITION OF PROPERTY.** Purchaser agrees to purchase the Property, including the land, buildings,
 88 improvements and fixtures in their present physical condition, and acknowledges that he has examined the physical
 89 condition, value, character, and size of the Property and signed this Contract as a result of said examination.
 90 Purchaser acknowledges that Purchaser has thoroughly examined the Property, and that Purchaser has had full
 91 unimpeded access to the Property. Seller states that there are no citations filed by authorities alleging any zoning or

Purchaser's Initial DS 66 Address 333 E Washington St
Sandusky, OH 44870-2968

Seller's Initial DS AC

92 building code violations, and, that to the best of his knowledge, exercising reasonable care and diligence, all gas lines,
 93 valves and appliances are free from gas leaks, and any well and/or on-site sewage disposal system now in use is in
 94 safe operating condition and is not a health hazard. Purchaser and Seller agree to hold Broker, agent, or employees
 95 harmless from and against any liability for damage resulting from any misrepresentation by Seller or Purchaser.
 96 Purchaser is aware of and accepts the fact that the Property may be located within a Flood Plain area and that Flood
 97 Insurance may be required.

98 **12.INSPECTIONS.** This Purchase Contract shall be subject to the following inspection(s) by a qualified inspector of
 99 Purchaser's choice within the specified number of days from acceptance of binding contract. Purchaser assumes sole
 100 responsibility to select and retain a qualified inspector for each requested inspection and releases the Broker and its
 101 agents of any and all liability regarding the selection or retention of the inspector(s). If Purchaser does not elect
 102 inspections, Purchaser acknowledges that Purchaser is acting against the advice of Purchaser's Agent and Broker.

103 Furthermore, if Purchaser chooses not to inspect the property, it shall be construed that the Purchaser has accepted
 104 the condition of the property as satisfactory.

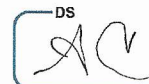
105 Purchaser understands that all real property and improvements may contain defects and conditions that are not
 106 readily apparent which may affect a property's use or value. Purchaser and Seller agree that any real estate Broker,
 107 Agent or Employees do not guarantee and in no way assume responsibility for the property's condition. Purchaser
 108 acknowledges that it is the Purchaser's own duty to exercise reasonable care to inspect and make diligent inquiry of
 109 the Seller or Purchaser's inspector regarding the condition and systems of the property. Purchaser further releases
 110 any Brokers, Agents or Employees from any responsibility in attending or participating in the inspection process.

111 For purposes of this contract "material defects" DO NOT include minor maintenance and or repair items. Conditions
 112 disclosed to Purchaser in writing by Seller or Seller's agent prior to acceptance of this contract, or maintenance and
 113 repair items totaling less than **\$500.00 shall be assumed by Purchaser** and shall be considered minor maintenance
 114 and repair items.

115	<u>YES/NO</u>	<u>INSPECTIONS</u>		<u>EXPENSE OF INSPECTION</u>
116	(x) ()	a. TERMITE/PEST	<u>60</u> Days from acceptance	(x) PURCHASER () SELLER
117	(x) ()	b. GENERAL HOME	<u>60</u> Days from acceptance	(x) PURCHASER () SELLER
118	() ()	c. SEPTIC SYSTEM	_____ Days from acceptance	() PURCHASER () SELLER
119	() ()	d. WATER POTABILITY	_____ Days from acceptance	() PURCHASER () SELLER
120	(x) ()	e. LEAD BASED PAINT	<u>60</u> Days from acceptance	(x) PURCHASER () SELLER
121	(x) ()	f. RADON	<u>60</u> Days from acceptance	(x) PURCHASER () SELLER
122	(x) ()	g. MOLD	<u>60</u> Days from acceptance	(x) PURCHASER () SELLER
123	(x) ()	h. <u>Gov't. Approvals</u>	<u>60</u> Days from acceptance	(x) PURCHASER () SELLER

124 ***The Purchaser shall have three (3) days after receipt of each inspection report to choose and perform one of the***
 125 ***following:***

- 126 A. Remove the inspection contingency and accept the Property in its "AS IS" present physical condition. If the
 127 Property is accepted in its "AS IS" present physical condition, then Purchaser shall sign an addendum removing
 128 the inspection contingency pertaining to that specific inspection; OR
 129 B. Accept the Property subject to Seller's repair by a qualified contractor of material defect(s), if any, not
 130 previously disclosed in writing by seller. Purchaser agrees to provide Seller with a copy of all inspection
 131 reports. Seller shall then have **five (5)** days from Seller's receipt of Purchaser's written request to agree in
 132 writing which material defect(s), if any, shall be corrected by Seller. If Purchaser and Seller do not agree in
 133 writing within those **five (5)** days, then this Purchase Contract shall be null and void, and Seller and Purchaser
 134 agree to sign a mutual release, whereupon the earnest money shall be returned to Purchaser. Seller agrees to
 135 provide reasonable access to the Property for Purchaser to review any such conditions corrected by Seller; OR
 136 C. Terminate this Purchase Contract if Purchaser's written inspection report(s) identify material defects not
 137 previously disclosed in writing by Seller. If Purchaser elects to terminate, Purchaser agrees to provide a copy of
 138 the written inspection report(s) provided by qualified inspector to Seller, and both parties agree to sign a
 139 mutual release, whereupon the earnest money shall be returned to Purchaser.

DS


Purchaser's Initial  Address 333 E Washington St
Sandusky, OH 44870-2968

Seller's Initial _____

140 **Purchaser's failure to notify the Seller in writing within three (3) days of receipt of each individual inspection**
 141 **report shall be considered approval of the property and its conditions.**

142 **13.RISK OF LOSS:** If any buildings or other improvements on the subject premises are damaged or destroyed
 143 prior to Closing, then said Purchaser shall have the option of (a) accepting the proceeds of any insurance
 144 payable, if any, as a result of such damage or destruction or (b) terminating this Contract in which the latter
 145 case all funds and documents shall be returned to the parties depositing them and this Contract shall be null
 146 and void. If Purchaser does not select Option (a) or (b) within fifteen (15) calendar days after receiving notice of
 147 such damage or destruction, the Purchaser shall be presumed to have elected to complete the transaction.

148 **14.LIABILITY.** Purchaser acknowledges that Purchaser has X has not _____ received the Ohio Residential
 149 Property Disclosure Form and agrees to hold the Broker(s) and its Agents harmless from any
 150 misrepresentations, misstatements or errors made by the Seller on said form. Purchaser also acknowledges
 151 and agrees that real estate Brokers and Agents are not tradesmen, and have no obligation to verify or
 152 investigate the information provided by the Seller on said form. Purchaser also acknowledges that Brokers
 153 and Agents have no duty to assist Seller in completing the Ohio Residential Property Disclosure Form. No party
 154 to this agreement shall rely solely on any statements made by any other party, real estate Broker or Agent
 155 regarding the condition of said property. All parties agree to hold harmless all real estate Brokers, Agents and
 156 employees involved in this transaction for any liability for damages resulting from any misrepresentation by
 157 Purchaser and/or Seller.

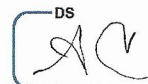
158 **15.HOME WARRANTY.** Yes _____ No X to be furnished and paid for by _____ Seller or _____ Purchaser.
 159 Warranty may be limited in scope. Brokers may receive compensation from the sale of the Home Warranty.
 160 Warranty Company: N/A Cost \$ None

161 **16.TAXES, ASSESSMENTS AND PRORATIONS.** Unless otherwise so stated in this Purchase Contract, all real estate
 162 taxes and assessments shall be prorated as of deed recordation date on the basis of the latest available certified tax
 163 duplicate. Additionally, any tenant rents, condominium fees, homeowners' association fees, maintenance fees and
 164 interest on any mortgage assumed by Purchaser, if any, shall be prorated as of deed recordation date. Any Security
 165 Deposits shall be credited to Purchaser.

166 In the event the property shall be deemed subject to any agricultural tax recoupment, the (CAUV) _____ Purchaser
 167 X Seller agrees to pay the amount of such recoupment.

168 Purchaser acknowledges that tax and assessment pro-rations at closing are based upon previous year tax valuations.
 169 New assessments and tax increases due to recent improvements, recent voted millage, change in valuation, board of
 170 revision actions or roll backs, etc. may result in increased tax billings and/or additional tax amounts due. Purchaser
 171 acknowledges and agrees that the purchase price reflects the Purchaser's assumption of such potential increased tax
 172 obligations.

173 **17.SELLER CHARGES PAID THROUGH ESCROW.** On or before the Closing date identified above in Section 5,
 174 Seller shall pay through escrow:
 175 (a) Any real estate transfer fee or tax;
 176 (b) Taxes and assessments due and payable on the date of transfer;
 177 (c) After taxes and assessments have been prorated to the date of transfer, the amount of prorated taxes and
 178 assessments which are a lien, but not yet due and payable;
 179 (d) Any amount required to discharge of record any mortgage, lien or encumbrance;
 180 (e) Any amount required to satisfy Seller's final water bill and/or sewer bill, and any public utilities;
 181 (f) The cost of the title examination, and one-half (1/2) the cost of insuring premium for the Owner's Fee Policy of
 182 Title Insurance;
 183 (g) The cost of deed preparation;
 184 (h) The amount due Purchaser by reason of proration;
 185 (i) The commission to Broker(s) payable by Seller as per listing agreement;
 186 (j) One-half (1/2) of the escrow/closing fee, or as demanded by loan/lender requirements;

DS


Purchaser's Initial EE Address 333 E Washington St Sandusky, OH 44870-2968

Seller's Initial _____

- 187 (k) Any other penalties, delinquencies or charges which are or may become due as a direct result of the Seller's
 188 ownership of the Property, or any other liens or charges that may become liens by reason of the acts or failure
 189 to act of the Seller. Seller shall also pay directly all utility charges, including water and sewer rents, to the date
 190 of filing the deed for record or the date of possession by Purchaser, whichever is later. Seller shall maintain
 191 adequate fire and casualty insurance on the Property until the Deed is filled for our record.
 192 (l) Other _____

- 193 **18. PURCHASER CHARGES PAID THROUGH ESCROW.** On or before the Closing date identified above in Section 5,
 194 Purchaser shall pay through escrow:
 195 (a) The cost of preparation and recording any mortgage placed on the Property by Purchaser and all costs and fees
 196 incidental thereto;
 197 (b) The cost of recording the deed, any mortgage and all costs and fees incidental thereto;
 198 (c) One-half (1/2) of the escrow/closing fee, unless otherwise demanded by loan or lender requirements
 199 (d) One-half (1/2) cost of insuring premiums for Owner's Fee Policy of Title Insurance
 200 (e) Commission, if any, to Purchaser's Broker payable by Purchaser as per the Buyer-Broker agreement;
 201 (f) Other _____

202 **19. FAIR HOUSING STATEMENT.** It is illegal, pursuant to the Ohio Fair Housing Law, Division (H) of Section
 203 4112.02 of the Revised Code and the Federal Fair Housing law, 42 U.S.C.A. 3601, as amended, to refuse to sell,
 204 assign, rent, lease, sublease, or finance housing accommodations, refuse to negotiate for the sale or rental of
 205 housing accommodations, or otherwise deny or make unavailable housing accommodations because of race,
 206 color, religion, sex, familial status, as defined in 4112.01 of the Revised Code, ancestry, military status as
 207 defined in that section, disability as defined in that section, or national origin or to so discriminate in advertising
 208 the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services. It
 209 is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations
 210 regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes.

211 **20. OHIO'S SEX OFFENDER REGISTRATION AND NOTIFICATION LAW.** The local sheriff is required to provide
 212 written notice if certain sex offenders reside in the area. This agreement is conditioned upon Purchaser's
 213 satisfaction with Purchaser's investigation of public records available. In the event that Purchaser's
 214 investigation uncovers information that would be unsatisfactory to the reasonable purchaser, Purchaser
 215 may terminate this agreement within five (5) business days from written acceptance of this contract. The
 216 Purchaser shall rely on Purchaser's own inquiry with the local sheriff's office as to the registered sex offenders
 217 in the area and shall not rely on the Seller or any real estate agent regarding such matters.

218 **21. ADDENDA.** Additional terms and conditions in the following addenda and/or attachments are made part of this
 219 agreement: ☒ Agency Disclosure Statement; ☒ Residential Property Disclosure Form; ☒ Lead Based Paint
 220 Disclosure; _____ H.O.A. or Condominium By-laws; _____ Rental/Investment, _____ House Sale Contingency; _____ FHA
 221 Addendum; _____ Other _____

222 **22. IT IS FURTHER AGREED.** *Buyer shall use best efforts to obtain satisfactory loan terms
 223 for the renovation of the property. In the event Buyer is unable to obtain a satisfactory
 224 loan commitment within 60 days, Buyer may terminate this Agreement and receive return
 225 receipt of its earnest money deposit.

226 **23. COMMISSION.** In the event of acceptance, Seller agrees and instructs the escrow agent to pay the Listing
 227 Broker a commission in accordance with the listing agreement and the Listing Broker's agreement with the
 228 Selling Broker.

229 **24. HUD SETTLEMENT STATEMENT.** Seller and Purchaser hereby authorize the escrow agent to send a HUD
 230 Settlement Statement to their Brokers and Agents listed in this contract for their review prior to closing and for
 231 their records after closing of this contract.

232 **25. ACCEPTANCE REQUIREMENTS.** Time is of the essence in all provisions of the Contract. This Offer to
 233 Purchase remains open for acceptance until June 11, 2020 at 9:00 AM PM ☒

Purchaser's Initial  Address 333 E Washington St
Sandusky, OH 44870-2968

Seller's Initial 

234 Upon Acceptance, it shall become a binding contract upon and accrue to the benefit of the Purchaser and Seller and
 235 their respective heirs, executors, administrators and assigns. This binding contract shall be governed by the laws of
 236 the State of Ohio. Unless otherwise specified herein, all provisions of this Contract shall survive Closing.

237 In the event that this Offer is countered, the above time limit shall no longer apply. All parties hereby
 238 acknowledges receipt of a copy of this Contract with fax, e-mailed copies, and electronic signatures as
 239 acceptable methods of communication in this transaction and shall have the same binding effect upon the
 240 parties

241 Upon acceptance and delivery this becomes a legally binding contract. Purchaser and Seller are each responsible
 242 to obtain for themselves sufficient information and guidance pertaining to financial, legal, and tax consequences of
 243 this purchase and sale. For purposes of this contract, "days" shall be defined as calendar days.

244 **PURCHASER Signature:** X ^{DocuSigned by:} Brent Zimmerman 6/11/2020 Date/Time _____
 245 (Print name here) **Name One, Yellowstone, LLC**

246 PHONE #'S: _____ CELL: (617) 823-0025 E-MAIL ADDRESS: brent@bczimmerman.com
 247 ADDRESS: _____

248 **PURCHASER Signature:** X _____ Date/Time _____
 249 (Print name here) _____

250 PHONE #'S: _____ CELL: _____ E-MAIL ADDRESS: _____
 251 ADDRESS: _____

252
 253

254 **26. ACTION BY SELLER:** The undersigned Seller has read and fully understands the foregoing offer and hereby:
 255 (Initial one)

256 _____ ACCEPTS that Offer; and agrees to convey the Property according to the above terms and
 257 conditions.

258 _____ REJECTS said Offer.

259 _____ COUNTER OFFER according to the above modifications initialed by Seller or attached on counter
 260 offer addendum, if any, which counter offer shall become null and void if not accepted in writing on or
 261 before (specific date) ^{DocuSigned by:} A. Clafford, _____ at _____ AM _____ PM _____

262 **SELLER Signature:** X ^{6650BA3D8ABF469...} _____ Date/Time 6/11/2020
 263 (Print name here) **Hearth Brick Oven, LLC**

264 PHONE #'S: _____ CELL: (419) 503-0864 E-MAIL ADDRESS: onavallone@hotmail.com
 265 ADDRESS: 402 46th St, Sandusky, OH 44870-4976

266 **SELLER Signature:** X _____ Date/Time _____
 267 (Print name here) _____

268 PHONE #'S: _____ CELL: _____ E-MAIL ADDRESS: _____
 269 ADDRESS: _____

270

Receipt of Earnest Deposit

271 Received with Offer \$ _____ () Cash () Check # _____ by: _____

272 Received upon Acceptance \$ _____ () Cash () Check # _____ by: _____

273

AGENCY CONTACT INFORMATION

274 Seller's Broker: Hoty Enterprises, Inc. Seller's Agent: Henry "Mac" Lehrer, CCIM Phone (419) 357-4004

275 Purchaser's Broker: _____ Purchaser's Agent: _____ Phone _____

BS

Purchaser's Initial ^{DE} BE Address 333 E Washington St Sandusky, OH 44870-2968 Seller's Initial _____

June 19, 2020

Brent Zimmerman
Joshua Zimmerman
Greg Zimmerman
Principals
Name One, Yellowstone, LLC

Via Email: Brent Zimmerman

Dear Brent:

The following letter outlines certain proposed terms and conditions for Acquisition and Renovation of 5-Unit Property (the "Loan") to be secured with a mortgage of property at 333 East Washington Street, Sandusky, OH (the "Project"). The following general terms, conditions and the proposed Loan discussed herein will be subject to the formal credit approval by ERIEBANK a division of CNB Bank ("ERIEBANK").

Borrower:	Name One, Yellowstone, LLC
Guarantors:	Brent, Joshua and Greg Zimmerman, joint and several for 100% of the indebtedness.
Purpose:	Acquisition and Renovation Property into 5-Unit Rental
Loan Amount:	Up to \$530,000; maximum 75% LTV and 80% LTC
Maturity:	Construction: 12 months Perm: 10 years (5+5)
Amortization:	Construction: Interest Only Perm: 25 years
Rate:	Construction: Variable based Prime plus 1.25%, with a floor of 4.50% Perm: Fixed for 5 years based on the comparable Rate as published by the Federal Home Loan Bank of Pittsburgh ("FHLBP") plus 3.0%, with a floor of 4.25%.
Payment Terms:	Interest only monthly for the first twelve (12) months then converting to monthly principal and interest thereafter based on the Rate and Amortization detailed above. Payments will adjust at each Fixed Rate adjustment date based on the newly established Fixed Rate and remaining Amortization.
Prepayment Terms:	Borrower will be subject to a prepayment fee based on the following: (i) 2% if refinanced with another bank (ii) 0.5% if refinanced with a perm lender (iii) 0% if property is sold.
Collateral:	First mortgage on 0.22 acres and improvements located at 333 East Washington Street, Sandusky, OH; an assignment of the contract with Airriva, and UCC fixture filings.
Bank Fee:	1/2% Origination Fee (\$2,625) due and payable at closing
Costs:	Borrower will reimburse ERIEBANK for normal fees associated with this type of loan agreement including but not limited to: appraisal, appraisal review, Bank's counsel, survey, title commitment/policy, environmental audit, environmental audit review, and architectural inspections.

- Operating Account: Borrower to establish and maintain a non-interest bearing deposit account to be utilized as the primary operating account for the Borrower/Project.
- Equity: Cash or cash equivalents to be provided/expended by the borrower prior to funding any loan proceeds in amount not less than \$110,525 (\$50,000 cash from City of Sandusky grant). If City grant is not cash at closing, the Borrower will provide cash and collect the grant directly when dispersed.

CLOSING REQUIREMENTS

Prior to loan closing, ERIEBANK will require the receipt, review and acceptance of the following:

- MAI appraisal indicating a value not less than \$700,000, resulting in a LTV not to exceed 75%.
- Phase I Environmental Assessment or acceptable report completed within the most recent 12 months and acceptable to Bank.
- Complete Set of Plans, Specification, and Construction Drawings for the Project.
- Certificate of Occupancy at completion.
- Copy of master lease with Airiva and rent guarantee.
- Rent roll dated within 30 days prior to the closing date.
- Alta Survey or land survey acceptable to Bank.
- Evidence of utilities to the site with necessary easements.
- Title Commitment, Title Policy in form and substance acceptable to Bank.
- Evidence of Insurance for Business Interruption, Property and Hazard listing ERIEBANK its assignees and successors as mortgagee and loss payee.
- Evidence of Flood Insurance if property is within a flood zone listing ERIEBAN as Mortgagee.
- Evidence of zoning supporting the contemplated use and all other governmental approvals necessary.
- Copy of tax abatement letter of acceptability.
- Copy of City of Sandusky grant notification.

REPORTING REQUIREMENTS

- Borrower to annually provide project operating statements 120 days from year end and Federal Tax Returns 30 days from filing.
- Guarantor(s) to annually provide signed ERIEBANK personal financial statement(s).
- Guarantor(s) to annually provide completed personal Federal Tax Returns 30 days from filing.

LOAN COVENANTS

- Borrower to maintain a minimum Debt Service Coverage Ratio ("DSCR") of 1.20.
 - DSCR defined as Net Operating Income ("NOI") divided by Debt Service.
 - NOI defined as actual annual income less actual annual expenses.
 - Debt Service defined as annual principal and interest repayment as required by the terms and conditions of this loan.

In order to complete my underwriting, I will need the following information:

- Purchase contract.
- Final Proforma.
- Final Construction Budget on AIA G702/G703 draw requests or similar document acceptable Bank to be used for construction draws.
- Final Sources and Uses Statement.
- Copy of the current/form leases.
- Legal ownership entity information when complete.
- Copy of 3 most recent Federal Tax Returns and most recent interim statement for the Borrower.
- Copy of 3 most recent Personal Federal Tax Returns for each Guarantor.
- Signed and completed ERIEBANK PFS, or acceptable form, dated within the most recent 12 months for

each Guarantor.

- Copy of Bank/Brokerage Statements verifying liquidity listed on the PFS of each Guarantor.

This proposal is contingent upon final credit approval, acceptance of ERIEBANK's terms and conditions of funding, and loan documentation satisfactory to ERIEBANK and its counsel. The preceding is merely a letter of proposal and is not nor should be construed as a commitment letter. This letter and its contents are considered confidential and only to be reviewed by or discussed with the parties hereto.

ERIEBANK's ongoing risk assessment of the proposed transaction will involve the analysis of the financial statements, cash flow and contingent liabilities of the Borrower and Guarantors as well as the construction and operating budget of the Borrower.

Please review this proposal letter and call me at 216-403-1852 with any questions or comments you may have.

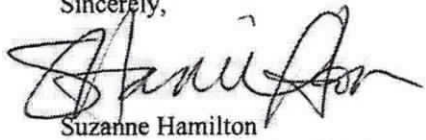
This letter is delivered to the Borrower with the understanding that neither it nor its substance will be disclosed by Borrower to any third-party, except those persons who have a confidential relationship with the Borrower in relation to this transaction or where disclosure is required by law.

THIS LETTER DOES NOT CONSTITUTE A COMMITMENT BY THE BANK TO PROVIDE FINANCING; IT IS STRICTLY A PROPOSAL LETTER.

Should you wish ERIEBANK to proceed with obtaining a formal loan approval, please execute below and return this letter to me along with a \$3,000 loan deposit to be applied toward closing costs. ***This proposal will expire at midnight (14 days from date of letter)*** if ERIEBANK has not been instructed by you to proceed with our formal loan approval process prior to the expiration date. Along with your consent to obtain a formal loan commitment, you agree to reimburse ERIEBANK in advance for any and all out of pocket expenses to be incurred (including but not limited to legal, environmental, appraisal and associated review fees) as a result of obtaining such commitment.

On behalf of ERIEBANK, we thank you for the opportunity to assist you with your real estate financing needs. Please contact me after you have had an opportunity to review the terms and conditions of this proposal.

Sincerely,



Suzanne Hamilton
SVP, Commercial Real Estate
216-403-1852
Suzanne.hamilton@eriebank.bank

ACCEPTED BY:

Authorized Signature



Title

Managing member

Printed Name

Brent Zimmerman

Date

4/29/2020

PROJECT SOURCES AND USES						
ERIEBANK Loan	\$530,000	79.70%	Acquisition	\$190,000	28.57%	
Cash Equity	\$55,500	8.35%	Construction/Improvements	\$400,910	60.29%	
City of Sandusky Cash Grant	\$50,000	7.52%	HC Contingency, 5%	\$20,000	3.01%	
Contributed Developer Fee	\$29,500	4.44%	SC Contingency, 3%	\$765	0.12%	
			Title	\$3,000	0.45%	
			Loan Fee	\$2,625	0.39%	
			Survey	\$1,500	0.23%	
			Appraisal	\$3,000	0.45%	
			Legal	\$2,500	0.38%	
			Developer Fee	\$29,500	4.44%	
			Interest Reserve	\$11,200	1.68%	
					0.00%	
					0.00%	
TOTAL SOURCES	\$665,000	100%	TOTAL USES	\$665,000	100.00%	





