



**ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JULY 28, 2020 – 9:00 A.M.**

BOARD MEMBERS PRESENT: Marsha Bruhn
Kimberly Clayson
Linda Forte
Damon Hodge
Chris Jackson
Kwaku Osei
Jonathan Quarles
Thomas Stallworth

BOARD MEMBERS ABSENT: Clifford Brown
Arthur Jemison (Ex-Officio)
John Naglick (Ex-Officio)

**SPECIAL DIRECTORS
PRESENT:** None

**SPECIAL DIRECTORS
ABSENT:** None

OTHERS PRESENT: Pierre Batton (DEGC/EDC)
Helen Broughton (DEGC/EDC)
Cora Capler (DEGC/EDC)
Gregoire Eugene-Louis (DEGC/EDC)
Gay Hilger (DEGC/EDC)
Denise Hundley (DEGC/EDC)
Paul Kako (DEGC/EDC)
Malinda Jensen (DEGC/EDC)
Kevin Johnson (DEGC/EDC)
Jennifer Kanalos (DEGC/EDC)
Glen Long (DEGC/EDC)
Lexi Mabry (DEGC/EDC)
Rebecca Navin (DEGC/EDC)
Mariangela Pledl (DEGC/EDC)
Kelly Shovan (DEGC/EDC)



**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
TUESDAY, JULY 28, 2020
HELD VIA ZOOM VIRTUAL MEETING
9:00 A.M.**

GENERAL

Call to Order

Chairperson Forte called the meeting of the Economic Development Corporation Board of Directors to order at 9:04 a.m. Roll call was conducted, and a quorum was established.

Approval of Minutes

Ms. Forte asked if there were any additions, deletions or corrections to the minutes of the June 9, 2020 Regular Board meeting.

Hearing none, Ms. Forte called for a motion:

Ms. Bruhn made a motion approving the minutes of the June 9, 2020 Regular Board meeting, as presented. Mr. Hodge seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles and Ms. Forte.

Nays: None.

EDC Resolution Code 20-06-02-333 was approved.

Receipt of Treasurer's Report

Ms. Shovan reviewed the Treasurer's Report of Receipts and Disbursements for the month ending May 31, 2020 and responded to questions.

Subsequent to the discussion, Ms. Forte called for a motion:

Mr. Jackson made a motion approving the Treasurer's Report for May 2020, as presented.

Ms. Clayson seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Code 20-07-03-252 was approved.

PROJECTS

Mr. Forte called on Mr. Eugene-Louis to begin his presentation and technical difficulties on Mr. Eugene-Louis' end prevented the Board from receiving clear audio. Ms. Forte moved on to the



second project item and stated that she would come back to the first item later to give Mr. Eugene-Louis time to reconnect.

Laughter In The Sun, LLC – Casino Loan Program – Loan Restructure

Ms. Mabry advised that Laughter in the Sun, LLC (“LIS”) is a woman and minority owned Limited Liability Company owned by Regina Gaines, Andrea Dunbar and Terry Mullins. They operate the House of Pure Vin, a specialty retail wine store located at 1433 Woodward Avenue. The store occupies 2,200 sf of retail space and 745 sf of storage space. House of Pure Vin sells wine and offers such services as wine tastings, wine sampling and an online wine ordering club.

In October 2015, the Board of Directors of the Economic Development Corporation of the City of Detroit (“EDC”) approved a loan from the Casino Development Funds in the amount of \$130,000.00 (the “Loan”) to LIS. EDC partnered with Invest Detroit and Detroit Development Fund (together with EDC, the “Lenders”). The collateral for the Loan was a lien on all business assets and personal guarantees of the business owners. Funds were used to assist in the buildout of the space. The Loan was to mature in November 2018.

LIS contacted the Lenders before loan maturity and advised that insufficient cash flow amongst other problems would not allow for loan payoffs and requested relief from the Lenders. In 2017, the EDC Board approved a modification that reduced loan payments. The Lenders’ payments were reduced to principal and interest payments in the amount of \$1,333.33. LIS also reached out to its landlord, Merchants Row Webward LLC (the “Landlord”) regarding additional assistance. The Landlord provided financial support in the form of a \$75,000.00 subordinated Line of Credit through an affiliated entity, Rose Financial (“Creditor”). All Lenders also extended the maturity dates to March 2019. Further in 2019, the EDC Board additionally approved a loan restructure which involved amongst other things, the following: 1) a revision of the Loan terms, 2) the release of the 2 partners personal guarantees, 3) a revised subordinated line of credit which included an increase of \$75K, which further allowed a \$25K paydown on the Loan, 4) a revised lease and a revised intercreditor agreement.

In December 2019, in consideration for the EDC receiving a paydown on the outstanding balance of the Loan, the EDC Board approved further modifications to the Loan allowing the Landlord and Creditor to assume a pari-passu position with the EDC. In January 2020, after the EDC Board approved the aforementioned modification, the Landlord approached LIS and the Lenders with the following amended request: 1) the Creditor would escrow \$85,000.00 and disburse it to LIS for a liquor license and for operations on an as needed basis, 2) Creditor and/or Landlord takes a security interest in the additional liquor license acquired, 3) Creditor and Landlord assume a pari-passu position with all Lenders, 4) Each exiting partner of LIS (Andrea Dunbar and Terry Mullins) would pay \$25,000.00 each and this payment would be split between all three Lenders as a paydown on the outstanding balance of the loans, 5) a Second Amendment to the lease will be executed extending the maturity date to November 2022, 6) Landlord discharges the two other partners/guarantors, but Regina Gaines continues to guaranty the lease obligations, 7) Landlord collects principal and interest on outstanding lease balance.



Recently, LIS has been adversely affected by the COVID-19 pandemic and associated “shelter in place” protocols. To mitigate losses, LIS applied for and was awarded \$10,000 in grants through TechTown and the EDC. LIS also received a \$16,000 loan through the Paycheck Protection Program. All of these grant funds LIS received were used for payroll expenses, utilities, inventory and technology costs, and shipping supplies. Although the “shelter in place” order has been lifted, LIS continues to experience a decline in business and revenue and has requested relief in loan payments from all Lenders. EDC and our partner lenders find it practical to defer loan payments for April through July, extend interest only payments from August through December and resume principal and interest payments in January 2021. The current loan balance is \$108,419.31.

Please find below revised loan payment terms and conditions:

1. Minimum principal reduction paydown of \$50k to be split between 3 lenders.
2. Receipt of executed Membership Sale Agreement thereby eliminating partners (Dunbar & Mullins) with no cash-out.
3. Receipt of amended Operating Agreement.
4. Receipt of amended Creditor Line of Credit.
5. Termination of Creditor’s Subordination Agreement.
6. Receipt of executed Landlord lease with maturity date of November 2022.
7. Receipt of revised Intercreditor Agreement with the Lenders, Landlord, and Creditor.
8. UCC Search for LIS.
9. Revision of Loan payments to include a deferral of payments from April through July, interest only payments from August through December. and principal & interest payments to resume in January 2021.

The Landlord and Lenders have supported the LIS journey. We have worked relentlessly to support and maintain the operation of this minority-owned business. The Landlord has and remains a true advocate. They have initiated processes and procedures that will allow for a successful ongoing operation. Some include, but are not limited to: 1) previously providing a \$75K line of credit, 2) the engagement of an accounting firm (J&F Advisors) to analyze all financial reporting, 3) revising the lease, 4) providing ongoing marketing exposure to the entire Rock family of companies, and 5) providing the connection with an IT firm that will integrate a technology improvement plan. Our collective efforts engulf a plan that will ensure a prosperous future for House of Pure Vin.

The EDC Finance Committee has reviewed the proposed transaction and has recommended approval of the amended loan payment terms and conditions.

A draft resolution was included with the Board material for consideration.

Mr. Jackson asked about the obligation to the landlord for back rent. Ms. Hundley responded that there is a total obligation of over \$100,000 for back rent, and the landlord has agreed to reduce



the back rent to \$77,000. The tenant will pay \$1,000 per month, which includes principal and interest on the back rent.

Mr. Hodge asked for clarification on the proposed amendment and stated that the amendment approved by the Board last December included a \$75,000 line of credit which was going to pay down the lenders. It looks like that has been replaced by \$50,000 being contributed by the two releasing guarantors. Ms. Hundley stated that was correct. Mr. Hodge asked if an extension or a term out of the past due rent, which is assumed to date back before the December amendment, was on the table previously. Ms. Hundley advised that the back due rent was always on the table and that she was going to pay back the back rent. The landlord has changed things many times, but her intention was always to pay back some portion of the back due rent.

Ms. Bruhn asked how much equity the owner has in the project. Ms. Hundley responded that the original equity of the three partners was approximately \$30,000, but two partners have exited and the remaining partner, Regina Gains, has invested a lot of money into the project to keep the business going. Ms. Hundley advised she would have to come back to the Board with the exact dollar amount that the owner has contributed. Ms. Bruhn stated that obviously everyone is working hard to keep this business afloat, but given the situation with Covid-19 and the outlook for Downtown with workers and visitors, what is the thinking that this business will be able to make it since it is such a targeted business. Ms. Hundley advised that this business is basically in the same situation as all other small businesses downtown. Ms. Gains has a very dedicated group of people that follow her in a wine club subscription, and also online sales have supported this business. She also plans to get a liquor license that will allow her to sell wine by the glass. Staff believes that she is going to do all that she can to make this business survive, and that is all we can hope for in this business and all the other small businesses.

Subsequent to the discussion, Ms. Forte called for a motion:

Mr. Hodge made a motion approving the restructuring of the Casino Loan to Laughter in the Sun, LLC, as presented. Mr. Osei seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Code EDC 20-07-74-46 was approved.

Proposed Loan: Tabor Way LLC-Casino Loan Program-Non-Affiliated Retail/Restaurant

Ms. Mabry advised that Tabor Way, LLC (the "Borrower") operates the business known as Terri's Cakes Detroit, an award-winning specialty cake shop that launched its brand in 2014 on designing elaborate cakes for weddings and large-scale events. The business is operated by Garnet Terri Conerway and it currently operates as an advance order, delivery only, home-based operation. The business has gained significant public attention in recent years with demand outpacing current capacity, encouraging the Borrower to expand its business model and seek a commercial



space to scale production. In 2018, after operating at home and from shared commercial kitchens for several years, Garnet and her mother Terri Conerway, purchased, with owner equity, a 6,000 SF two story building located at 16311 East Warren, Detroit, MI 48224 (the “Property”) to expand the bakery business. It is anticipated that ownership of the Property will be transferred to a real estate holding company managed by Garnet Conerway (the “Holding Company”). Upon completion, the Borrower, as a tenant, will occupy 3,676 SF on the ground floor of the Property to operate the Terri’s Cakes Detroit business. The Holding Company intends to rent the second story residential unit for additional income.

Garnet Terri Conerway, an African American woman and City of Detroit resident, is the sole owner of the business and will oversee the development, completion, and the day to day operations of the business. Garnet previously worked as an analyst in the City Water Department coordinating initiatives and supporting the asset management division. Garnet was able to create relationships within city departments and better understand the city infrastructure that continues to help her as a novice developer. Observing her mother’s baking for over 40 years, Garnet took the opportunity to turn a hobby into a full-fledged income-producing operation. Garnet trained at Avalon Bakery in Detroit and in 2014 formally launched Terri’s Cakes Detroit from her home. For the past six years, Terri’s Cakes has appealed to those young and old by featuring a wide range of freshly baked goods; provide cakes, cupcakes, cookies, and other confections with gluten-free, vegan, and other dietary restrictions considered. Most ingredients are sourced from vetted local suppliers. Garnet will be the lead baker, and will be hiring on a night baker, and 5 assistant bakers. Garnet will also be creating a student internship that allows students to receive a scholarship/stipend for their hours worked that is paid directly to the college of the students’ choice upon graduation from high school.

Garnet will further grow the business as she has developed several product lines and sourced new contracts. Garnet will lean on her mother’s experience, which includes having over 35 years’ experience in organizational development, human resources, process improvement, among many other skills, to help transition the company to a brick and mortar retail shop. She has developed and implemented apprenticeship programs funded through the Department of Labor.

Garnet has had the opportunity to win a plethora of grants and awards to grow Terri’s Cakes. In 2018, the Borrower received \$75,000 from the Economic Development Corporation of the City of Detroit (“EDC”) Motor City Match program to finance the construction costs for the renovation of the portion of the Property it will occupy. Since construction has been delayed, these grant funds have not been utilized and subject to the Borrower receiving an extension of the grant award, these funds will be the first monies to be used for the project. The Borrower also received a \$4,000 Motor City Match Space award and a \$27,000 Motor City Match Design Award, both of which have been fully utilized. As a consequence of the COVID-19 pandemic, the Borrower was also awarded an EDC Small Business Relief Grant for \$2,500 and Local Initiatives Support Corporation’s Verizon Small Business Recovery Grant of \$10,000.



In addition to the grants and awards received, and to allow the business to move to a permanent space, Garnet has sought additional forms of financing for the renovation of the Property as well as financing to assist with the operation of the business and purchase of furniture, fixtures, and equipment. With respect to financing and rehab of the Property, this work will be undertaken by the Holding Company. Invest Detroit will provide financing to the Holding Company in the form of a construction loan of \$413,000 and an additional \$597,700 through Invest Detroit's Strategic Neighborhood Fund Recoverable Grant ("SNF"). SNF is a recoverable grant utilized in 10 micro neighborhoods to build a focused retail strategy. Resources, market data and studies have identified priority sites i.e. structurally solid building and vacant parcels to bring buildings back online and raise appraisal values in these areas.

In addition to the SNF grant and Invest Detroit's Construction Loan being provided to the Holding Company, and to further support the growth and operation of the business, EDC will partner with Invest Detroit Foundation General Fund to provide financing to the Borrower to complete some remaining renovations as well as purchase fixtures, furniture, and equipment for the space the Borrower will occupy in the Property.

EDC staff seeks to provide the Borrower with financing to support the project and finds this proposal to be supported by the documented and measurable growing sales volume of the Borrower's business. EDC staff also believes this would be a great opportunity to redevelop and participate in the Strategic Neighborhood Fund Corridor (East Warren/ Cadieux). EDC staff recommends the approval of a loan to Borrower through the Casino Loan Program based on the terms and conditions below.

Please find below sources and uses, terms of loan and debt service analysis:

Sources

Invest Detroit Foundation General Fund	\$150,000
Motor City Match	\$75,000
EDC Loan	\$150,000

TOTAL	\$375,000
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Uses

Tenant Improvements	\$150,924
Equipment	\$150,000
Interest/Operating Reserve (12 mos.)	\$38,163
Contingency	\$35,913
TOTAL	\$375,000



Proposed Terms and Conditions:

Borrower: Tabor Way, LLC
 Loan Amount: \$150,000
 Interest Rate: 5%
 Term: 5 years
 Amortization: Ten-year amortization period
 Security: Pari Passu Position on All Business Assets. Cross lien/Cross defaulted with the grant provided by SNF to Terri's Cakes Real Estate ETBF LLC. Personal Guaranties of Garnet Conerway and Terri Conerway, and their respective trusts, if any. A subordinated mortgage on Garnet Conerway's primary residence, pari-passu with Invest Detroit.

Additional Conditions: Receipt, review and approval of any and all information requested by EDC staff.
 Terri Conerway shall become a member of the Borrower or the Holding Company prior to closing.

Debt Service Analysis:

	Proforma	
	<u>2021</u>	<u>2022</u>
Revenue	\$339,199	\$530,002
Costs of Goods Sold	<u>\$101,760</u>	<u>\$159,001</u>
Gross Profit	\$237,439	\$371,002
Total Operating Expenses	<u>\$196,200</u>	<u>\$260,232</u>
Cash for Debt Service	\$49,039	\$110,770
EDC Debt Service	<u>2021</u> \$19,092	<u>2022</u> \$19,092
5%, 10-year amortization Principal & Interest Payment (\$1,591)		
Debt Coverage Ratio	2.57	5.8

The EDC Finance Committee has reviewed the proposed loan and has recommended the approval of a loan based on the terms and conditions contained herein.



A draft resolution was included for the Board's consideration.

With there being no questions or discussion, Ms. Forte called for a motion:

Mr. Jackson made a motion approving the Casino Loan to Terri's Cakes Detroit, as presented. Mr. Osei seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Code EDC 20-07-74-47 was approved.

Motor City Re-Store: Additional Awardee for Round 5 Business Awards

Mr. Eugene-Louis reported that on June 1, 2018, the EDC's Motor City Re-Store program (the "Program") began accepting applications for Round 5 "Design" and "Construction" Track Awards. The Program is a matching façade grant program for existing businesses in Detroit. When applications closed on July 6, 2018, staff had received 72 applications for Round 5 of the Program. Erinana Properties Inc DBA La Dolce Vita Italian Restaurant (the "Applicant") was one of the applicants for Round 5 of the Program.

During staff's standard review, due diligence, and selection process, the Applicant was selected to receive a "Design" award through the Program. However, on November 13, 2018, when the EDC Board of Directors approved staff's recommendations of "Design" and "Construction" awardees for Round 5 of the Program, the Applicant was inadvertently not included in the materials presented to the EDC Board of Directors, and therefore, staff has been unable to provide the applicant with a "Design" award.

In connection with EDC Board of Director's approval of the Round 5 awards, staff was authorized to utilize a budget of \$210,000 for the "Design" awardees. Since that time, the total expected expenditure was reduced by \$53,400 due to the following:

- Four of the awardees were located adjacent to 21st Century Salon (a Round 4 awardee) in properties owned by 21st Century Salon. The design for all five properties was completed in one group contract on behalf of that business/property owner.
- One awardee, Robert's Barbershop, withdrew from the program.
- One awardee, XAT Income Tax's project was not completed and therefore, the award was not utilized.

These adjustments provide sufficient budget to provide the Applicant with a Round 5 "Design" award as staff had originally intended.



Based on the foregoing, EDC staff recommends the Board of Director's approval of a Round 5 "Design" award to the applicant in an amount not to exceed \$10,000 and to be utilized in accordance with the terms of the Program.

A resolution approving the Applicant to receive a "Design" award through Round 5 of the Program was included for the Board's consideration.

With there being no questions or discussion, Ms. Forte called for a motion:

Ms. Bruhn made a motion approving the Additional Awardee to Round 5 of the Motor City Re-Store Program, as presented. Mr. Osei seconded the motion. A roll call vote was conducted with the following result:

Ayes: Ms. Bruhn, Ms. Clayson, Mr. Hodge, Mr. Jackson, Mr. Osei, Mr. Quarles Mr. Stallworth and Ms. Forte.

Nays: None.

EDC Resolution Code EDC 20-07-91-110 was approved.

ADMINISTRATION

None.

OTHER MATTERS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

On a motion by Mr. Osei, seconded by Mr. Stallworth, Ms. Forte adjourned the meeting at 9:31 a.m.



CODE EDC 20-07-02-333

APPROVAL OF MINUTES OF JUNE 9, 2020 REGULAR MEETING

RESOLVED, that the minutes of the regular meeting of June 9, 2020 are hereby approved, and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Economic Development Corporation.

July 28, 2020



CODE EDC 20-07-03-252

RECEIPT OF TREASURER'S REPORT FOR MAY 2020

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending May 31, 2020, as presented at this meeting, is hereby in all respects accepted as action of the Economic Development Corporation.

July 28, 2020



CODE EDC 20-07-74-46

LAUGHTER IN THE SUN, LLC – CASINO LOAN PROGRAM – LOAN RESTRUCTURE

WHEREAS, in October 2015, the Board of Directors of the Economic Development Corporation of the City of Detroit (“EDC”) approved a loan from the Casino Development Funds in the amount of \$130,000.00 to Laughter in the Sun, LLC (“LIS”), a woman and minority-owned limited liability company which operates the House of Pure Vin, a specialty retail wine store located at 1433 Woodward Avenue; and

WHEREAS, EDC, Invest Detroit, and Detroit Development Fund (together with EDC, the “Lenders”) have previously modified the terms of their respective loans, including the approval of reduced payments, extended maturity, and the extension of a subordinated line of credit from Rose Financial LLC (the “Creditor”); and

WHEREAS, on September 20, 2019, the EDC Board further approved a loan restructure which involved a revision of the loan terms to extend maturity 3 years, the release of the personal guarantees of 2 partners exiting the business, a revised subordinated line of credit from the Creditor allowing for a \$25,000 paydown on the EDC loan, a revised lease, and a revised intercreditor agreement; and

WHEREAS, In December 2019, in consideration for the EDC receiving a paydown on the outstanding balance of the Loan, the EDC Board approved further modifications to the Loan extending the maturity date to be adjusted to coincide with the lease expiration (i.e., November 30, 2022) and allowing Merchants Row Webward LLC (the “Landlord”) and Creditor to assume a pari-passu position with the EDC’s lien on LIS’ collateral; and

WHEREAS, in addition to Landlord and Creditor assuming a pari-passu position with the Lenders, Landlord and Creditor have requested that, in lieu of the Lenders each receiving a \$25,000 paydown, the two exiting partners of LIS will pay \$25,000.00 each and this payment will be split between all three Lenders as a paydown on the outstanding balance of the loans; and

WHEREAS, in addition to the foregoing request and due to the COVID-19 pandemic and associated “shelter in place” protocols, LIS has experienced a decline in business and revenue and has requested relief in loan payments from the EDC; and

WHEREAS, EDC staff has reviewed the request and, in addition to the previous loan restructure terms approved by the EDC Board which do not conflict with the amended terms contained in this resolution, finds it reasonable to: (i) accept the \$25,000.00 payment of each exiting partner of LIS to be split between all three Lenders as a paydown on the outstanding balance of the loans; and (ii) defer payments on the EDC loan for April through July, extend



interest only payments from August through December and resume principal and interest payments in January 2021 (collectively, the “Modified Terms”); and

WHEREAS, the EDC Finance Committee has reviewed the Modified Terms and recommends their approval to the Board of Directors; and

WHEREAS, the EDC Board has determined that approval of the Modified Terms is in the best interests of the EDC.

NOW, THEREFORE, BE IT RESOLVED, that the EDC Board of Directors hereby approves the Modified Terms.

BE IT FURTHER RESOLVED that any two Officers, any two of the Authorized Agents of the EDC, or any one of the Officers and any one of the Authorized Agents of the EDC, shall hereafter have the authority to negotiate and execute any and all documents, contracts, or other papers, or take any and all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

BE IT FINALLY RESOLVED that all of the acts and transactions of any Officer or Authorized Agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

July 28, 2020



CODE EDC 20-07-74-47

**PROPOSED LOAN: TABOR WAY LLC-CASINO LOAN PROGRAM-NON-AFFILIATED
RETAIL/RESTAURANT**

WHEREAS, On April 27, 2005, the Detroit City Council passed a resolution allocating \$42,750,000 of funds in the Casino Loan Program to be administered by the EDC for business development initiatives; and

WHEREAS, the EDC was approached by Tabor Way, LLC (the "Borrower") for a loan under the Casino Loan program (the "Loan") for costs associated with the buildout and purchase of fixtures, furniture and equipment for the expansion and operation of the Borrower's business; and

WHEREAS, EDC staff has reviewed the Borrower's financial documentation and proposes the following terms and conditions for the Loan to the Borrower:

Loan Amount:	\$150,000
Interest Rate:	5%
Term:	5 years
Amortization:	Ten-year amortization period
Security:	Pari-Passu position on all business assets. Cross lien/Cross defaulted with the grant provided by Invest Detroit's Strategic Neighborhood Fund Recoverable Grant to a real estate holding company managed by Garnet Conerway (the "Holding Company"). Personal Guaranties of Garnet Conerway and Terri Conerway, and their respective trusts, if any. A subordinated mortgage on Garnet Conerway's primary residence, pari-passu with Invest Detroit.
Additional Conditions:	Receipt, review and approval of any and all information requested by EDC staff. Terri Conerway shall become a member of the Borrower or the Holding Company prior to closing.

; and

WHEREAS, EDC staff presented such information to the EDC Finance Committee which recommends the approval of the Loan in accordance with the terms noted above; and

WHEREAS, the EDC Board of Directors has reviewed the terms of the Loan and determined it is consistent with the EDC's goal of administering funds for business development initiatives and is consistent with the EDC's statutory purposes.

NOW, THEREFORE, BE IT, RESOLVED, that the execution of a Loan consistent with the terms provided herein is hereby approved.



BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the EDC's Authorized Agents, shall hereafter have the authority to negotiate and execute the Loan, together with such other terms and conditions that are determined by such Authorized Agents and/or Officers to be customary or appropriate and not inconsistent with this resolution, and to negotiate and execute all other documents, contracts, or papers, and take all actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the EDC.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

July 28, 2020



CODE EDC 20-07-91-110

MOTOR CITY RE-STORE: ADDITIONAL AWARDEE FOR ROUND 5 BUSINESS AWARDS

WHEREAS, on June 1, 2018, the EDC's Motor City Re-Store program (the "Program") began accepting applications for Round 5 "Design" and "Construction" Track Awards; and

WHEREAS, Erinana Properties Inc DBA La Dolce Vita Italian Restaurant (the "Applicant") was one of the applicants for Round 5 of the Program and EDC staff was prepared to recommend the approval of a "Design" award for the Applicant; and

WHEREAS, on November 13, 2018, the EDC Board of Directors approved various "Design" and "Construction" awards for Round 5 of the Program, however, such approval did contain the approval of a "Design" award to the Applicant; and

WHEREAS, in order to provide the Applicant with an award as originally intended, EDC staff recommends approval of a Round 5 "Design" award to the Applicant to be utilized in accordance with the terms and conditions of the Program; and

WHEREAS, funds which were previously allocated to various awardees for Round 5 of the Program and which have not been utilized will be allocated to provide a "Design" award to the Applicant in an amount not to exceed \$10,000; and

WHEREAS, the EDC Board has determined that the staff recommendation is reasonable and consistent with the Program.

NOW, THEREFORE BE IT RESOLVED that the EDC Board of Directors approves a "Design" award to the Applicant in an amount not to exceed \$10,000 through Round 5 of the Program.

BE IT FURTHER RESOLVED, that any two Officers, or any one of the Officers and any one of the Authorized Agents or any two of the EDC's Authorized Agents shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers and to take such actions as are necessary or appropriate to implement the provisions and intent of this resolution.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the EDC, in the name and on behalf of the EDC, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions, except that such acts were taken prior to the execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

July 28, 2020