

## MINUTES

### **BUSINESS REVOLVING LOAN FUND REVIEW COMMITTEE JANUARY 17, 2008 – 1:30 P.M. COMMISSIONER'S COMMITTEE ROOM**

Present: Commissioners Tillotson, Van Doren, Bailey, and Irv Shaw

Also Present: Dale Smith, Marilyn Woods, Cheryl Whipple, and Kathy Bernardo

#### I. Approval of Minutes

*Motion by Van Doren, supported by Shaw, to approve the minutes of the December 21, 2007 meeting, with the change in the amount of Kemner's liability to \$48,000. Motion carried.*

#### II. Review proposals from Adelante personal guarantors

Dale Smith reported that Mr. Malcolm is willing to pay back his portion of the Adelante loan with a \$5,000 down payment in January, 2008, and the remaining balance to be paid over five years, interest free. Mr. Smith believes that Mr. Malcolm should be required to pay interest on the loan repayment.

Commissioner Van Doren stated that the current default interest rate for United Bank and Trust is 10 to 11%.

*Motion by Van Doren, supported by Bailey to approve the recommended proposal submitted by Mr. Thomas Malcolm, with the addition of a seven percent fixed rate interest clause on the remaining balance, after the \$5,000 down payment.*

*Motion by Van Doren, supported by Shaw, to amend the motion to add an acceleration clause to the repayment terms for Mr. Malcolm. Motion carried.*

*Original motion as amended carried.*

Dale Smith reported that two other personal guarantors, Mr. Kemner and Mr. Hoffmann, are proposing a \$600 per month payment, \$500 per month toward Mr. Kemner's liability and \$100 per month towards Mr. Hoffmann's liability. The parties would like a stay of 45 to 60 days in order to assess the recovery and sale of equipment owned by Adelante by the Business Revolving Loan Fund Committee. During this time, Mr. Hoffman and Mr. Kemner will make the \$600 per month payments.

Mr. Smith has informed the guarantors that if the equipment is sold, these funds will draw down the loan amount prior to being applied to any amount owed by the guarantors.

*Motion by Van Doren, supported by Shaw, to approve a 60 day extension on the personal guarantees from Kemner and Hoffman, with an interim monthly repayment schedule of \$600, to*

*be allocated \$500 to Kemner and \$100 to Hoffman, and a 7% interest rate on the amount owed by each guarantor. Motion carried.*

III. Adjournment

*Motion by Van Doren, supported by Shaw, to adjourn the meeting at 2:05 P.M. Motion carried.*

*KSB/rdb*

## MINUTES

### **BUSINESS REVOLVING LOAN FUND REVIEW COMMITTEE FEBRUARY 7, 2008 – 9:30 A.M. COMMISSIONERS' COMMITTEE ROOM**

Present: Commissioners Tillotson and Van Doren, and Irv Shaw

Also Present: Dale Smith, Randy Yagiela, Cheryl Whipple, and Kathy Bernardo

#### I. Approval of Minutes

*Motion by Van Doren, supported by Shaw, to approve the minutes of the January 17, 2008 meeting. Motion carried.*

#### II. Review proposals from Adelante personal guarantors

Dale Smith reported that Mr. Malcolm is proposing to pay his portion of the Adelante loan with a \$9,000 down payment and the remaining balance to be paid over three years interest free. Mr. Malcolm's original offer included a \$5,000 down payment and the balance paid over five years interest free.

Commissioner Van Doren stated that if Mr. Malcolm becomes 30 days delinquent on any payment, then interest charges of seven percent shall commence.

*Motion by Van Doren, supported by Shaw, to approve the proposal submitted by Mr. Thomas Malcolm accepting a \$9,000 down payment on his debt to the County, with monthly installments for the balance due to be paid over three years interest free, unless any payment is past 30 days late, at which time interest charges of seven percent will begin. Motion carried.*

Dale Smith delivered a check from Mr. Hoffmann and Mr. Kemner in the amount of \$600, per the agreement from the meeting on January 17, 2008.

#### III. Other Business

##### Homer Donaldson Company

Randy Yagiela reported that Homer Donaldson Company is in the process of building prototype, sample, and preproduction parts for several customers. When this new business is in full production, it is estimated ten new jobs will be necessary. Homer Donaldson may be seeking a loan from the Business Revolving Loan Fund for up to \$250,000.

*Motion by Van Doren, supported by Shaw, to continue working with Homer Donaldson Company on the new loan proposal. Motion carried.*

Tool and Die Venture

Randy Yagiela also updated the committee on a possible tool and die company loan proposal in the future.

IV. Adjournment

*Motion by Van Doren, supported by Shaw, to adjourn the meeting at 9:55 A.M. Motion carried.*

*CLW/ksb*

## MINUTES

### **BUSINESS REVOLVING LOAN FUND REVIEW COMMITTEE MARCH 6, 2008 – 9:15 A.M. COMMISSIONERS' COMMITTEE ROOM**

Present: Commissioners Tillotson and Van Doren, and Jonathan Poer

Also Present: Dale Smith, Sue Smith, Cheryl Whipple, and Kathy Bernardo

#### I. Approval of Minutes

*Motion by Van Doren, supported by Poer, to approve the minutes of the February 7, 2008 meeting. Motion carried.*

#### II. Review proposal from Adelante guarantors on release of equipment lien

Dale Smith reported that the City of Adrian would like the equipment removed from the former Adelante building. The County has already released the lien on the equipment in prior transactions, with the exception of the phone system and turntable. A letter has been sent by Attorney Pollesch to Floyd's Rigging requesting assistance in tracking the equipment removed from Adelante. The equipment in operational order is worth up to \$250,000; in un-operational condition, it is worth approximately \$75,000. Mr. Smith informed the City of Adrian to release the remaining equipment to Mr. William Kemner. Mr. Kemner will issue a check to the County for \$20,000 upon obtaining the equipment. Dale Smith has been informed that the equipment may be located at the Lear Corporation.

Dale Smith reported that Thomas Malcolm has submitted the \$9,000 down payment.

Dale Smith reported that two \$600 payments have been applied toward the Kemner/Hoffman agreement, and they have remitted \$10,000 for the initial payment on the future sale of the equipment.

*Motion by Van Doren, supported by Poer, to allow William Kemner and Phillip Hoffman an additional sixty-day extension on the monthly \$600 payments to the County. Motion carried.*

#### III. Review member appointment

*Motion by Van Doren, supported by Tillotson, to appoint Jonathan Poer to the Business Revolving Loan Fund Review Committee by virtue of office. Motion carried.*

IV. Other Business

Homer Donaldson Company

Sue Smith from the Lenawee Chamber reported that Hans Larsen from the State of Michigan would not recommend considering the loan request from Homer Donaldson Company at this time.

*Motion by Poer, supported by Van Doren, to request that Sue Smith from the Lenawee Chamber for Economic Development contact the Homer Donaldson Company to notify them that they may continue with the loan application process, but that the State of Michigan is not satisfied with the request. Motion carried.*

V. Adjournment

*Motion by Van Doren, supported by Poer, to adjourn the meeting at 9:40 A.M. Motion carried.*

*CLW/ksb*

## MINUTES

### **BUSINESS REVOLVING LOAN FUND REVIEW COMMITTEE MAY 22, 2008 – 10:00 A.M. COMMISSIONERS' COMMITTEE ROOM**

Present: Commissioners Tillotson, Hall and Van Doren, and Jonathan Poer

Also Present: Dale Smith, Sue Smith, Cheryl Whipple, Marilyn Woods, and Kathy Bernardo

#### I. Approval of Minutes

*Motion by Hall, supported by Van Doren, to approve the minutes of the March 6, 2008 meeting. Motion carried.*

#### II. Review status of Adelante equipment

Dale Smith reported that judgments have been received on four of the personal guarantors. Three of them are paying monthly; the fourth has declared bankruptcy. There is some equipment that the County has a priority claim on, that have been sold and moved out of the state. A letter has been sent to both companies that have the equipment. Lawyers need to be hired in Pennsylvania and Georgia to proceed with a claim and delivery. The UCC filings clearly show Lenawee County as having the priority claim.

*Motion by Van Doren, supported by Poer, to authorize Mr. Smith to hire legal counsel in Pennsylvania and Georgia to proceed with a claim and delivery against the two companies that have the priority claim on the equipment. Motion carried.*

#### III. Other Business

##### Cooke Trucking

Sue Smith from the Lenawee Chamber reported that Mr. Cooke from Cooke Trucking would like a line of credit from the County. The bank would have half of the credit line, and the County would have the other half. The bank would manage the line of credit.

Commissioner Van Doren stated that we need a release from Cooke Trucking to give the County permission to speak to their bank.

Sue Smith stated the Cooke Trucking receivables would be the collateral on the loan. Hans Larsen from the State of Michigan informed Ms. Smith that any receivable amount beyond 90 days cannot be used as collateral. Mr. Cooke is requesting \$135,000 total, with a 50% loan from the County.

*Motion by Van Doren, supported by Hall, to request a signed release from Cooke Trucking giving permission for the County to speak with the company's bank. Motion carried.*

There was general discussion regarding the type of loans that the committee is able to authorize.

IV. Adjournment

*Motion by Van Doren, supported by Hall, to adjourn the meeting at 10:45 A.M. Motion carried.*

*CLW/ksb*

## MINUTES

### **BUSINESS REVOLVING LOAN FUND REVIEW COMMITTEE JUNE 26, 2008 – 10:16 A.M. COMMISSIONERS' COMMITTEE ROOM**

Present: Commissioners Tillotson, Hall and Van Doren, and Jonathan Poer

Also Present: Roger Ferguson (United Bank & Trust), Tom Cooke, Sue Smith, Cheryl Whipple, Irv Shaw, Jody Denske, and Rebecca Borton

#### I. Approval of Minutes

*Motion by Van Doren, supported by Hall, to approve the minutes of the May 22, 2008 meeting. Motion carried.*

#### II. Review loan proposal – Cooke Trucking

Tom Cooke, owner of Cooke Trucking, Inc. distributed a financial report and presented an overview of his business.

Cooke Trucking, Inc. was established May 1, 2005 in Adrian, Michigan. The two shareholders are William T. (Tom) and Sandra K. Cooke. They are currently renting space from Inteva on East Beecher St. in Adrian and there is room there to expand.

They are requesting a loan totaling \$125,000.00; \$62,500 is being requested from the Business Revolving Loan Fund. This money is to be used to add liquidity to Cooke Trucking, Inc., and reduce operating costs. They currently have eight tractors and ten dry van trailers. They have two part time drivers, nine full time drivers, and are currently seeking a full time driver. Cooke Trucking, Inc. was described as having a very strong customer base of Adrian businesses that include Aget Manufacturing, Dairy Farmers of America, Inergy Automotive, and Jacobs Plastics.

Cooke Trucking, Inc. is proposing expansion to include in-house mechanical maintenance; which will create an additional position.

Cooke Trucking, Inc., created a transportation brokerage company, Vision Transportation, LLC, and would like to expand that part of the operation as well, creating another new position.

Roger Ferguson, United Bank & Trust (UBT), recommends a fixed term loan.

Commissioner Van Doren requested financial statements for 2005, 2006, and 2007. Mr. Cooke will forward the requested information to Sue Smith. Discussion followed on the trucking industry and future prospects.

Ms. Smith reported that Hans Larson has reviewed the request.

Commissioner Van Doren recommends reconvening upon submission of prior financial statements (2005-2007) by Cooke Trucking, Inc.

Roger Ferguson will report back to the Committee with UBT's evaluation.

III. Other Business

Ms. Smith has sent a letter to the cities, villages, townships, and other interested parties explaining the business revolving loan fund and she advises that there has been positive feedback.

IV. Adjournment

*Motion by Hall, supported by Van Doren, to adjourn the meeting at 10:49 A.M. Motion carried.*

*CLW/rdb*

## MINUTES

### **BUSINESS REVOLVING LOAN FUND REVIEW COMMITTEE NOVEMBER 6, 2008 – 1:00 P.M. COMMISSIONERS' COMMITTEE ROOM**

Present: Commissioners Tillotson, Hall and Van Doren, and Jonathan Poer

Also Present: Cheryl Whipple, Erica Raymond, David Munson, Todd Vanbynen (Palm Plastics), and Marilyn Woods

#### I. Approval of Minutes

*Motion by Van Doren, supported by Hall, to approve the minutes of the June 26, 2008 meeting. Motion carried.*

#### II. Review subordination agreement – Palm Plastics

The new subordination agreement from Palm Plastics was reviewed. Upon closing, this agreement will replace the subordination agreement with Greenfield Commercial Credit, LLC.

Commissioner Van Doren inquired on the status of Palm Plastics payments. Erica Raymond reported that Palm Plastics is current on payments.

*Motion by Van Doren, supported by Hall, to authorize the subordination agreement with Citizens Bank for the Palm Plastics, Ltd. Motion carried.*

*Motion by Van Doren, supported by Hall, to authorize the County Administrator to sign the subordination agreement on behalf of the Lenawee County Board of Commissioners. Motion carried.*

#### III. Adjournment

*Motion by Van Doren, supported by Hall, to adjourn the meeting at 1:15 P.M. Motion carried.*

CLW/rdb