

**A RESOLUTION APPROVING A LOAN MODIFICATION OF THE REVOLVING LOAN AGREEMENT FOR NEAL'S DELI**

Draft Resolution No. 5/2011-12

**WHEREAS**, the Board of Aldermen on December 17, 2007 approved a loan from the Carrboro Revolving Loan Fund to Neal's Deli in the amount of \$105,000 for a term of 78 months at 2% interest rate; and

**WHEREAS**, the applicant has requested a loan modification to the loan agreement; and

**WHEREAS**, the modified agreement will allow the applicant to continuing making the monthly payments of \$1,528.83 with a final balloon payment of the remaining principal on August 1, 2014(estimated at \$7,644.09); and

**WHEREAS**, there are no changes in the terms or interest rate; and

**WHEREAS**, repayment of the loan will continue to be secured by a deed of trust on real property owned by Borrower's principal(s); and

**WHEREAS**, the Economic Sustainability Commission has reviewed the account and recommends that the Board of Aldermen modify the terms as proposed.

**NOW THEREFORE BE IT RESOLVED**, that the Carrboro Board of Aldermen accept the modified terms to allow the applicant to continuing payments of \$1,528.83 with a final balloon payment of the remaining principal on August 1, 2014 (estimated at \$7,644.09) as proposed by the applicant and recommended by the Economic Sustainability Commission.

**A RESOLUTION APPROVING A LOAN MODIFICATION OF THE  
REVOLVING LOAN AGREEMENT FOR  
CARRBORO CREATIVECO-WORKING  
Draft Resolution No.6/2011-12**

**WHEREAS**, the Board of Aldermen on August 29, 2008 approved a loan from the Carrboro Revolving Loan Fund to Carrboro Creative Co-working in the amount of \$90,000 for a period of 72 months at 2% interest rate; and

**WHEREAS**, the applicant and the Town wish to modify to the loan agreement; and

**WHEREAS**, the modified agreement will extend the terms to a total payback period of 180 months (measured from the original loan disbursement date) and the interest rate will be a graduated scale of 0% interest for 24 months, 2% interest for 24 months and 4% interest for 101 months as per the attached Amortization Schedule dated 08/16/2011; and

**WHEREAS**, a copy of the inventory list is attached to the loan modification agreement and all the assets will be liquated within 60 days of the closing of the business and proceeds will go toward the outstanding principal of the loan; and

**WHEREAS**, the repayment of the loan will continue to be secured by a deed of trust on real property owned by the Borrower's principal; and

**WHEREAS**, the Economic Sustainability Commission has reviewed the account and recommends that the Board of Aldermen modify the terms as proposed.

**NOW THEREFORE BE IT RESOLVED**, that the Carrboro Board of Aldermen accept the modified terms to allow the applicant to extend the terms to a total payback period of 180 months and the interest rate will be a graduated scale of 0% interest for 24 months, 2% interest for 24 months and 4% interest for 101 months as per the attached Amortization Schedule dated 08/16/2011.

**BE IT FURTHER RESOLVED**, a copy of the inventory list is attached to the loan modification agreement and all the assets will be liquated within 60 days of the closing of the business and proceeds will go toward the outstanding principal of the loan.

NORTH CAROLINA  
ORANGE COUNTY

**LOAN MODIFICATION AGREEMENT**

This Agreement is entered into by and between Art In A Pickle, LLC, Matthew Hobbs Neal and Sheila D. Neal, d/b/a “Neal’s Deli”, and hereinafter referred to collectively as the “Borrowers,” and the Town of Carrboro, a North Carolina municipal corporation located in Orange County, hereinafter referred to as the “Town.”

WHEREAS, on December 17, 2007 the Borrowers and the Town entered into a Loan Agreement pursuant to which the Borrowers borrowed \$105,000.00 from the Town’s Revolving Loan Fund, which loan was evidenced by a Promissory Note and repayment of which loan amount was secured by a deed of trust on certain real property known as 109 Shelton Street in Carrboro, North Carolina, which deed of trust was recorded in the Orange County Register of Deeds office at Deed Book 4427, page 95; and

WHEREAS Borrowers desire to modify the terms of the original Loan Agreement as set forth herein, all other terms of the original Loan Agreement to remain unchanged except as specifically set forth herein; and

WHEREAS the Town desires to secure repayment of the outstanding loan balance, which is currently \$61,458.52, according to the terms of this Loan Modification Agreement

NOW, THEREFORE, IN CONSIDERATION OF the mutual covenants and promises set forth below, the parties to this agreement hereby agree as follows:

1. The Borrowers acknowledge that the current outstanding loan balance is \$61,458.52, which is due and owing to the Town pursuant to the original Loan Agreement and Promissory Note;

2. The Borrowers agree to repay that amount according to the following repayment schedule:
  - a. Borrowers shall pay to the Town the sum of One Thousand Five Hundred Twenty Eight and Eighty Three Hundredths Dollars (\$1,528.83) on the first day of each month beginning September 1, 2011 and continuing through and including July 1, 2014.
  - b. On August 1, 2014 Borrowers shall pay to the Town in full all remaining principle and accrued interest, and all other charges which may have accrued on the loan balance in accordance with the terms of the Loan Agreement.
3. Except as modified by the terms of this Loan Modification Agreement, all other terms of the original Loan Agreement remain in full force and effect. To the extent that this Loan Modification Agreement alters or modifies the terms of the Promissory Note signed by Borrowers on December 17, 2007, the terms of the Promissory Note shall be deemed, and hereby are, modified to be consistent with the terms set forth in this Loan Modification Agreement.
4. The Town hereby expressly reserves the right to enforce all terms of the original loan Agreement except as modified herein, and no past forbearance or waiver by the Town, if any, of its right to enforce such terms shall be or constitute a waiver of the Town's right to enforce such terms should Borrowers default in performance of the terms of the original Loan Agreement or of the terms of this Loan Modification Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate originals this \_\_\_ day of August , 2011.

TOWN OF CARRBORO

BORROWERS

Art In A Pickle, LLC

By: \_\_\_\_\_  
Matthew Hobbs Neal, Manager

By: \_\_\_\_\_  
Matthew Efird, Interim Town Manager

\_\_\_\_\_

Matthew Hobbs Neal

\_\_\_\_\_

Sheila D. Neal

NORTH CAROLINA  
ORANGE COUNTY

**LOAN MODIFICATION AGREEMENT**

This Agreement is entered into by and between Community Workplaces, LLC, successor in interest to Yesh Thirty Seven, L.L.C, and Brian C. Russell, hereinafter referred to collectively as the "Borrowers," and the Town of Carrboro, a North Carolina municipal corporation located in Orange County, hereinafter referred to as the "Town."

WHEREAS, on August 29, 2008 the Borrowers and the Town entered into a Loan Agreement pursuant to which the Borrowers borrowed Ninety Thousand and No Hundredths Dollars (\$90,000.00) from the Town's Revolving Loan Fund, which loan was evidenced by a Promissory Note and repayment of which loan amount was secured by a deed of trust on certain real property known as 138 Ridge Trail in Carrboro, North Carolina, which deed of trust was recorded in the Orange County Register of Deeds office at Deed Book 4597, page 273; and

WHEREAS Borrowers have ceased, or are in the process of ceasing, operations of the business financed by the Loan, and desire to modify the terms of the original Loan Agreement as set forth herein; and

WHEREAS the Town desires to secure repayment of the outstanding loan balance, which is currently \$78,169.71 according to the terms of this Loan Modification Agreement.

NOW, THEREFORE, IN CONSIDERATION OF the mutual covenants and promises set forth below, the parties to this agreement hereby agree as follows:

1. The Borrowers acknowledge that the current outstanding loan balance is \$78,169.71 which is due and owing to the Town pursuant to the original Loan Agreement and Promissory Note;

are jointly and severally liable to pay such costs to then Town in addition to the outstanding loan balance.

3. Borrowers and the Town acknowledge and understand that Borrowers are discontinuing the business operation for which the Town loaned and Borrowers borrowed from the Town funds from the Town's Revolving Loan Fund. Borrowers acknowledge that the Town is authorized by the original Loan Agreement to accelerate the repayment of the outstanding loan balance and require Borrowers to repay the outstanding loan balance in full immediately. Borrowers acknowledge that the Town is, by this Loan Modification Agreement, waiving that right based on any default by Borrowers in performance of their obligations under the original Loan Agreement until and through the date of execution of this Loan Modification Agreement, but that the Town retains the right to accelerate the terms of repayment as set forth herein should Borrowers default in their obligations under this Loan Modification Agreement.
4. Borrowers may prepay then outstanding loan balance at any time without penalty.
5. Borrowers acknowledge that the Town has a security interest in all furniture and equipment used by Borrowers in connection with Carrboro Co-working, and that the inventory list attached to, this Loan Modification Agreement is an accurate list of the material, furniture and equipment which are subject to the Town's security interest. The Town may file a UCC-1 statement as appropriate to perfect its security interest in these and such other items as may come under Borrowers' possession, custody and control in connection with Carrboro Co-working. Should Borrowers sell or otherwise dispose of the items listed, the proceeds of such sale and/or disposition shall be paid over to the Town within 60 days of the closing of the business.

- 6. Borrowers acknowledge that repayment of the outstanding loan balance is secured by a deed of trust on Borrower Brian C. Russell's real property known as 138 Ridge Trail, Chapel Hill, NC 27516 recorded in the Orange County Register of Deeds office as set forth above, and that said deed of trust shall remain until the outstanding loan balance is paid in full.
- 7. Borrowers acknowledge that the terms of the original promissory Note have been changed by this Loan Modification Agreement, and that said Promissory Note shall be deemed and hereby is modified by the terms hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate originals this \_\_\_\_ day of August, 2011.

TOWN OF CARRBORO

BORROWERS

Community Workplaces, LLC, as  
Successor in interest to Yesh Thirty  
Seven, L.L.C

By: \_\_\_\_\_  
Brian C. Russell, Manager

By: \_\_\_\_\_  
Matthew Efird, Interim Town Manager

\_\_\_\_\_  
Brian C. Russell



Price	Quantity	Item	Description
\$100	1	Apple Airport Wireless Router	g/b/n
\$500	1	Apple Xserve	
\$150	3	bookshelves	5 shelves each
\$350	7	Cabinet, filing	lockable w/unique keys
\$80	4	Cabinet, metal	Ikea
\$1,800	6	Chair, Lounge	Orange
\$800	8	Chair, stacking	black, modern design
\$3,900	13	Chair, task	Steelcase Think Chair
\$5,500	22	Chair, task - green	
\$750	6	Cisco VOIP Phone	
\$9	9	Coffee Cups, avacado green	with saucers, Ikea
\$3	4	Coffee Cups, green tall	
\$275	1	Coffee Maker, Pro	Curtis D500AP, Hot water tap for tea, Connects to water system, comes with filter, carafe,
\$500	1	Computer	Apple Mac mini, Mac OSX Desktop, with wired keyboard and mouse
\$500	1	Computer	Apple Mac Mini, Mac OSX Server
\$500	1	Conference Table	Oval
\$175	1	Cork Board	Unique frame w/blue and grey cork
\$500	1	Credenza	Knoll, MidCentury modern, wood & metal, vintage
\$75	1	Cuby shelves	
\$675	9	Desk, Ikea	2 X 4 feet w/wheels
\$350	1	Desk, large	MidCentury modern, wood & metal
\$1,000	8	Desk, pro	2 x 4 feet
\$100	1	Espresso maker	single serving, Nespresso
\$150	1	Ethernet Tap	Baracuda networks Ethernet Tab 10
\$50	1	Fax Machine	
\$10	1	Garbage can, kitchen	silver
\$2	7	Glasses, small	
\$17	68	Glasses, Wine	assorted
\$400	1	Laserprinter, B&W	HP P3005X
\$700	1	Laserprinter, Color	Xerox Phaser 8560
\$100	1	LCD Screen, Acer	20" square
\$800	2	LCD Screen, Samsung	42", 1080p
\$500	12	Mail boxes	Salisbury, with security cabinet with all keys
\$35	1	Microwave	
\$10	1	Mini Fridge, white	
\$30	1	Mirror	Black attractive frame
\$150	1	Monitor, LCD	Viewsonic, 23"
\$19	25	Network Patch cables	You need these for your switch to connect it to ports in the walls
\$200	1	Network Switch	Dell Powerconnect 3248
\$80	1	Paper shredder	
\$28	14	Plates	yellow, square, sushi style
\$100	1	Portable Air conditioner	Good to keep your networking closet cold
\$150	1	Router	Snap Gear 300

	Price	Quantity	Item	Description
	\$100	1	Security Camera	connect to your network both Wired & wirelessly
	\$35	1	Small fridge, black	
	\$300	2	Table, Cafe Round	
	\$1,650	6	Table, Rolling	Data and power ports on top, made to create larger conference room table
	\$140	4	Table, side	Cylinder, tan color
	\$25	1	White board, large	
	\$35	2	White board, medium	
	\$50	2	Wireless Router	Netgear WRT54GL, One unopened still in box
<b>Sub Total</b>	\$24,458			
<b>Total</b>	\$24,458			