



# COMMERCIAL LOAN AGREEMENT

between

**The City of Parma**

and

**State Meat Market, Inc.  
George Salo, An Individual**

**THIS AGREEMENT**, made and entered into at Parma, Ohio this \_\_\_ day of June, 2021 by and between the CITY OF PARMA, 6611 Ridge Road, Parma, Ohio, 44129 (hereafter the “City” or “Lender”), acting through the Department of Community Development, Erik Tollerup, Director, and duly authorized by Mayor Timothy DeGeeter on \_\_\_\_\_, 2021 and State Meat Market, Inc. and George Salo as an individual (hereafter “Borrowers”), whose mailing address is 5338 State Road, Parma, OH 44134.

**WHEREAS**, Borrower has applied to CITY OF PARMA DEPARTMENT OF COMMUNITY DEVELOPMENT for a loan in the amount of THIRTY FIVE THOUSAND DOLLARS AND 00/100 (\$35,000.00) (hereafter the “Revolving Loan”), to assist State meat Market Inc. and George Salo with working capital for the operation and expansion of State Meat Market Inc. located at 5338 State Road, Parma, Ohio 44134; and,

**WHEREAS**, Lender desires to make the applied for Loan to Borrowers to enable Borrowers to carry out their plans as set forth in the application, subject to the terms and conditions hereinafter set forth; and

**WHEREAS**, the City has determined that this loan will improve the commercial business district and is in the best interests of the City of Parma and its residents.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, Lender and Borrowers agree as follows:



## **ARTICLE I – PROJECT DETAILS**

### **SECTION 1.01 – WORKING CAPITAL PROJECT**

Borrowers agree to undertake, or cause to be undertaken the following activity (hereafter referred to as the “Project”): the operation and expansion of a retail and wholesale meat market located at 5338 State Road;

### **SECTION 1.02 - FINANCING SOURCES FOR THE RENOVATION PROJECT**

The financing sources for the Project (working capital) shall be from a business contribution and a Parma Commercial Revolving Loan in the sum of THIRTY FIVE THOUSAND DOLLARS AND 00/100 (\$35,000.00).

### **SECTION 1.03 - TIMETABLE FOR PROJECT ACTIVITIES**

Borrowers agree to maintain business operations at the project site and/or within the jurisdictional limits of the city of Parma only. Lender may grant an extension of time to complete the Project if necessary because of unforeseen circumstances.

### **SECTION 1.04 - GUARANTEE OF COMPLETION AND REPAYMENT**

Borrowers unconditionally and irrevocably guarantee timely completion of the Capital Project in accordance with Section 1.03 and timely repayment of the Loans in accordance with Article II. To accomplish complete and timely execution of the Project, Borrowers shall make payment for any cost overruns.

## **ARTICLE II - LOAN**

### **SECTION 2.01 - THE LOAN, RATES AND NOTES**

Subject to the terms and conditions of this Agreement, Lender hereby agrees to lend to Borrowers, and Borrowers agree to borrow from Lender, the sum of THIRTY FIVE THOUSAND DOLLARS AND 00/100 (\$35,000.00) for capital to MAINTAIN, ENHANCE, AND EXPAND BUSINESS OPERATIONS located at 5338 State Road, Parma, Ohio, 44134.

### **SECTION 2.02 - REVOLVING LOAN - USE TERM AND REPAYMENT**

The Revolving Loan in the sum of THIRTY FIVE THOUSAND DOLLARS AND NO/100 (\$35,000.00) shall be solely for working capital to operate and enhance State Meat Market Inc. at 5338 State Road, Parma, Ohio 44134. The obligation of the borrower to repay the Revolving Loan shall be evidenced by and repayable in accordance with the terms of the Agreement and in accordance with the terms of a Cognovit Note (hereinafter “Revolving Loan Note”) of Borrowers in a form satisfactory to Lender (or in the form of Exhibit “A” attached hereto), dated the date on which the Loan is made (hereinafter the “Closing Date”), payable to the order of the lender in the amount of the Revolving Loan with interest on the unpaid principal balance thereof, from time to time outstanding, at a fixed annual rate of two percent (2%).

The Term of the Revolving Loan shall be five (5) years with the Loan to be repaid in sixty (60) consecutive monthly installments of SIX-HUNDRED THIRTEEN DOLLARS AND 47/100 CENTS (\$613.47). If the Borrower creates one (1) full-time employment position consisting of 40+ hours per week for a low/moderate income individual within the first two (2) years of the loan, no repayment of the loan shall be necessary. If not, the borrower shall repay the entire loan within five (5) years.

The first installment shall be deferred until July 1, 2023 following disbursement of the loan. Subsequent installments shall be due in advance on the first (1st) day of every calendar month thereafter during the Term of the Loan. All payments shall be made payable to the City of Parma and be made promptly to Lender at the following address or at such other address as Lender may designate in writing: *Department of Community Development, Attn: Loan Processing, City of Parma, 5517 State Road, Parma, Ohio, 44134*. All payments shall be applied first to interest and late fees, and then to principal. If any installment is not paid within thirty (30) days after it is due, Lender may charge a late fee equal to five percent (5%) of the amount of the payment due and may continue to charge such five percent (5%) fee for each additional thirty (30) day period the payment remains outstanding. If any installment remains unpaid for more than ninety (90) days, or if Borrowers are in default of any provision of this Agreement and has failed to cure such default within the time and as provided in this Agreement, the entire principal balance and any unpaid interest and/or charges thereon shall become immediately due and payable, and shall bear interest thereafter at the rate of ten percent (10%) per annum.

This section shall not be construed to mean that the Lender has any duty to wait ninety (90) days before employing any legal remedies available to it including but not limited to enforcing the Cognovit Note and/or Unconditional and Continuing Guarantee.

#### **SECTION 2.03 - PREPAYMENT**

Borrowers may prepay all or any part of the principal without penalty.

### **ARTICLE III - REPRESENTATIONS AND WARRANTIES**

Borrowers represent and warrant to Lender that the following are true with respect to the Borrowers and each Guarantor:

#### **SECTION 3.01 - DISBURSEMENT OF LOANS**

The City shall disburse the Loan funds to Borrowers accordingly: No disbursement of loan funds shall be made unless and until all loan documents, mortgages, notes, security agreements, guarantees, insurance certificates and other required documentation have been properly executed, received and approved by the City.

#### **SECTION 3.02 - AUTHORIZATION**

The entering into and performance by Borrowers of this Agreement and the execution and delivery of the Notes and all other documents and instruments required under this Agreement will not violate any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect and having applicability to Borrowers or result in a breach of or constitute a default under any indenture, bank loan, credit agreement or any other agreement or instrument to which Borrowers is a party or by which it or its property may be bound or affected.

#### **SECTION 3.03 - ENFORCEABILITY**

When this Agreement is executed by Borrowers and Lender, and when the Notes are executed and delivered by Borrowers for value, each such instrument shall constitute the legal, valid and binding obligation of the parties thereto in accordance with their terms. Any instruments, mortgages and other liens on chattel or real estate shall constitute legal, valid and binding liens free and clear of all prior liens and encumbrances.

### **SECTION 3.04 - LITIGATION**

There are no legal actions, suits, or proceedings pending, or to the knowledge of Borrowers, threatened against Borrowers before any court or administrative agency, which, if determined adversely to Borrowers, would have an adverse effect on the financial condition or business of Borrowers which have not been disclosed in writing to Lender.

### **SECTION 3.05 - GOVERNMENTAL CONSENTS**

No authorization, consent or approval, or any formal exception of any governmental body, regulatory authorities (federal, state or local) or mortgagor, creditor or third party is or was necessary to the valid execution and delivery by Borrowers of this Agreement, the Notes, the Mortgage, or other document except as provided for under Section 4.06.

### **SECTION 3.06 - NO ADVERSE CHANGE**

There has been no adverse change since the date of application for the Loan in the financial condition, fixed properties, debts or liabilities of Borrowers.

### **SECTION 3.07 - ABSENCE OF DEFAULTS**

Borrowers are not in default of any obligation, covenant, or condition contained in any bond, debenture, note or otherwise evidence of indebtedness or any mortgage or collateral instrument securing the same.

### **SECTION 3.08 - TAX RETURNS AND PAYMENTS**

Borrowers have filed all required tax returns and has paid or made provision for the payment of all taxes which have or may become due pursuant to said returns or pursuant to any assessments levied against Borrowers or his personal or real property by any federal, state or local taxing agency. No tax liability has been asserted by the Internal Revenue Service or any other taxing agency, (federal, state or local) for taxes materially in excess of those already provided for, and Borrowers know of no basis for any such deficiency assessment.

### **SECTION 3.09 - MATERIAL FACTS**

No representation or warranty contained herein or made hereunder and no certificate, schedule or other document furnished or to be furnished in connection with the transactions contemplated hereby contains or will contain a misstatement of material fact or omits or will omit to state a material fact required to be stated herein or therein in order to ensure that statements contained herein and therein are not misleading.

### **SECTION 3.10 - PROHIBITION OF CONFLICT OF INTEREST**

No person who is an employee, officer, agent or consultant of the City of Parma, or an elected public official or member of the Parma City Council or appointed public official of the City of Parma who exercises or has exercised any functions or responsibilities with respect to the Revolving Loan Project or who is in a position to participate in a decision-making process or gain inside information with regard to the Project, may obtain a personal or financial interest or benefit from the Project, or have an interest in any contract, subcontract, or agreement with respect thereto, or in the proceeds there under, either for themselves or those with whom they have family or business ties. The above restrictions shall apply to all activities comprising the Project, and shall cover any such interest or benefit during, and any time after, such person's tenure.

**SECTION 3.11 - COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS**

Borrowers will comply with all applicable federal, state and local laws, ordinances and administrative rulings pertaining to the Revolving Loan Project.

**SECTION 3.12 - PERFORMANCE ON OTHER CONTRACTS WITH THE CITY**

Borrowers will fully perform all other contracts with the City, if any, in a timely and workmanlike manner.

**ARTICLE IV - CONDITIONS OF LENDING**

The obligation of Lender to make the Loan shall be subject to the fulfillment on or before the Closing Date of each of the following conditions:

**SECTION 4.01 - EXECUTION AND DELIVERY OF LOAN AGREEMENT AND NOTES**

Borrowers shall execute and deliver to Lender this Agreement and the Notes, each in a form satisfactory to Lender and its attorneys.

**SECTION 4.02 - EXECUTION AND DELIVERY OF COLLATERAL DOCUMENTS**

Borrower's obligation to make payments of principal and interest on the Loan and any other sums payable hereunder shall be secured by: I) Personal guarantee of George Salo.

**SECTION 4.03 - HUD APPROVAL**

Borrowers shall submit sufficient documentation, if required by the United States Department of Housing and Urban Development ("HUD") or Lender to establish to HUD's satisfaction that Borrower and/or Guarantor are in compliance with all applicable federal laws and regulations, including, but not limited to, Davis-Bacon wage requirements.

**SECTION 4.04 - GOVERNMENTAL APPROVAL**

Borrowers shall have secured all necessary approvals and consents of governmental bodies having jurisdiction with respect to any Project activities.

**SECTION 4.05 - APPROVAL OF OTHERS**

Borrowers shall have secured all necessary approvals and consents required with respect to this transaction by any creditor or other party having any financial interest in Borrower or his property.

**SECTION 4.06 - REPRESENTATION AND WARRANTIES**

The representation and warranties contained herein shall be true and correct as of the date hereof and the Closing Date. Borrowers shall deliver to Lender an affidavit to that effect, substantially in the form of Exhibit "B" attached hereto.

**ARTICLE V - AFFIRMATIVE COVENANTS**

Borrowers agree to comply with the following covenants from the date hereof until the Loan has been fully repaid to Lender, or such longer time as specifically provided in the covenant, unless Lender or its assigns otherwise consent in writing:

**SECTION 5.01 - PAYMENT OF LOANS**

Borrowers agree to pay punctually the principal on the Notes according to their terms and conditions and to repay punctually any other amounts that may become due and payable to Lender under or pursuant to the terms of this Agreement or the Notes.

**SECTION 5.02 - PAYMENT OF OTHER INDEBTEDNESS**

Borrowers agree to pay punctually the principal and interest due on any other indebtedness now or hereafter owing by Borrowers to Lender or any other Lender.

**SECTION 5.03 - MAINTAIN AND INSURE PROPERTIES**

Borrowers agree at all times to maintain the personal property provided as security for this Loan in such condition and repair that Lender's security will be adequately protected. Borrowers also agree to maintain during the terms of the Loans adequate hazard insurance policies covering fire, extended coverage, and such other hazards as may be deemed appropriate in amounts and form sufficient to prevent Borrowers from becoming a co-insurer and issued by companies satisfactory to Lender with acceptable loss-payee clauses in favor of Lender. Borrowers further agree to maintain adequate liability and worker's compensation insurance in amounts and forms satisfactory to Lender, and to provide written proof thereof to Lender upon request.

**SECTION 5.04 - PAYMENT OF TAXES**

Borrowers agree to duly pay and discharge all taxes, assessments and governmental charges upon it or against its properties or its business prior to the date on which penalties would attach thereto, except that Borrowers shall not be required to pay any such tax, assessment or governmental charge which is being contested by it in good faith and by appropriate and timely proceedings, provided that Borrowers so advise Lender in writing of such contest and proceedings.

**SECTION 5.05 - INFORMATION**

Borrowers agree to maintain adequate records and books of account, in which complete entries will be made reflecting all of its business and financial transactions, such entries to be made in accordance with generally accepted accounting principles consistently applied, and to permit Lender or HUD to inspect said books upon reasonable advance notice

Borrowers further agree to provide information and execute and deliver any and all additional documents and instruments as may be reasonably requested by Lender, its assigns or attorneys.

Borrowers further agree to provide written notice to Lender of any public hearing or meeting before any administrative or other public agency which may in any manner materially affect the personal property securing the Loan.

**SECTION 5.06 - SEVERABILITY**

Borrowers agree that in the event that any provision of this Agreement or any other instrument executed at closing or the application thereof shall be declared null and void, invalid, or held for any reason to be unenforceable by a court of competent jurisdiction, the remainder of this Agreement or such instrument nevertheless shall remain in full force and effect, and to this end,

the provisions of all covenants, conditions and agreements described herein are deemed to be separate.

#### **SECTION 5.07 - INDEMNIFICATION**

Borrowers agree to indemnify and save Lender, its officials, employees, agents and assigns harmless against any and all liability with respect to, or resulting from, any delay in Borrowers' discharging any of their obligations, or any failure of Borrowers to discharge any of his obligations, and in no instance shall any official, employee or agent of Lender or its assigns be personally liable to Borrowers.

#### **SECTION 5.08 - EXPENSE OF COLLECTION OR ENFORCEMENT**

Borrowers agree, if at any time Borrowers default on any provision of this Agreement, to pay Lender or its assigns, in addition to any other amounts that may be due from Borrowers, an amount equal to the reasonable costs and expenses incurred by Lender or its assigns in the collection, enforcement, correction or waiver of such default, including, without limitation, attorneys fees.

#### **SECTION 5.09 - ABSENCE OF RELATIONSHIPS**

Borrowers agree that neither the execution and delivery of this Agreement nor the receipt by it of the Loans nor the performance of its obligations hereunder will or shall be deemed to create any relationship between Borrowers and Lender, whether as a third-party beneficiary, partner, joint venture, shareholder, agent, principal or otherwise; and Borrowers agrees to make no representation or statement to any party to such effect. Borrowers further agree that Lender is acting as a conduit for the Federal funds comprising the Loan and is in no way lending its aid and credit to Borrowers and Borrowers agree to make no representation or statement to any party to such effect.

#### **SECTION 5.10 - DISCLOSURE OF DOCUMENTS**

Disclosure of documents which are in the possession of the City shall be governed by the applicable federal, state and local laws.

### **ARTICLE VI - NEGATIVE COVENANTS**

Borrowers covenants and agrees that, from the date hereof until payment in full of the Notes, unless Lender or its assigns shall otherwise consent in writing, it will not undertake any act, enter into any agreement or make any commitment which the performance of which or failure of performance would constitute a breach of any of the covenants contained in this Agreement including, but not limited to, the following covenants:

#### **SECTION 6.01 - LIMITATION OF LIENS**

Borrowers will not create nor suffer to exist any mortgage, pledge, lien, charge or encumbrance of any kind on any of their properties or assets used as collateral to secure this Loan, except as otherwise provided herein or approved in writing by Lender.

#### **SECTION 6.02 - TRANSFER OF PROPERTY**

Borrowers shall not transfer any interest in the Business or Collateral Property without the written consent of Lender.

### **SECTION 6.03 - CHANGE IN OWNERSHIP**

Borrowers will not permit, without the prior written approval of Lender, which approval will not be unreasonably withheld, any material change in the ownership structure, control, or operation of their business including, without limitation, (i) merger into or consolidation with any other persons, firm or corporation; (ii) changing the nature of its business as intended to be carried on at the date hereof; or (iii) substantial distribution, liquidation or other disposal of their assets.

### **ARTICLE VII - EVENTS OF DEFAULT**

The entire unpaid principal of the Notes shall become and be immediately due and payable upon the written demand of Lender or its assigns, without any other notice or demand or any kind of presentment or protest, if any one of the following events (hereinafter an "Event of Default") occurs and is continuing at the time of such demands, whether it is voluntarily or involuntarily or, without limitation, occurring or brought about by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administration or governmental body.

**(A) PAYMENT DEFAULT UNDER NOTES**

If Borrowers shall fail to make payment when due of any installment of principal or other charges on the Notes and the default remains unremedied for thirty (30) days or more after written notice is mailed to Borrowers, and Guarantors, at their address of record.

**(B) INCORRECT REPRESENTATIONS OR WARRANTIES**

If any representation or warranty contained in or made in connection with the execution and delivery of this Agreement, instrument or certificate furnished pursuant hereto shall prove to have been incorrect in any material respect when made.

**(C) DEFAULT IN COVENANTS**

If Borrowers or any Guarantor defaults in the performance of any other term, covenant or agreement contained in this Agreement or any other Agreement between Borrowers and Lender and such default shall continue unremedied for thirty (30) days after written notice thereof was given to Borrowers by Lender.

**(D) VOLUNTARY INSOLVENCY**

If Borrowers or any Guarantor become insolvent or ceases to pay its debts as they mature or voluntarily files a petition seeking reorganization of, or the appointment of a receiver, trustee, or liquidator for it or a substantial portion of its assets to effect a plan or other arrangement with creditors, or is adjudicated bankrupt, or shall make a voluntary assignment for the benefit of creditors.

**(E) INVOLUNTARY INSOLVENCY**

If an involuntary petition shall be filed against Borrowers under any bankruptcy, insolvency or similar law seeking the reorganization of or the appointment of any receiver, trustee or liquidator for their, or of a substantial part of the property of Borrowers, or a writ or warrant of attachment or similar process is issued against a substantial part of the property of Borrowers, and such petition is not dismissed, or such writ or warrant of attachment or similar process is not released or bonded within thirty (30) days after the filing or levy.



**(F) JUDGMENTS**

If any final judgment for the payment of money that is not fully covered by liability insurance and is in excess of TEN THOUSAND DOLLARS (\$10,000.00) shall be rendered against Borrowers and, within thirty (30) days, is not discharged, or an appeal there from taken and execution thereon effectively stayed pending such appeal, or, if such judgment be affirmed on such appeal, the same is not discharged within thirty (30) days, or if Borrowers have not entered into payment agreement with the judgment/creditor.

**ARTICLE VIII - MISCELLANEOUS**

**SECTION 8.01 - WAIVER OF NOTICE**

No failure or delay on the part of Lender in exercising any rights, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No modification or waiver of any provision of this Agreement or of the Notes, nor any consent to any departure by Borrowers there from, shall in any event be effective unless the same shall be in writing and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Borrowers in any case shall entitle Borrowers to any other further notice or demand in similar or other circumstances.

**SECTION 8.02 - ENTIRE AGREEMENT, AMENDMENTS**

This Agreement embodies the entire agreement and understanding between Lender and Borrowers and supersedes all prior agreements and understandings relating to the subject matter hereof. Borrowers and Lender, and their heirs, executors, successors and assigns, hereby expressly reserve all rights to amend any provision of this Agreement, to amend or consent to or waive departure from the provisions of the Notes, and to release or to otherwise deal with any collateral security for the payment of the Notes; provided, however, that all such amendments be in writing and executed by Lender or its assigns and Borrowers.

**SECTION 8.03 - NOTICES**

All notices required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally delivered to the party to receive the notice, or three (3) days after having been mailed to that party, by certified or registered mail, postage prepaid, properly addressed to the party entitled to receive such notice at the address stated below, or at some other changed addresses which may be fixed by written notice; provided, however, that any notice of change of address shall be effective upon receipt.

To Borrower:           George Salo  
                                  5338 State Road Road  
                                  Parma, Ohio 44134

To Lender:             CITY OF PARMA  
                                  Department of Community Development  
                                  5517 State Road  
                                  Parma, Ohio 44134

**SECTION 8.04 - SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

All agreements, representations, and warranties made by Borrowers herein or any other document or certificate delivered to Lender in connection with the transactions contemplated by this Agreement shall survive the delivery of this Agreement and the Note and shall continue in full force and effect so long as the Note is outstanding.

**SECTION 8.05 - SUCCESSOR AND ASSIGNS**

This Agreement shall be binding upon Borrowers, and its successors and assigns, except that Borrowers may not assign or transfer its rights or obligations hereunder without the prior written approval of Lender. This Agreement shall inure to the benefit of Lender, its successors and assigns, and all subsequent holders of the Note.

**SECTION 8.06 - ARTICLE AND SECTION HEADINGS**

Article and Section headings used herein are for convenience only and shall not affect the constitution of this Agreement.

**SECTION 8.07 - COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS**

Borrowers covenants and agrees to comply with all applicable federal laws and regulations governing the receipt, expenditure and use of the Loan funds including, but not limited to, the following to the extent applicable:

- 1. Section 106 of the National Historic Preservation Act of 1966;
- 2. Title VII of the Civil Rights Act of 1968;
- 3. Section 109 of the Housing and Community Development Act of 1974;
- 4. Section 504 of the Rehabilitation Act of 1973;
- 5. The Age Discrimination Act of 1975;
- 6. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and Section 104(j) of the Urban and Rural Recovery Act of 1973; and
- 7. The regulations and requirements of OMB Circular Nos. 102 and A-87.

**IN WITNESS WHEREOF** the parties hereto have each caused this Loan Agreement to be duly executed as of the day and the year first written above.

Signed in the presence of:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CITY OF PARMA, OHIO

By: \_\_\_\_\_  
Mayor Timothy DeGeeter

GEORGE SALO

By: \_\_\_\_\_  
George Salo, An Individual

State Meat Market Inc.

By: \_\_\_\_\_  
George Salo, Owner

Approved as to form: TIMOTHY G. DOBECK, Director of Law

**EXHIBIT A  
COGNOVIT NOTE**

**\$35,000.00  
PARMA, OHIO  
June \_\_, 2021**

**FOR VALUE RECEIVED**, the Undersigned, GEORGE SALO, AN INDIVIDUAL (the “Maker”), and STATE MEAT MARKET INC. promise to pay to the order of the CITY OF PARMA, Ohio, 6611 Ridge Road, Parma, Ohio 44129 (the “City”) the principal sum of THIRTY FIVE THOUSAND DOLLARS AND NO/100 (\$35,000.00). Said sum shall be repaid in SIXTY (60) monthly payments of SIX HUNDRED THIRTEEN DOLLARS AND 47/100 DOLLARS (\$613.47), which shall be applied first to interest and then to principal, commencing on the first (1st) day of July 2023 and thereafter on the first day of each succeeding month if borrower fails to create 1 full-time employment position prior to July 1, 2023. From and including the date hereof until the date of payment in full, the principal balances of this Note from time to time outstanding shall bear interest at an interest rate of two percent (2%) per annum.

Funds:	Revolving Loan
Use of Funds:	Working Capital
Amount	
Interest Rate:	2%
Term:	5-Years (60 payments)
Security Position:	Personal Guarantee
Job Commitment:	1 Full-Time (40 hrs/wk)
Monthly Payment:	\$613.47

This Note is issued pursuant to a Loan Agreement, dated June \_\_\_\_, 2021 by and between Maker and the City, to which reference hereby is made for a statement of the right of the holder hereof to declare this Note due prior to its stated maturity and the right and obligation of Borrowers to repay this Note. In the event Maker should be in default, as defined in said Loan Agreement, this Note shall thereafter bear interest at the rate of ten percent (10%) per annum.

The Undersigned expressly and unconditionally waives presentment and demand of payment, notice of dishonor, protest and other notices of any kind.

Principal and interest hereon shall be payable in lawful money of the United States of America as such place as the holder shall designate in writing to Borrowers. This Note shall be governed by Ohio law.

The Undersigned hereby authorized any attorney-at-law to appear in any court of record in the State of Ohio or any other State or Territory of the United States after the indebtedness guaranteed hereunder becomes due by acceleration or otherwise, and waive the issuing and service of process and confess judgment against the Undersigned in favor of Lender or other holder of the Note for the amount then appearing due and the cost of suit, and thereupon to release all errors and waive all rights of appeal and stay of execution. No judgment against the

Undersigned of this Note shall bar any subsequent judgment against any other party(ies) liable as Maker or Guarantor.

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

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the day and year first above written.

Signed in the presence of:

ERIK TOLLERUP

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
GEORGE SALO, An Individual

Date: \_\_\_\_\_

STATE MEAT MARKET INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
GEORGE SALO, Owner

Date: \_\_\_\_\_

**EXHIBIT B**

**CERTIFICATE OF NO EVENT OF DEFAULT  
AND REPRESENTATIONS AND WARRANTIES**

The undersigned, pursuant to a certain Loan Agreement, dated June \_\_\_\_, 2021, (the "Loan Agreement"), by and between and GEORGE SALO, AN INDIVIDUAL, and STATE MEAT MARKET INC., A CORPORATION (the "Borrowers"), and the CITY OF PARMA ("City"), hereby certifies that:

- (a) At the date hereof, no event or condition that constitutes an event of Default (as defined in the Loan Agreement) or which, after notice or lapse of time or both, would constitute an event of Default, exists or will result from Borrowers acceptance of the Loan pursuant to the Loan Agreement; and
- (b) At the date hereof, the representations and warranties of George Salo and State Meat Market Inc. contained in Article III of the Loan Agreement are true and correct, and the conditions of the Loan have been duly satisfied as of the Closing Date.

**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2021.

Signed in the presence of:

ERIK TOLLERUP

\_\_\_\_\_

By: \_\_\_\_\_  
GEORGE SALO, An Individual

Date: \_\_\_\_\_

STATE MEAT MARKET INC.

\_\_\_\_\_

By: \_\_\_\_\_  
GEORGE SALO, Owner

STATE OF OHIO                    )  
  )     SS.  
COUNTY OF CUYAHOGA        )

Before me, a Notary Public in and for said County and State, personally appeared George Salo, an individual and owner of State Meat Market Inc. Inc., who acknowledges that he did sign the foregoing instrument and that the same is their free act and deed and the free act and deed of the incorporated company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, at Parma, Ohio, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Notary Public

**UNCONDITIONAL AND CONTINUING GUARANTEE**

For One Dollar (\$1.00) and other valuable consideration, receipt of which is hereby acknowledged, and to induce the CITY OF PARMA, OHIO (hereinafter called “Lender”), to extend credit to George Salo, an individual and State Meat Market Inc, (hereinafter called “Borrowers”), and in consideration thereof, the Undersigned absolutely and unconditionally guarantees the prompt and punctual payment when due, by acceleration or otherwise, of each obligation, direct, indirect, or contingent, now existing or hereafter created or acquired and howsoever the same may be evidenced or secured (hereinafter called “Guaranteed Obligation”), of the Borrower to the Lender, together with all interest, charges and penalties accruing thereon, and the faithful, punctual and complete observance and performance by the Borrower of all of the covenants, terms and conditions contained in promissory note, drafts, agreements, mortgages and other instruments evidencing, securing or pertaining to any Guaranteed Obligation(s).

The Undersigned hereby agrees that, without notice to, without consent of, and without affecting the liability of the Undersigned:

1. Any Guaranteed Obligation(s) may be renewed or the maturity thereof extended from time to time and at any rate or rates of interest.
2. Property now or hereafter held as security for or pertaining to any Guaranteed Obligation(s) may be sold, exchanged, surrendered or otherwise dealt with by the Lender.
3. Settlements, compromises, compositions, accounts stated and agreed balances pertaining to any Guaranteed Obligation(s) may be effected in good faith between the Lender and the Borrower.

4. The Lender may take judgment against the Borrowers and/or modify, waive, supplement or otherwise change the terms, conditions, provisions, restrictions or liabilities contained in one or more note, drafts, agreements, mortgages or other instruments evidencing, securing or pertaining to any Guaranteed Obligation(s).

It shall not be necessary for the Lender to resort to or exhaust its remedies against the Borrowers or against any other party or parties liable thereon or to resort to property held as security therefore or pertaining thereto, before calling upon the Undersigned for payment of any Guaranteed Obligation(s).

The liability of the Undersigned hereunder shall in no way be released, mitigated or otherwise affected by (I) the release or discharge of the Borrowers or any other Guarantor in any creditors, receivership, bankruptcy or other proceedings, or the commencement or pendency of any such proceedings, (ii) the impairment, limitation or modification of the liability of the Borrowers or any other Guarantor in bankruptcy, or of any remedy for the enforcement of the Borrower's liability under any instrument evidencing any Guaranteed Obligation, or under any other instrument executed and delivered in connection therewith, resulting from the operation of any present or future provision of the U.S. Bankruptcy Code or other statute or from a decision in any court; or (iii) any assignment or transfer of any instrument evidencing any Guaranteed Obligation whether by Borrower and/or Lender by operation of law or otherwise.

This Guarantee shall become immediately effective and shall continue indefinitely; subject to the right of the Undersigned to terminate liability hereunder as to each obligation of the Borrowers arising after written notice of such termination has been received by the Lender. If at any time any whole or partial payment of any Guaranteed Obligation is to be rescinded or must otherwise be restored or returned by Lender upon the insolvency or bankruptcy of Borrowers or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for Borrower, this Guarantee shall continue to be effective, or be reinstated, as the case may be, all as though such payment had not been made. Undersigned waives notice of the acceptance hereof, waives demand for payment and protest relative to each Guaranteed Obligation, waives all notices to which the Undersigned must otherwise be entitled by law, and also waives all defenses, legal or equitable, otherwise available to the Undersigned. This Guarantee shall be construed in accordance with the laws of the State of Ohio, shall inure to the benefit of the Lender, its successors and assigns, and to any other holder(s) of any Guaranteed Obligation(s), and shall be binding upon the heirs, executors, administrators, successors and assigns of the Undersigned.

The Undersigned further agrees that the Guarantee hereunder will not be discharged or affected by the fact that the promissory note, drafts, agreements, mortgages or other instruments evidencing, securing and/or pertaining to any Guaranteed Obligations, or any provision thereof shall be held to be invalid, illegal or unenforceable for any reason. This Guarantee shall remain in full force and effect notwithstanding any legal, contractual or other restriction, limitation, or bar to the Lender proceeding against the Borrower or its properties and assets. This Guarantee shall be liberally construed in favor of the Lender, it being the intention of the Undersigned that the Guarantee hereunder be absolute, continuing and unconditional in any and all circumstances



and that this Guarantee shall only be discharged by the complete payment by the Borrowers (or the Undersigned) of all debts, liabilities and obligations of the Borrower's guaranteed hereby.

The Undersigned shall have no right of reimbursement, subrogation or set-off against the Borrower; and the Undersigned hereby waives, releases and discharges any rights of exoneration which the Undersigned may have with respect to the Note unless and until the Lender receives payment in full from the Borrower (or the Undersigned) of all debts, liabilities and obligation owing from Borrower to the Lender.

The Undersigned hereby authorizes any attorney-at-law to appear in any Court of Record in the State of Ohio or any other State or Territory of the United States after the indebtedness guaranteed hereunder becomes due by acceleration or otherwise, and waive the issuing and service of process and confess judgment against the Undersigned in favor of Lender or other holder of the Note for the amount then appearing due and the cost of suit, and thereupon to release all errors and waive all rights of appeal and stay of execution.

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

Date: \_\_\_\_\_, 2021

\_\_\_\_\_  
George Salo, An Individual

\_\_\_\_\_  
State Meat Market Inc., George Salo, Owner

