

RESOLUTION NO. 19-209

A RESOLUTION AUTHORIZING THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION TO ENTER INTO A MICRO-LOAN AGREEMENT WITH ANGEL FORREST FOR THE AMOUNT OF \$15,000 FOR A NEW BUSINESS KNOWN AS HAIMA PROFESSIONAL TRAINING CENTER, LLC; FUNDS AVAILABLE IN PAEDC ACCOUNT NUMBER 119-1426-554.54-00

WHEREAS, per Resolution 06-425, the City of Port Arthur entered into an agreement with the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") for the administration of its Micro-Loan Program; and

WHEREAS, at the PAEDC regular Board meeting on May 6, 2019, the Board authorized its Chief Executive Officer to enter into a Micro-Loan Agreement with Angel Forrest in the amount of \$15,000 to assist with startup costs associated with the opening of a phlebotomy training center in Port Arthur; and

WHEREAS, PAEDC and Angel Forrest will enter the Micro-Loan Agreement attached hereto and incorporated herein as **Exhibit "A"** (the "Agreement") which sets out the terms and conditions of the loan; and

WHEREAS, Angel Forrest will execute a promissory note in favor of PAEDC in the amount of \$15,000; and

WHEREAS, Angel Forrest will pay the loan back to PAEDC within three (3) years per the terms and conditions set forth in the Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ARTHUR, TEXAS:

Section 1. That the facts and opinions in the preamble are true and correct.

Section 2. That PAEDC is herein authorized to enter into a Micro-Loan Agreement with Angel Forrest for the amount of \$15,000 for startup costs for a new business known as HAIMA PROFESSIONAL TRAINING CENTER, LLC.


Section 3. That a copy of the caption of this Resolution be spread upon the Minutes of the City Council.

READ, ADOPTED AND APPROVED on this 21st day of May A.D., 2019,
at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote: AYES:


Mayor Freeman, Mayor Pro Tem Dewart
Councilmembers Scott, Jones, Kinlaw and Frank

_____ ;
_____ ;

NOES: none



Derrick Freeman, Mayor

ATTEST:


Sherri Bellard, City Secretary
on behalf of

APPROVED:


Floyd Batiste, PAEDC CEO

APPROVED AS TO FORM:



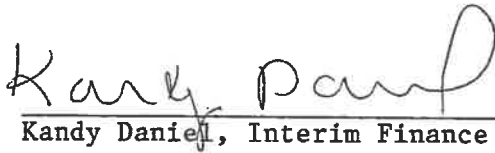
Guy N. Goodson, PAEDC Attorney

APPROVED AS TO FORM:



Valecia R. Tizeno, City Attorney

APPROVED AS TO AVAILABILITY OF FUNDS:



Kandy Daniel, Interim Finance Director

EXHIBIT “A”

LOAN AMORTIZATION SCHEDULE

ENTER VALUES

Loan amount	\$15,000.00
Annual interest rate	6.50%
Loan period in years	3
Number of payments per year	12
Start date of loan	7/1/2019

Optional extra payments	\$0.00
-------------------------	--------

LOAN SUMMARY

Scheduled payment	\$459.74
Scheduled number of payments	36
Actual number of payments	36
Total early payments	\$0.00
Total interest	\$1,550.46

LENDER NAME	HAIMA PROFESSIONAL TRAINING CENTER
-------------	------------------------------------

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULE D PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	7/1/2019	\$15,000.00	\$459.74	\$0.00	\$459.74	\$378.49	\$81.25	\$14,621.51	\$81.25
2	8/1/2019	\$14,621.51	\$459.74	\$0.00	\$459.74	\$380.54	\$79.20	\$14,240.98	\$160.45
3	9/1/2019	\$14,240.98	\$459.74	\$0.00	\$459.74	\$382.60	\$77.14	\$13,858.38	\$237.59
4	10/1/2019	\$13,858.38	\$459.74	\$0.00	\$459.74	\$384.67	\$75.07	\$13,473.71	\$312.65
5	11/1/2019	\$13,473.71	\$459.74	\$0.00	\$459.74	\$386.75	\$72.98	\$13,086.96	\$385.64
6	12/1/2019	\$13,086.96	\$459.74	\$0.00	\$459.74	\$388.85	\$70.89	\$12,698.11	\$456.53
7	1/1/2020	\$12,698.11	\$459.74	\$0.00	\$459.74	\$390.95	\$68.78	\$12,307.16	\$525.31
8	2/1/2020	\$12,307.16	\$459.74	\$0.00	\$459.74	\$393.07	\$66.66	\$11,914.09	\$591.97
9	3/1/2020	\$11,914.09	\$459.74	\$0.00	\$459.74	\$395.20	\$64.53	\$11,518.89	\$656.50
10	4/1/2020	\$11,518.89	\$459.74	\$0.00	\$459.74	\$397.34	\$62.39	\$11,121.55	\$718.90
11	5/1/2020	\$11,121.55	\$459.74	\$0.00	\$459.74	\$399.49	\$60.24	\$10,722.06	\$779.14
12	6/1/2020	\$10,722.06	\$459.74	\$0.00	\$459.74	\$401.66	\$58.08	\$10,320.40	\$837.22
13	7/1/2020	\$10,320.40	\$459.74	\$0.00	\$459.74	\$403.83	\$55.90	\$9,916.57	\$893.12
14	8/1/2020	\$9,916.57	\$459.74	\$0.00	\$459.74	\$406.02	\$53.71	\$9,510.54	\$946.84
15	9/1/2020	\$9,510.54	\$459.74	\$0.00	\$459.74	\$408.22	\$51.52	\$9,102.33	\$998.35
16	10/1/2020	\$9,102.33	\$459.74	\$0.00	\$459.74	\$410.43	\$49.30	\$8,691.89	\$1,047.66
17	11/1/2020	\$8,691.89	\$459.74	\$0.00	\$459.74	\$412.65	\$47.08	\$8,279.24	\$1,094.74
18	12/1/2020	\$8,279.24	\$459.74	\$0.00	\$459.74	\$414.89	\$44.85	\$7,864.35	\$1,139.58
19	1/1/2021	\$7,864.35	\$459.74	\$0.00	\$459.74	\$417.14	\$42.60	\$7,447.21	\$1,182.18
20	2/1/2021	\$7,447.21	\$459.74	\$0.00	\$459.74	\$419.40	\$40.34	\$7,027.82	\$1,222.52
21	3/1/2021	\$7,027.82	\$459.74	\$0.00	\$459.74	\$421.67	\$38.07	\$6,606.15	\$1,260.59
22	4/1/2021	\$6,606.15	\$459.74	\$0.00	\$459.74	\$423.95	\$35.78	\$6,182.20	\$1,296.37
23	5/1/2021	\$6,182.20	\$459.74	\$0.00	\$459.74	\$426.25	\$33.49	\$5,755.95	\$1,329.86
24	6/1/2021	\$5,755.95	\$459.74	\$0.00	\$459.74	\$428.56	\$31.18	\$5,327.39	\$1,361.04
25	7/1/2021	\$5,327.39	\$459.74	\$0.00	\$459.74	\$430.88	\$28.86	\$4,896.52	\$1,389.89
26	8/1/2021	\$4,896.52	\$459.74	\$0.00	\$459.74	\$433.21	\$26.52	\$4,463.30	\$1,416.41
27	9/1/2021	\$4,463.30	\$459.74	\$0.00	\$459.74	\$435.56	\$24.18	\$4,027.74	\$1,440.59
28	10/1/2021	\$4,027.74	\$459.74	\$0.00	\$459.74	\$437.92	\$21.82	\$3,589.83	\$1,462.41
29	11/1/2021	\$3,589.83	\$459.74	\$0.00	\$459.74	\$440.29	\$19.44	\$3,149.54	\$1,481.85
30	12/1/2021	\$3,149.54	\$459.74	\$0.00	\$459.74	\$442.68	\$17.06	\$2,706.86	\$1,498.91
31	1/1/2022	\$2,706.86	\$459.74	\$0.00	\$459.74	\$445.07	\$14.66	\$2,261.79	\$1,513.58
32	2/1/2022	\$2,261.79	\$459.74	\$0.00	\$459.74	\$447.48	\$12.25	\$1,814.31	\$1,525.83
33	3/1/2022	\$1,814.31	\$459.74	\$0.00	\$459.74	\$449.91	\$9.83	\$1,364.40	\$1,535.65
34	4/1/2022	\$1,364.40	\$459.74	\$0.00	\$459.74	\$452.34	\$7.39	\$912.05	\$1,543.04
35	5/1/2022	\$912.05	\$459.74	\$0.00	\$459.74	\$454.79	\$4.94	\$457.26	\$1,547.98
36	6/1/2022	\$457.26	\$459.74	\$0.00	\$457.26	\$454.78	\$2.48	\$0.00	\$1,550.46

Micro-Loan Agreement

This Micro-Loan Agreement (the "Agreement") is executed as of this ___ day of _____, 2019 (the "Effective Date") between the **City of Port Arthur Economic Development Corporation**, a Texas economic development corporation authorized to do business in the State of Texas under Section 504, Texas Local Government Code (the "PAEDC") and **Angel Forrest** (the "Borrower") whose address is _____, Port Arthur, Texas 77624

RECITALS

A. PAEDC is a Type A Economic Development Corporation authorized to do business in the State of Texas under Section 504, Texas Local Government Code.

B. PAEDC is authorized per Resolution 17-132 to manage the City of Port Arthur's Micro-Loan Program.

C. Borrower plans to use the micro-loan in the amount of \$15,000.00 (the "Loan") for the purpose of purchasing supplies, paying rent, and insurance associated with opening Haima Professional Training Center located in Port Arthur, Texas.

D. Borrower's business, Haima Professional Training Center, will train students on the practice of phlebotomy and to pass the Texas licensing test for phlebotomist.

E. PAEDC and Borrower agree that all reimbursements to Borrower are subject to the conditions, procedure and eligibility requirements specified in this Agreement.

F. Borrower agrees that the loan to be provided by PAEDC shall be used solely to finance the purchase of supplies, payment of rent, and insurance associates with opening Haima Professional Training Center (the "Project") as specified in its Application submitted to the Micro-Loan Committee attached hereto as **Exhibit "A"** and made a part hereof for all purposes (the "Application").

G. Borrower agrees that PAEDC will loan to Borrower up to \$15,000.00 for the Project.

H. Borrower agrees to repay the loan to PAEDC as specified in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the RECITALS which are incorporated in this Agreement as fully set forth below and for other good and valuable consideration of the receipt and sufficiency is hereby acknowledged, PAEDC and Borrower agree to the following conditions and procedures for the grant:

1) **Loan Amount and Approved Project Cost.** PAEDC has agreed to loan Borrower up to \$15,000 (the "Loan Amount") to Grantee to fund the cost associated with purchasing supplies, payment of rent and insurance, as set forth in **Exhibit "A"**. Any costs in excess of the Loan Amount shall be solely borne by Borrower.

2) **Payment Procedures.** PAEDC will only fund up to \$15,000 of the eligible infrastructure improvements. PAEDC will reimburse the Loan Amount to Grantee after Borrower submits a detailed invoice to PAEDC.

3) **Borrower Covenants.**

- a) Borrower must provide PAEDC a project budget;
- b) Borrower must provide PAEDC an invoice to receive reimbursement;
- c) Borrower has read and agrees to abide by the provisions and requirements of the City of Port Arthur's Micro-Loan Program ; and
- d) Borrower has pledged a letter of credit in the amount of the loan as security.

3) **Term of Loan.** Borrower agrees to pay back the loan to PAEDC in three (3) years with an interest rate of 6.50 % as set forth in the amortization scheduled attached hereto as **Exhibit A**. Borrower further agrees to execute a promissory note in substantially the same form as the one attached hereto as **Exhibit B**.

4) **Project Changes.** As stated herein, Borrower may make minor revisions to the Project, but may not make any substantial revisions without approval of PAEDC. Borrower retains the right to expand the Project at its sole cost and expense with additional improvements or costs to be solely borne by Grantee.

5) **Indemnification.** Borrower agrees to indemnify and hold PAEDC, its staff, officers and the City of Port Arthur, from any and all actions preceding claims, demands, costs, damages and expenses including reasonable attorneys' fees arising out of or related to the Project.

6) **Assignability.** The rights and liabilities under this Agreement shall not be assigned by Grantee in whole or in part without the prior written consent of the PAEDC.

7) **Law and Ordinances.** Borrower shall be responsible for compliance with all applicable laws, regulations and ordinances including building and zoning codes and for obtaining all necessary licenses and permits required for the Project.

8) **Governing Law.** This Grant Agreement shall be governed under the laws of the State of Texas, and venue for any matters arising under this Grant Agreement shall be in the courts of competent jurisdiction in Jefferson County, Texas.

SIGNED AND AGREED TO on the ____ day of _____, 2019.

By: _____
Ms. Angel Forrest

CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION

SIGNED AND AGREED TO on the ____ day of _____, 2019.

President

Secretary

Witness

Witness

ATTORNEY APPROVALS

APPROVED AS TO FORM:

Guy N. Goodson
General Counsel for PAEDC

**VERIFIED AS CONSISTENT
WITH CITY COUNCIL RESOLUTION:**

Resolution Number: _____

City Attorney

Exhibit A

Exhibit B

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THE INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

NOTE

May ____, 2019

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received (the "Loan"), I, **Angel Forrest** ("Borrower"), promise to pay U.S. \$15,000 (this amount is called "principal"), plus interest, to the order of the **City of Port Arthur Section 4A Economic Development Corporation** (the "Lender"). The Lender is an economic development corporation organized and existing under the laws of the State of Texas. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder." The Loan is being made in order to assist me in opening Haima Professional Training Center (the "Project").

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 6.50%. The interest rate required by this Section 2 is the rate I will pay except after any default described in Section 6(B) of this Note. Upon an event of Default, Borrower agrees to pay interest at a yearly rate of 10% per annum.

3. PAYMENTS:

(A) Lender has provided the hereinabove described loan pursuant to Borrower. Borrower shall repay the loan over a three (3) year period in monthly installments in the amount of \$459.74 starting on July 1, 2019, see attached Amortization Schedule.

(B) The loan is securitized by a _____ executed and effective contemporaneously with the execution of this Note.

(C) Defaults

In the event of Defaults, the loan to be repaid shall be the difference between the principal shown hereinabove and any forgiven portion of the principal.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

I have the right to prepay the principal amount of this Note, together with any accrued interest, without any prepayment charge provided that such prepayment is in full and not in part.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Default

Defaults shall be as provided in Section 3(C) above.

(B) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(C) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the note Holder will still have the right to do so if I am in default at a later time.

(D) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this

Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at 501 Procter Street, Suite 100, Port Arthur, Texas 77640 or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Subordinate Mortgage, Deed of Trust or Security Deed (the "Subordinate Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. The Subordinate Security Instrument is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Deed of Trust. The Subordinate Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Borrower. Except for a conveyance to the Trustee under the First Deed of Trust, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent (including a transfer of all or any part of the Property

to any person who, at initial occupancy of the Property, does not use the Property for affordable housing as defined by the Lender in the, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower and the Senior Lien Holder prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BORROWER:

Angel Forrest