

RESOLUTION NO. R 014 00

RESOLUTION AUTHORIZING A \$400,000 LOAN  
FOR TAYLORCRAFT 2000 PROJECT

WHEREAS, Taylorcraft 2000, LLC, a Delaware limited liability company (the "Applicant"), has submitted to the Council of Sussex County (the "County") through the County Administrator a proposal (the "Proposal") for a project consisting of the acquisition of an existing building on Lots 24 and 25, Baltimore Avenue, Sussex County Airport Industrial Park, Georgetown, Delaware, the renovation thereof, the construction of a new airplane hangar, and the acquisition of equipment all to be used in the business of manufacturing aircraft (the "Project") and has requested the County to finance a portion of the costs of the Project, an estimate of which is attached as Exhibit A hereto (the "Costs"); and

WHEREAS, the Applicant expects to create 150 new jobs in connection with the Project; and

WHEREAS, the Proposal has been reviewed by the County Administrator and the Director of Finance; and

WHEREAS, the County Administrator has recommended that the County lend \$400,000 to assist in financing the Project based upon the terms and conditions provided herein.

NOW, THEREFORE, BE IT RESOLVED:

1. The Council hereby authorizes a loan of \$400,000 to be made to the Applicant in order to pay a portion of the Costs of the Project subject to the following conditions: (i) the County Administrator's approval of the budget for the Project, (ii) the County Administrator's determination that the Applicant has evidenced the availability of all funds necessary to complete the Project, (iii) the term of the loan to be for up to five years; (iv) the interest rate on the loan to be not less than 3% per annum; (v) the County to receive a mortgage on the Project (which may be subordinated to primary financing for the Project); (vi) if a substantial portion of the Project facilities or a majority interest in the ownership of the entities which own the Project facilities, is sold, the loan shall be accelerated and become immediately due and payable; and (vii) if the Applicant has not created at least 85 full time jobs by the end of three years, the interest rate on the loan shall be increased by 0.5% per annum for each ten job deficiency until the later of the maturity of the loan or until 85 full time jobs are created.

2. The County Administrator is authorized to execute and deliver the loan agreement and all documents related thereto and to determine the details of such loan documentation. At the request of the Applicant the loan may be made to Harvey Patrick or the Harvey and Vera Patrick Family Foundation or other affiliate of the Applicant so long as the other terms of the loan are consistent with the other terms of this Resolution.

3. This Resolution shall become effective immediately upon its passage by Council.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF RESOLUTION NO. R 014 00 ADOPTED BY THE SUSSEX COUNTY COUNCIL ON THE 14TH DAY OF MARCH, 2000.

  
ROBIN A. GRIFFITH  
CLERK OF THE COUNTY COUNCIL

SYNOPSIS: This Resolution expresses the County's intent to authorize a loan to Taylorcraft 2000, LLC, or an affiliate, in the amount of \$400,000 to pay a portion of the costs of a project consisting of the acquisition of an existing building on Lots 24 and 25, Baltimore Avenue, Sussex County Airport Industrial Park, Georgetown, Delaware, the renovation thereof, the construction of a new airplane hangar, and the acquisition of equipment all to be used in the business of manufacturing and servicing aircraft as well as for pilot training (the "Project").

EXHIBIT A

to

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Estimated Costs of Project

Acquisition of Buildings	\$ 1,300,000
Renovations	250,000
New Building Construction	700,000
Equipment, machinery and facilities	1,425,000
Engineering and/or architectural fees	50,000
Costs of Transaction	50,000
Construction period interest	57,500
Contingency	<u>150,000</u>
<b>Total Estimated Project Costs</b>	\$ 3,982,500
Equity Contribution	<u>500,000</u>
<b>Total Financing Required</b>	\$3,482,500