

WATERVLIET LOCAL DEVELOPMENT CORPORATION
BUSINESS LOAN PROGRAM

Purpose

The primary purpose of the Business Loan Program is to foster economic development in the City of Watervliet and assist local business in the Watervliet community.

Within the broad purpose, major goals include the creation and or retention of jobs and the expansion of local business. The Watervliet Business Loan Program will seek to further those goals through the provision of low interest loan to Watervliet businesses.

Administration

The Business Loan Program will be administered by The Watervliet Local Development Corporation (WLDC).

WATERVLIET LOCAL DEVELOPMENT AGENCY LOAN
POLICIES

1. All businesses seeking financing from the Business Loan Program must be located or proposed to be located within the corporate limits of the City of Watervliet.
2. Projects which will be considered for such loans are those that will increase the economic activity within the City of Watervliet, retain existing jobs, create new jobs, and or increase the real property tax base. Maximum feasible priority will be given to those projects which create or retain job opportunities for low- and moderate-income persons.
3. Eligible project costs that would qualify for the Business Loan Program are as follows:
 - a. Land Costs: including engineering, legal, grading, testing, site mapping, related costs associated with the acquisition and development of the land.
 - b. Building Costs: including real estate, engineering, architectural, legal and related costs associated with acquisition, construction, and rehabilitation of buildings.
 - c. Machinery and Equipment Costs: including delivery, installation, legal and related costs associated with the acquisition and installation of machinery.
4. Ineligible loans are those that are solely for the purpose of raising working capital or to payoff outstanding debts.
5. The terms of the loan in years of maturity shall range from 1-10 years and may not exceed the economic life of the assets used to secure the loan. The economic life of assets will be determined by the guidelines of publication 534 of the Internal Revenue Service. eg. Machinery & Equipment maximum of 5 years.
6. The interest rate of the loan shall be set 5 days prior to the loan closing. The interest rate shall be based on each individual application. The normal approved rate is Prime minus 2%.
7. The business applying for a loan from the Business Loan Program must have an

operational place of business within the City of Watervliet. If the business fails to remain operational in the City of Watervliet for the life of the loan, the Watervliet Local Development Corporation will collect all monies due and owing on the loan at once.

8. The business applying for the loan will agree to a lien on property or equipment for the term of the loan.
9. All Loans shall be accepted by the Watervliet Local Development Corporation. Completeness of the application will be determined by the Chairman. Complete applications are defined as those with sufficient information, as required in the application, to determine whether the project meets the criteria defined herein and whether it conforms to sound lending practices.
10. Complete applications shall be forwarded to the Watervliet Local Development Corporation. The loans will be presented to the Watervliet Local Development Corporation Board Members. The Board shall review the loan package and make the determination as to the approval or denial of the loan. If a loan is denied the applicant shall be notified in writing of such decision and given an opportunity to re-submit the loan package to the WLDC Board.
11. Business will be required to operate in compliance with the laws of New York State, the ordinances, and policies of the City of Watervliet. Loan Program review will be done on an annual basis.

BASIC STEPS IN THE PROGRAM

Step 1	Fully complete application (partial applications not accepted)
Step 2	Application reviewed. (Preliminary issues such as zoning, planning, traffic, are reviewed)
Step 3	Application forwarded to LDC for review and approval or denial
Step 4	If approved, contract and lien signed and filed. Amortization scheduled set as part of contract.
Step 5	Letter of Award and funding provided to successful applicant.
	Watervliet Business Loan Program implemented

WATERVLIET LOCAL DEVELOPMENT CORPORATION

**City Hall 2 15th Street
Watervliet, NY 12189
(518) 270-3800**

The application consists of the form included herein and the attachments listed on pages 1, 2, and 3.

Name of Applicant(s): _____

Home address: _____

Email address: _____

Business Address: _____

Social Security Number(s): _____

Tax Identification Number: _____

Proposed Use of Funds: _____

Amount Requested: _____ **(limit \$10,000 max)**

Date Application Completed: _____

Assisted By WLDC Representative: _____

SIGNATURES AND AUTHORIZATIONS:

I AGREE AS FOLLOWS:

- 1. Meaning of words:** "I" or "My" means everyone who signs below. "You" or "Your" means Watervliet Local Development Corporation. "Statement" means any personal financial statement, credit application and agreement of mine.
- 2. Reliance on Statement:** I give you this statement knowing it will be relied on by you from time to time.
- 3. My Representations:** This statement is a true and complete description of my financial condition as of this date. You may rely upon it until I tell you of any material change in it or until I give you a new statement.
- 4. Event of Default:** If I owe you any debt, or if someone else owes you debt which I endorsed, guaranteed or otherwise agreed to pay, you have the right to call for immediate payment of that debt by me if I become insolvent or bankrupt or incompetent or die or go out of business; if anything in this statement turns out to have been false as of the date of this statement; or if I break any written promise I make to you. I acknowledge and agree that a lien will be filed by the LDC as part of this loan program.
- 5. Credit Reports:** You may obtain a credit report about me in connection with this statement and any update or renewal of it. If you obtain a credit report, you will tell me the name and address of the credit bureau if I ask you to do so. You may verify what I have stated in this statement and exchange with other information about my credit and deposit transactions with me.

SIGNATURE(s) & DATE: _____

BUSINESS LOAN CHECKLIST

- ___ Personal Financial Statements
- ___ Personal Federal Tax Returns for Current and Last Year
- ___ Business Federal Tax Returns for Current and Last Year
- ___ Year to Date Profit & Loss Statement for Business
- ___ Business History and Plans/Projections for Future/Business Plan
- ___ Collateral – list collateral to be offered as security for loan with an estimate of current market value of each item. Real Property is the preferred collateral.
- ___ Property Information if applicable
 - ___ Appraisal
 - ___ Deed
 - ___ Tax Bills
 - ___ Survey or Plot Plan
 - ___ Lease or Rent Rolls
 - ___ Copy of Existing Mortgages
 - ___ Plans & Specs for project

Other: _____

___ Additional Information may be required.

I understand that all of the requested information contained on this checklist must be submitted before my application will be considered by the members of the Watervliet Local Development Corporation Board. The Watervliet Local Development Corporation meets at a minimum quarterly. The Board will meet more frequently if needed, meetings are posted on www.watervlietldc.com

SIGNATURE(s) & DATE: _____

PERSONAL INCOME STATEMENT

Name	Business Phone
Home Address	Home Phone
City, State, & Zip Code	
Business Name of Applicant/Borrower	
Business Address <i>(if different than home address)</i>	
Business Type: Corporation S-Corp. LLC Partnership Sole Proprietor	

Married ___ **Yes** ___ **No**

ASSETS (Omit Cents)	LIABILITIES (Omit Cents)
Cash on Hand & in banks..... _____	Accounts Payable..... _____
Savings Accounts..... _____	Notes Payable to Banks and Others..... _____ (Describe in Section 2)
IRA or Other Retirement Account..... _____ (Describe in Section 5)	Installment Account (Auto)..... _____ Mo. Payments _____
Accounts & Notes Receivable..... _____ (Describe in Section 5)	Installment Account (Other)..... _____ Mo. Payments _____
Life Insurance – Cash Surrender Value Only..... _____ (Describe in Section 8)	Loan(s) Against Life Insurance..... _____
Stocks and Bonds..... _____ (Describe in Section 3)	Mortgages on Real Estate..... _____ (Describe in Section 4)
Real Estate..... _____ (Describe in Section 4)	Unpaid Taxes..... _____ (Describe in Section 6)
Automobiles..... _____ (Describe in Section 5, and include Year/Make/Model)	Other Liabilities..... _____ (Describe in Section 7)
Other Personal Property..... _____ (Describe in Section 5)	Total Liabilities..... \$ 0 _____
Other Assets..... _____ (Describe in Section 5)	Net Worth..... _____
Total \$ 0	Total \$ 0 Must equal total in assets column.

Section 1. Source of Income.	Contingent Liabilities
Salary..... _____	As Endorser or Co-Maker..... _____
Net Investment Income..... _____	Legal Claims & Judgments..... _____
Real Estate Income..... _____	Provision for Federal Income Tax..... _____
Other Income (Describe below)..... _____	Other Special Debt..... _____

Description of Other Income in Section 1 (Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income)

PERSONAL INCOME STATEMENT (cont.)

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

PERSONAL INCOME STATEMENT (cont.)

Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the Watervliet Local Development Corporation to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that Watervliet Local Development Corporation will rely on this information when making decisions regarding an application for a small business loan. I further certify that I have read the attached statements required by law and executive order.-

Signature _____

Date _____

Print Name _____

Social Security No. _____

Signature _____

Date _____

Print Name _____

Social Security No. _____

[RESERVED]
LOAN AGREEMENT/CONTRACT

SAMPLE TO BE FINALIZED BY ATTORNEY

Attachment 1 for Lien Property Guarantee

WATERVLIET LOCAL DEVELOPMENT CORPORATION Real Property

THIS IS A LEGALLY BINDING AGREEMENT CONSTRUED UNDER THE LAWS OF THE STATE OF NEW YORK. THIS AGREEMENT WILL BE FILED IN THE ALBANY COUNTY CLERK'S OFFICE AND SHALL CONSTITUTE A LIEN AGAINST REAL PROPERTY OWNED BY THE INDIVIDUAL(S) ENTERING AND EXECUTING THIS AGREEMENT.

To: Watervliet Local Development Corporation (WLDC)

I xxxxxx, hereby certify, my property located at xxxxx, Watervliet, NY 12189 is not presently listed with any broker, firm, or agency, nor do I have any intention to so list in the near future. It is my intention to retain ownership of this property for five (5) years - the life of the loan - and the property which is the associated with this Watervliet Local Development Corporation (WLDC) Business Loan will not be sold or transferred for a period of (5) five years from the date of signing of this loan. If I do sell or transfer the property within (5) five years from the date of this agreement I agree to refund the total amount of the loan or a portion thereof to the WLDC in accordance with the following schedule.

<u>YEARS (round to year)</u>	<u>% OF LOAN TO BE REPAYED</u>
1	100%
2	80%
3	60%
4	40%
5	20%
Total WLDC Funding = xxxxx	

I understand and agree that if I sell or transfer the property prior to the expiration of the five (5) year repayment period, and it is determined by the WLDC that the above mentioned repayment schedule has not been complied with or if any percentage and/or portion of the loan has not been paid to the WLDC, then I agree to pay back any percentage and/or portion of the loan owed to the WLDC. I understand and agree that the WLDC determination of the amount of monies owed is controlling under this agreement. I understand and agree that any percentage and/or portion of the loan owed shall be paid to the WLDC prior to my sale and/or transfer or from the sale proceeds at the time of transfer of legal title.

xxxxxxxxxx, Business Owner(s)

Date

State of New York)
County of Albany) SS.:

On the xxxxx day of xxxxxxx, in the year 20 , before me, the undersigned, personally appeared **XXXXXX**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public, State of New York

SAMPLE - TO BE FINALIZED BY ATTORNEY AT CLOSING

Attachment 2 for Lien Equipment Guarantee

SAMPLE TO BE FINALIZED BY ATTORNEY