

PATERSON RESTORATION CORPORATION

The Paterson Restoration Corporation (PRC) is a non-profit corporation designed to foster economic development within the City of Paterson. It's funding is derived principally from the repayment of Urban Development Action Grant loans made by the Federal government to municipalities which in turn are loaned to corporations.

Job creation is a major factor in loan application acceptance. During the application process the borrower may be asked by the City where their employees reside.

The City's Director of Economic Development serves as the Executive Director of the PRC, and Board of Directors is made up of local business people and bankers. A professional underwriter will act as the loan officer and will handle the collection of additional information, contact the borrower and make preparation of the analysis for loan approval.

The Board of Directors has approved power on all loan applications. Once approved by the Paterson Restoration Corporation Board, applications are presented to the Community Development Committee and City of Paterson Municipal Council for final approval.



PATERSON RESTORATION CORPORATION

LOAN INFORMATION AND REQUIREMENT SHEET

The following is a list of required materials and information that must be submitted, along with the Application for Financial Assistance, when applying for a PRC loan. This application cannot be used for working capital, debt consolidation, taxes, soft costs, bills or reimbursements of any kind.

PLEASE READ ALL LISTED REQUIREMENTS AND INFORMATION CAREFULLY BEFORE APPLYING.

1. History and description of the applicant's business.
2. Description of project and detailed statement of the use of proceeds.
3. Resumes of officers and guarantors.
4. Three most recent years of financial statements prepared by accountant, or signed income tax returns.
5. Three years of projections or interim with assumptions.
6. Most recent quarterly financial statements prepared by accountant, if applicable.
7. List of five largest customers. Include name, address, telephone number and contact person, if applicable.
8. List of five largest suppliers. Include name, address, telephone number and contact person, if applicable.
9. Personal financial statements of officers and guarantors.
10. Appraisals on real estate property and/or machinery and equipment may be asked for.
11. Bank commitment letter for a portion of the project, if applicable. Paterson Restoration Corporation (PRC) staff will explain money breakdown. The PRC will not take a loan to the Board without a commitment if it is part of the financing.
12. \$200,000 maximum loan from the PRC depending on the project.
13. All requested material and follow-up information should be submitted at least one week prior to PRC meeting or project does not have to be accepted.
14. List of current employees and the city they reside in.
15. The PRC reserves the right to schedule and reschedule any meeting date, or to postpone any agenda material.
16. Inspection by PRC staff members of proposed project.
17. No loans will be unsecured. Collateral is determined by staff and finalized by PRC attorney.
18. Applicant is responsible for closing fees to PRC attorney.
19. PRC loan interest rate will be set at the prime rate plus 1% as published in the Wall Street Journal on the date of borrower's signed application for PRC funds. The maximum rate for loans will be 6%.
20. Proof of equity contribution/bank participation participation/NJEDA or other approved financing as part of the proposed project.
21. If the applicant is approved for financing by the PRC. The PRC will require paid receipts on tax statements that is applicable to properties that have been used for collateral to secure any PRC loan. Also, there must be evidence of a legal occupancy of the location and no pending violations.

22. Must show evidence of new location within the City of Paterson, if this is part of the project proposal, signed contract, etc.
23. Monitoring of new jobs proposed by applicant by PRC staff.
24. Application and required material to complete the project must be analyzed for a cost of \$500.00 or if cancelled by PRC staff and made payable to the underwriter. This application fee is non refundable.
25. The borrower hereby agrees to pay for lender's attorney fees regarding the closing of the proposed loan not to exceed \$1,500.00, plus costs, including title insurance, if necessary.
26. The borrower will attempt to hire Paterson residents who are 51% low/mod income persons for the new jobs projected by the company, and will provide training for any of those jobs requiring special skills or education.
27. All approved applicants have 60 days to close on the project and to meet all proposed requirements, unless otherwise stated by the P.R.C.

PATERSON RESTORATION CORPORATION

APPROVAL AND FORMAL COMMITMENT

OF

FUNDS PROCEDURE

- STEP #1** Application Acceptance.
- STEP #2** Underwriter.
- STEP #3** Paterson Restoration Corporation (PRC) Board approval. PRC meetings are held the last Wednesday of every month, unless changed by staff.
- STEP#4** Legal Department approval of resolution.
- STEP#5** Community Development Committee approval.
- STEP #6** City Council final vote approval.
- STEP #7** Commitment Letter signed and closing.

PATERSON RESTORATION CORPORATION

APPLICATION

FOR
FINANCIAL ASSISTANCE

1. **APPLICANT** (Proposed owner of the project.)

A. Name of Applicant:

Name of Contact person:

Address: _____

Work Telephone No.: _____ Cell No.: _____

Employer's Tax I.D. No.: _____

Amount of Loan Requested: _____

Type of Business: _____

No. of Permanent Jobs to be: Created _____ Maintained _____ Relocated _____

B. Applicant's Business Organization: Corporation ____ Partnership ____
Sole Proprietorship ____

Is the applicant a subsidiary or direct or indirect affiliate of any other organization?

Yes ____ No ____

If yes, indicate name, address and employer identification number of related organization and relationship.

- C. List all officers, directors and partners of the applicant. Also list all owners and stockholders of applicants. Include home address, birth date, social security number, office held and percent ownership.

Name(list first, middle and last)	Social	Percent		
Home Address (including zip code)	Birth Date	Security No.	Office Held	Ownership

- D. For each person or entity listed in Items B&C above, please provide the names and business addresses of all other companies, partnerships, or business associations in which person or entity holds 10% or more interest, stock or ownership, and the percent of such ownership. (Use separate page if needed).

- E. Have any of the persons or entities listed in Items A, B, C, or D above:

- (1) been, within the last five years, a party in litigation?
 yes no
- (2) been, or is now charged with, convicted, or a plaintiff in any criminal or civil offense other than a minor vehicle violation?
 yes no
- (3) been, or is now subject to, or has pending, any disciplinary action by an administrative, governmental, or regulatory body?
 yes no
- (4) been, or is now subject to any order resulting from any criminal, civil or administrative proceedings brought against such persons or parties by an administrative, governmental, or regulatory agency?
 yes no
- (5) been, or is now denied any license by any administrative, governmental, or regulatory agency on the grounds of moral turpitude?
 yes no

- (6) been, or is now informed of any current or on-going investigation with respect to possible violations by such persons or parties of state, federal securities, anti-trust, or criminal laws?
 yes no
- (7) been, or is now denied a business-related license or had it suspended or revoked by an administrative, governmental, or regulatory agency?
 yes no
- (8) been, or is now disbarred, suspended, or disqualified from contracting with any federal, state, or municipal agency?
 yes no
- (9) been, or is now in receivership or adjudicated bankrupt?
 yes no

If the answer is yes on any of the above, furnish details on an attachment

F. Does any member of the Paterson Restoration Corporation to which this application is being made exercise any functions or responsibilities in connection with the carrying out of the project under which the land/buildings covered by the applicant's proposal is being made available have any direct or indirect personal interest in the Applicant or in the development or rehabilitation of the property upon the basis of such proposal? If yes, explain.

G. Does any member or public official of the locality, who exercises any functions or responsibilities in the review or approval of the carrying out of the project under which the land/buildings covered by the Applicant's proposal is being made available, have any direct or indirect personal interest in the Applicant or in the redevelopment or rehabilitation of the property upon the basis of such proposal? If yes, explain.

H. Name and address and telephone number of counsel to applicant.

I. Name and address of applicant's bank(s) of accountant; loan officer,
and telephone number.

J. Name and address of accountant to applicant.

FEDERAL STATE AND MUNICIPAL TAX PAYMENTS

FOR

THE APPLICANT, AFFILIATED ENTITIES,

AND

EACH OWNER OF THE APPLICANT.

1. ARE FEDERAL/STATE EMPLOYEE WITHHOLDING TAX PAYMENTS CURRENT?

_____ Yes _____ No (If not, please explain on a separate sheet.)

2. ARE SALES AND OTHER BUSINESS TAX PAYMENTS CURRENT?

_____ Yes _____ No. (If not, please explain on a separate sheet.)

3. ARE CORPORATE/PERSONAL FEDERAL AND STATE INCOME TAX PAYMENTS CURRENT?

_____ Yes _____ (If not, please explain on a separate sheet.)

4. ARE MUNICIPAL PROPERTY TAX PAYMENTS CURRENT AT THE PROJECT SITE?

_____ Yes _____ (If not, please explain on a separate sheet.)

2. PROPOSED PROJECT

If the project involves purchase of equipment only, please complete only items A, B, E, and F. If project includes construction and/or acquisition of building or acquisition of land, complete all items.

A. LOCATION OF PROPOSED PROJECT SITE:

Street Address _____

B. PROJECT SITE (land)

1. Indicate approximate size (in acres or square feet) of land.

2. Are there buildings now on the project site? ____ Yes ____ No

If yes, indicate approximate size in square feet. _____

3. Indicate in detail the present use of the project site.

4. Indicate the present owner of the project site.

Name _____

Business Address _____

Contact Person _____

Telephone _____

5. If the applicant is not now the owner of the project site, does applicant have an option or contract to purchase the project site?

____ Yes ____ No

If yes, please indicate:

a. Date option or contract signed with owner

b. Purchase price

c. Expiration date

d. Please attach **executed** copy of option agreement or contract.

6. If the applicant is not the owner of the project site, does the applicant now lease the project or any building on the site?

___ Yes ___ No If yes, please attach executed copy of lease.

C. BUILDINGS

1. Does the project involve acquisition of an existing building or buildings?

___ Yes ___ No

If yes, indicate number and size of existing buildings?

2. Does the project consist of the construction of a new building or buildings?

___ Yes ___ No

If yes, indicate number and size of new buildings and attach a copy of the final site plan approval.

3. Does the project consist of additions and/or renovations to existing building?

___ Yes ___ No

If yes, indicate size of addition and/or the nature of the renovations and attach a copy of the site plan approval.

D. CONSTRUCTION STATUS

1. Has construction work on project begun?

___ Yes ___ No

If yes, provide details.

2. Has a local building permit been issued?

___ Yes ___ No Date Issued _____

3. Please attach completed "Contractor's Certificate" and "Subcontractor's Certificates."
4. Please attach "Architect/Engineer/Professional Planner Certificate."

E. NEW EQUIPMENT

1. List each item of new equipment to be acquired as part of the project.

2. Has any of this new equipment been ordered or purchased?
 Yes No

If yes, please indicate using separate sheet if needed.

K. Date ordered or purchased. _____

L. Prices. _____

M. Date to be received. _____

F. EXISTING EQUIPMENT

1. List each item of existing (used) equipment to be acquired as part of the project.

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

2. Has any of this existing (used) equipment been ordered or purchased?

Yes No

If yes, please indicate using a separate sheet if need:

a. Date ordered or purchased.

b. Prices. _____

- c. Date to be received.

- d. Location of existing equipment.

3. Is any portion of the existing (used) equipment now part of an integrated operation presently installed in a building that is part of the project?

___ Yes ___ No If yes, please explain.

3. EMPLOYMENT IMPACT

A. The employer will consider Paterson residents making at least 51% of new jobs available to low and moderate-income persons, and will provide training for any of those jobs requiring special skills or education.

B. Projected permanent jobs to be created (put * where applicable).

Type of Employment	1 st Year Full-Time	2 nd Year Full-Time
a. Professional Managerial Technical		
b. Skilled		
c. Unskilled Semi-Skilled		
TOTALS		

C. Job Description: Please provide a description of the specific occupational titles that correspond to the new jobs to be created as a result of the PRC financing, financing together with estimated annual wages to be paid for each title. Please be specific (i.e., 3 crane operators @ \$10,000 per year, 4 lathe operators @ \$7,000 per year; 10 supervisory personnel @ \$12,000 per year, etc.). Identify hours per week, number of weeks per year.

- D. The borrower will report yearly to the Division of Economic Development on its employment status using forms provided by the Division of Economic Development (see attachments).
- E. Indicate number of workers employed (Jobs Retained).

Type of Employment	On Site at Present Full-Time	Low/Mod
a. Professional Managerial Technical		
b. Skilled		
c. Unskilled Semi-Skilled		
TOTALS		

4. Project Costs

A. Description of Costs

Amount

Land _____

Acquisition of existing building _____

Renovation of existing building _____

Construction of new building or addition _____

Purchase of Equipment & Machinery _____

Renovation of existing (used) equipment
& Machinery _____

Construction of roads, utilities, etc. _____

Engineering & architectural fees _____

Finance & legal fees _____

Other (specify) _____

TOTAL PROJECT COST _____

B. Have any of the above expenditures been paid or incurred?

_____ Yes _____ No

If yes, indicate particulars:

ASSURANCES

In the event that financial assistance is provided to the applicant by the Paterson Restoration Corporation pursuant to this application, the applicant agrees to comply with and be bound by the provisions of the "General Terms and Conditions" attached hereto.

CERTIFICATION

I (We) _____ certify that this Application for Financial Assistance, and attachments, including financial statements, are true and correct to the best of my (our) knowledge and belief.

Signature

Signature

Title

Title

Address and Zip Codes

Address and Zip Codes

If the Applicant is a corporation, this statement should be signed by the President and Secretary of the corporation, if an individual, by such individual; if a partnership, by one of the partners, if an entity not having a president and secretary, by one of its chief officers having knowledge of the financial status and qualifications of the Applicant.

Sworn and Subscribed before me this _____ day of _____, 20__.

Notary Public

My commission expires _____