

# MONTGOMERY DEVELOPMENT FUND

## FORGIVABLE LOAN PROGRAM GUIDELINES AND APPLICATION FORMS

Program Description: The Village of Montgomery is introducing two new programs to further economic development in the Village. The purpose of these programs is to create or retain quality jobs; encourage area financial institutions to participate in project funding; and , to support projects and investments that protect and expand the tax base.

Eligible Projects/Borrowers: Any retail or commercial business located in the corridors identified on the attached map.

### General Program Guidelines

1. Forgivable loan request maximum \$10,000
2. Projects to be assisted can be retail or commercial
3. Private investment will not be a program requirement
4. Job creation will not be a program requirement
5. Examples of eligible uses of funds include
  - painting
  - exterior cleaning
  - window and/or door repairs or replacements
  - tuck pointing
  - addition of awnings or canopies
  - restoration of historic or architectural details
  - removal of inappropriate coverings or elements
  - roofing or guttering work
  - exterior structural repairs
  - shutters
  - signage
  - landscaping
6. Businesses will be required to continue operating in the Village for at least three (3) years from the date of project approval
7. Failure to remain operational in the Village for the required amount of time could be a cause for a pro-rata repayment of funds
8. Other financial commitments necessary for the project must be evidenced at the time of application
9. Personal guarantee from all business owners will be required
10. Property must be current on any and all tax and mortgage payments
11. Work involving structural members may, at the discretion of the Village Code Enforcement Officer, require the certificate of a registered architect or engineer
12. Building permits will be required as per Village Code
13. Funds may NOT be used for the following
  - refinance of existing debt
  - reimbursement for expenditures made prior to Village approval
  - speculative activities such as land banking or construction of speculative buildings

## MONTGOMERY DEVELOPMENT FUND

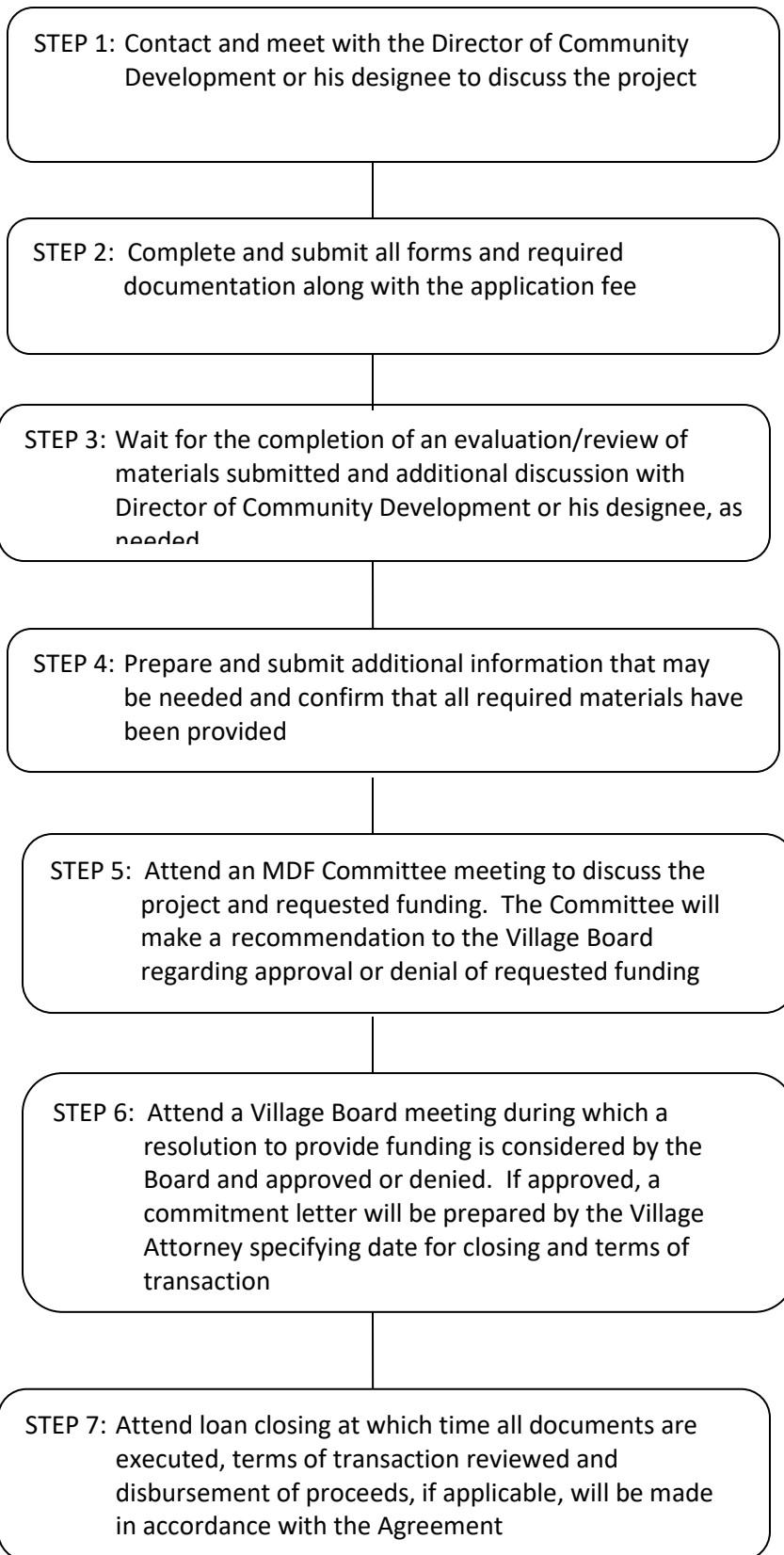
### Ineligible Projects include

1. Self-storage mini-warehouse facilities
2. Automatic or self-service coin operated car wash
3. Automobile storage yard
4. Commodity scrap processing
5. Recycling facility
6. Cash advance, pay day loan and title stores
7. Adult entertainment venues including adult bookstore

Application Fee in the amount of \$250.00 for processing each application is payable at the time of application submission.

# MONTGOMERY DEVELOPMENT FUND

## MDF APPLICANT PROCESS





## MONTGOMERY DEVELOPMENT FUND

### 3. Proposed Uses of Funds/Project Costs

Describe the proposed project including activities to be financed in whole or in part by the Village funding:

MDF: \_\_\_\_\_

Estimated Project Costs:

Land Acquisition	\$
Site Improvements	\$
New Construction	\$
Renovation/Rehabilitation	\$
Machinery/Equipment	\$
Inventory/Working Capital	\$
Other Costs	\$
Total	\$

Project Schedule: Identify Major Milestones (such as):

Engineering Complete	_/_/_
Permits Approved	_/_/_
Construction/Rehabilitation Start	_/_/_
Machinery/Equipment Purchase	_/_/_
Machinery/Equipment Installation	_/_/_
Construction/Rehabilitation Complete	_/_/_
Job Retention/Creation	_/_/_
Project Close-out	_/_/_

### 4. Project Financing

Requested MDF Loan:	\$
Other Financing Required (Source)	
<i>Bank or Other Private Lender</i>	\$
<i>SBA Loan</i>	\$
<i>Owner Equity</i>	\$
Total Project Cost	\$

**Certification:** The undersigned certifies that to the best of my knowledge and belief, all information contained in this loan application and in the accompanying statements and documents is true, complete and correct. The undersigned agrees to notify the Village President or his designee of any material changes. It is further agreed that whether or not the loan herein applied for is approved, the undersigned will pay the Village of Montgomery for costs, if any, of surveys, credit review, appraisals, etc. performed by the Village with the prior written consent of the applicant. The applicant agrees to furnish any additional information to the Village as needed to review and consider this loan request.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

# MONTGOMERY DEVELOPMENT FUND

## AUTHORIZATION TO RELEASE INFORMATION

I/We hereby authorize the release to the Village of Montgomery of any and all information they may require at any time for any purpose related our credit transaction with them. I/We further authorize the President of the Village of Montgomery or his designee, to release such information to any entity they deem necessary for any purpose related to our credit transaction with the Village. I/We understand that the Village of Montgomery may utilize, publish or distribute certain data/information about the below listed company/business entity for surveys, reports, public relations and other items as may be required by the Village of Montgomery or as may be in the best interest of the Village of Montgomery ongoing operations and I/We authorize such documentation to be used in such a manner as the Village of Montgomery deems appropriate.

I/We further authorize the Village of Montgomery to contact and make inquiries of my/our lenders, customers, suppliers, creditors, investors and other persons deemed necessary and appropriate by the Village of Montgomery to obtain or verify information concerning our current and proposed business, operations and financial condition. I/We hereby release the Village of Montgomery Corporation and its Trustees, officers, directors, employees and agents (collectively, the "Indemnified Parties") from any liability of damages resulting from such contacts and inquiries. I/We agree to indemnify and hold the parties harmless from and against any liability, claims, damages, costs and expenses (including attorney's fees and costs) incurred by or asserted against any of them as a result of or in connection with any of such contacts or inquiries.

I/We acknowledge that the Village of Montgomery may from time to time offer advice or recommendations about business operations and practices. I/We agree to indemnify and hold harmless from and against any liability, claims, damages, costs and expenses (including attorney's fees and costs) incurred by or asserted against any of them as a result of or in connection with any such advice, recommendations or consultations.

I/We hereby authorize the transfer of and/or sharing of credit and other information pertaining to this application with the Small Business Development Centers, public and/or private lending institutions, and/or participating lenders and other agencies and entities. I/We certify that the enclosed information (plus all attachments and forms) is valid and correct to the best of my/our knowledge. I/We hereby acknowledge that if any representation, warranty or information, either supplied by me/us, obtained through the due diligence conducted by the Village of Montgomery, or brought to the knowledge of the Village of Montgomery at any time, shall prove to have been false, incomplete or incorrect in any material respect, then the remaining unpaid principal amount of any funds borrowed through my/our influence from the Village of Montgomery MDF shall become immediately due and payable, along with all accrued interest and cost of collections.

I/We hereby acknowledge that all loan approvals will be in writing and subject to the terms and conditions set forth in a commitment letter signed by the Village President of Montgomery and that any loan ultimately made by the Village of Montgomery will also be subject to the terms and conditions of definitive loan documents in form and substance acceptable to the Village of Montgomery.

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

Officer Name: (Print) \_\_\_\_\_

Phone/Email: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

MONTGOMERY DEVELOPMENT FUND

**ALL INDIVIDUALS GUARANTYING THE PROPOSED LOAN MUST SIGN BELOW**

	Print Name	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

# MONTGOMERY DEVELOPMENT FUND

## REQUIRED MDF APPLICATION ATTACHMENTS FORGIVABLE LOAN PROGRAM

1. Evidence of balance of financing—if additional funds are proposed for the project, all sources of financing must be firmly documented. Approval letters from financial institutions must have language indicating the loan amount, specific term and interest rate and any special loan conditions. If the balance of funding is equity funding, evidence of the immediate availability of funds must be provided.
2. History of the company—submit a brief history of the business.
3. Market/customer Information—submit information on the Company's products or services, identify existing and potential major customers and competitors as well as business/market trends.
4. Corporate financial statements—submit historical corporate/business financial statements for the past three years and interim statements dated no more than 90 days prior to the date of application.
  - a. Profit and loss statements
  - b. Balance sheets
  - c. Disclosure of contingent liabilities
  - d. Two years financial projections and month to month cash flow for the first year
  - e. New businesses must submit two years financial projections, month to month cash flow for the first year and the assumptions used to support the financial projections
5. Disclosure of all affiliates and subsidiaries, if applicable.
6. Company management—list those people that are responsible for the management of the company, all officers of the company and indicate their corresponding positions along with percentage of ownership, if applicable.
7. Bankruptcies—indicate if officers or principals of the business have ever been involved in bankruptcy or insolvency procedures. If yes, details must be provided.
8. Pending Lawsuits—indicate if any officers or principals of the business are involved in any lawsuits. If yes, details must be provided.
9. Land and building information—for land and building acquisition, a copy of the purchase option or agreement must be provided. For building construction, renovation or rehabilitation, provide contractor estimates.
10. Description of machinery and equipment—identify major equipment or classes of equipment to be acquired as part of the project. For acquisition of new machinery and equipment, attach all reliable vendor cost estimates. For moving and installation costs, attach written estimates. For used machinery and equipment acquisition, provide an appraisal based on depreciated book value.
11. Description of working capital—for working capital and inventory, provide a detailed narrative of the need for and specific uses of the requested funds.
12. Personal financial statement—provide personal financial statements for any individual with 10 percent or greater ownership in the business/company.



## MONTGOMERY DEVELOPMENT FUND

13. Documentation evidencing existence of business entity—submit the following as appropriate:
  - a. Corporation—articles and certificate of incorporation; copy of corporate by-laws; and, certificate of good standing
  - b. Partnership—certificate of partnership (limited partnership); certificate of partnership agreement; and, certificate of good standing