

City Of Marseilles

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Jim Hollenbeck, Mayor

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Michael Etscheid, Engineer
Dan Lowe, Building/Zoning Inspector
Al Moore, Plumbing Inspector*

Lesley Hart, City Clerk

Cheryl Gray, Asst. City Clerk/Treasurer

City of Marseilles Disaster Relief Stimulus Plan

1. Present application to CDAP committee through City Hall.
2. CDAP Committee accepts / rejects application.
3. If accepted , documents are prepared
 - Loan Agreement
 - Security Agreement
 - Promissory Note
 -
4. Reviewed by the City Attorney
5. CDAP Committee authorizes Mayor and City Clerk to sign documents
6. Applicant receives funds through ACH
7. In Security Agreement

PROGRAM GUIDELINES -- CITY OF MARSEILLES

I. PURPOSE

To make available needed funds with zero interest loans to Main Street and/or Commercially zoned businesses during this trying time.

II. LOAN TERMS & CONDITIONS

A. Participating Lenders

The City of Marseilles, utilizing recaptured Community Development Assistance Program (CDAP) Dollars from the State of Illinois, may participate with any Lending Institution and/or Source of Equity in making CDAP Loans.

B. Loan Amount

The loan amount will be up to \$10,000.

C. Interest Rates & Terms

The interest rate of 0% shall be charged on all Disaster Relief Plan loans. The loans will be either 3 year or 5 year term.

(Note: In no event shall CDAP participation exceed the term granted by the Participating Lender for the same class of asset.)

D. Collateral Requirements

The Participating Lender shall have the primary responsibility for determining the applicant's credit risk and, if it requires, shall be entitled to the senior lien or security interest on any collateral given as security. In the case where the City secures the CDAP loan with identical collateral, its lien or security interest shall be subordinated to the Participating Lender. In addition, the City will generally require a PERSONAL GUARANTY on Marseilles CDAP Program Loans.

E. Loan Disbursements

All loan disbursements will be deposited through ACH.

F. Application Fee

The City of Marseilles charges a \$100.00 fee to cover application costs.

G. Loan Call Provisions

Failure to abide by Marseilles CDAP Program Guidelines or administrative guidelines or administrative procedures can result in calling of the CDAP loan at the CDAP Committee's request. Also, the City can call the CDAP loan due and payable in the event of: 1) the transfer of substantially all the Borrower's assets to any third party; 2) bankruptcy or insolvency of the Borrower; 3) cessation of the conduct of active trade or business in the City of Marseilles by the Borrower for any reason, including but not limited to, fire or other casualty; 4) inability to meet the obligations for job creation/retention as originally stated. These provisions are contained in a loan agreement between the borrower and the City.

H. Penalties

Failure to repay loan monies on time according to the terms of the loan agreement will result in fines and/or legal action. The City of Marseilles will take the following actions to collect loan monies when a borrower has defaulted on payment.

1. Contact loan borrower via phone after 7 working days to determine why payment has not been made.
2. After 14 days, a written notice will be sent to borrower a.) Notifying borrower that loan disbursements have been suspended b.) Ordering payments to be made within 90 days and assessing a late-fee fine of 30% of the total loan balance c.) Notifying borrower that the City will take possession of any or all collateral that was given as security if payment is not made.
3. If after 90 days payment has not been made, the City of Marseilles will take legal action to collect the proceeds of delinquent loans.
4. The Marseilles City Council must approve any actions to remedy a default.

III. ELIGIBILITY CRITERIA

A. Eligible Borrowers

Eligible borrowers are businesses on Main Street and/or commercially zoned property. Business must have been in current location for more than 1 year. Business must employ more than 2 employees on payroll. Businesses that currently have a CDAP loan must be current in order to qualify for this loan.

B. Applicants

1. An Applicant must have the ability to repay the loan and be an acceptable credit risk as determined by the participating lender.
2. An Applicant's property must conform to use under the City of Marseilles Zoning Ordinance.

C. Use of Proceeds

City of Marseilles Disaster Relief Stimulus Plan Proceeds may be used for the following

- Payroll for employees
- Inventory
- Rent/Mortgage

IV. REQUIRED DOCUMENTATION A.

Sign-Off Sheet (attached)

B. City of Marseilles Disaster Relief Stimulus Plan Application and Related Documents and Application Fee.

C. Once proceeds have been spent; businesses need to provide the City with documentation showing how the proceeds were spent. Businesses may also be subject to an audit for the funds.

V. MARSEILLES CDAP FUND ADVISORY COMMITTEE

A Marseilles CDAP Advisory Committee has been named as the Administrative Entity for the Marseilles CDAP. This Committee will make recommendations to the Marseilles City Council concerning the use of Marseilles CDAP monies. It shall be the responsibility of this committee to ensure that all program guidelines have been adhered to.

CITY OF MARSEILLES, ILLINOIS
Disaster Relief Stimulus Plan

I. APPLICANT/ BUSINESS INFORMATION

Legal Name of Borrower: _____

Home Address: _____

Home Phone: _____ E-Mail: _____

Contract Person: _____ Title: _____

Business Address: _____

Business Phone: _____

Type of Business/Produced, Services Provided: _____

Desired Loan Amount: \$ _____

FEIN or SS #: _____

Number of years in business: _____

Number of years operating at present business address: _____

Business Ownership: Sole Proprietorship Partnership
 Corporation Other (Specify)

Principal Owners (individuals , address and phone of those owning 20% or more). _____

Present Number of Employees: Full Time: _____ Part Time: _____

II. COLATERAL DETAIL

1. Description of Real Estate

Address (if different from business address): _____

Phone Number (if different from business phone): _____

Applicant: Owns Leases

If Leased, Owner's Name:

Owner's Address:

Terms of Lease _____ (attach copy of lease)

Property Size _____ (Sq. Ft. /Acreage)

Existing Buildings -Total Square Footage Occupied: _____

Approximate Year Constructed: _____

Assessed Valuation of Property: \$ _____ (Most Recent Year)

Real Estate Taxes Paid: \$ _____ 20 _____

2. Description of Machinery/ Equipment

Item Description: _____ Estimated Cost: \$

Item Description: _____ Estimated Cost: \$

Item Description: _____ Estimated Cost: \$

Item Description: _____ Estimated Cost: \$

Item Description: _____ Estimated Cost: \$

Item Description: _____ Estimated Cost: \$

CERTIFICATION: The undersigned applied for the local CDAP loan indicated in this application to be used in connection with the project described herein. All statements made in this application are true and are made for the purpose of obtaining the loan. Verification may be obtained from any source named in this application. The applicant agrees to abide by all Marseilles CDAP requirements. The Applicant agrees to furnish any additional information as needed to review for consideration of this loan request. ***Failure to disclose accurate information could result in the loan application being denied or could result in immediate repayment of the balance of the loan should RF Loan proceeds in the approved amount be disbursed to the applicant.***

Signature of Applicant: _____ Date: _____

Signature of Applicant: _____ Date: _____

