

**CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
LOAN ADMINISTRATOR AGREEMENT**

THIS **Central Corridor Ready for Rail Small Business Loan Program** Loan Administrator Agreement (“Agreement”), is made and entered into this ___ day of June, 2011 by and between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body both corporate and politic, under the laws of the State of Minnesota, hereinafter referred to as **HRA, or “Lender”**, and the *Neighborhood Development Center/Metropolitan Consortium of Community Developers*, whose address is _____, hereinafter referred to as **“Loan Administrator.”**

WITNESSETH:

WHEREAS, the Central Corridor Ready for Rail Small Business Loan Program (“Program”) is a collaborative effort between the Metropolitan Council (the “Council”), Saint Paul Foundation on behalf of the Central Corridor Funders Collaborative (a coalition of private nonprofits and foundations), *and the City of Saint Paul* (together the “Funders”) to provide a modest safety net for small businesses that undertake business planning, encourage preparation in advance for the Central Corridor Light Rail Transit (CCLRT) construction activities, and provide incentive for businesses to continue operating at their existing locations after CCLRT construction; and

WHEREAS, the Program consists of a forgivable loan fund (“Loan Fund”) that the Lender will use to make forgivable loans to eligible businesses; and

WHEREAS, the Loan Fund is made up of \$2,500,000.00 from the Metropolitan Council’s Community Development Division, \$500,000.00 from the Central Corridor Funders Collaborative (together the “Program funds”), *and up to \$1,000,000.00 from the City of Saint Paul*; and

WHEREAS, the Saint Paul City Council has accepted funds from the Metropolitan Council and the Saint Paul Foundation on behalf of the Central Corridor Funders Collaborative and delegated the responsibility to administer these funds to the Lender; and

WHEREAS, the HRA has already provided loans and grants to businesses in Lowertown through the Lowertown Business Mitigation Bridge Loan and Grant Fund Program which is now merged with this Program; and

WHEREAS, the Lender will supervise the administration of the Program under the terms and conditions of this Agreement and the Amended Joint Exercise of Powers Agreement (“JPA”) with the Council *and the Joint Powers Agreement with the City of Minneapolis* (“*Minneapolis*

JPA ”); and

WHEREAS, on behalf of the Funders, the Lender will make loans to eligible businesses; and

WHEREAS, Loan Administrator has agreed to facilitate, market, administer and manage the Program under the terms more fully described below; and

NOW THEREFORE, the Lender and Loan Administrator, in consideration of the mutual terms and conditions, promises, covenants, and payments hereinafter set forth, agree as follows:

SECTION 1: Scope of Services. The Lender does hereby retain the Loan Administrator to facilitate, market, administer and manage the Program and as more fully described in the document attached hereto as **Attachment A**, the terms and conditions of which are incorporated herein. Loan Administrator shall dispense up to \$3,100,000.00/ \$900,000.00 (less administrative costs) of Loan Funds to businesses in the City of Saint Paul/*City of Minneapolis*.

SECTION 2: Time For Completion. The services described in Section 1 above shall be commenced upon execution of the Agreement. Loan Administrator understands that there is a limited amount of funds available for the Project and that the funds are to be distributed evenly along the CCLRT construction site. Therefore, the Project will be conducted in phases in accordance with a schedule mutually agreed upon. Loan applications will be processed through December of 2013, unless earlier terminated because all funds have been disbursed. All services related to collection of loans shall continue until all loans have been repaid or the HRA notifies the Loan Administrator that the loans have been determined to be nonrecoverable. All remaining services under this Agreement shall be completed on the date that is six years after the date when all loans have been repaid or the HRA notifies Loan Administrator that the loans have been determined to be nonrecoverable by HRA and the Council.

SECTION 3: Billings and Payment. The Lender agrees to pay to the Loan Administrator a 5% administrative fee for each loan disbursed by Loan Administrator. This shall include the applicable UCC-1 Financing Statement filing fee. Lender further agrees to pay Loan Administrator an advance of \$7,000/\$3,000 immediately following execution of this agreement. Loan Administrator shall be entitled to additional administrative fees after it has disbursed \$140,000.00/\$60,000.00 in funds. Subsequent draws on the administration fees may be requested with the loan disbursements, not to exceed 5% of the loan amounts approved.

Upon receipt of the request, payment shall be made by the Lender to Loan Administrator within thirty (30) days.

SECTION 4: Ownership of Work Products. All deliverable work products and supporting documentation that result from the Loan Administrator’s services under this Agreement shall become the property of the Lender after final payment is made to the Loan

Administrator, with no right, title, or interest in said work product or supporting documentation vesting in the Loan Administrator.

SECTION 5: Insurance. Loan Administrator shall be required to carry insurance of the kind and in the amounts shown below for the life of the contract. Insurance certificates should state that the City of Saint Paul, and the HRA, its officials, employees, agents and representatives are named as Additional Insureds.

Evidence satisfactory to the Lender of liability insurance covering the Loan Administrator, the Lender and the City, including not less than:

- A. General or Business Liability Insurance:
 - \$1,500,000 per occurrence
 - \$2,000,000 aggregate
 - \$2,000,000 products/completed operations total limit
 - \$1,500,000 personal injury and advertising
 - Policy must include an “all services, products, or completed operations” endorsement.
- B. Automobile Insurance
 - \$ 750,000 Bodily Injury per person
 - \$1,000,000 per accident
 - \$ 50,000 property damage per accident
 - Coverage shall include: hired, non-owned and owned auto
- C. Worker's Compensation insurance, statutory coverage, and employer's liability insurance in the amount of \$500,000 per accident, \$500,000 per employee, and \$500,000 per disease policy limit.
- D. Professional Liability Insurance (Eliminate for MCCD)
 - \$1,000,000 per occurrence
 - \$2,000,000 aggregate

All such liability insurance to contain provisions requiring the insurer to give the Lender at least thirty (30) days written notice prior to cancellation of said insurance. Agent must state on the certificate if company carries errors and omissions coverage.

Such insurance to be required for the term of all Loans, and evidence of coverage will be provided to the Lender on a yearly basis or at such time as any change in coverage occurs.

Nothing shall preclude the Lender from requiring Loan Administrator to purchase and provide evidence of additional insurance.

SECTION 6: Independent Contractor. It is agreed by the parties that, at all times and for all purposes within the scope of this Agreement, the relationship of the Loan Administrator to the Lender is that of independent contractor and not that of employee. No statement contained in this Agreement shall be construed so as to find Loan Administrator an employee of the Lender, and Loan Administrator shall be entitled to none of the rights, privileges, or benefits of the City of Saint Paul or HRA employees.

SECTION 7: Compliance with Applicable Law. Loan Administrator agrees to comply

with all federal, state, and local laws or ordinances, and all applicable rules, regulations, and standards established by any agency of such governmental units, which are now or hereafter promulgated insofar as they related to the Loan Administrator's performance of the provisions of this Agreement. It shall be the obligation of the Loan Administrator to apply for, pay for, and obtain all permits and/or licenses required.

Data Practices. All of the data created, collected, received, stored, used, maintained or disseminated by Loan Administrator with regard to its performance of its duties under this Agreement are subject to the requirements of Chapter 13, Minnesota Statutes, and Loan Administrator agrees to comply with those requirements as if it were the HRA. The remedies in Minn. Stat. § 13.08 may apply to Loan Administrator. If any provision of this Agreement is in conflict with the Minnesota Government Data Practices Act or other Minnesota State laws, state law shall control.

Affirmative Action/Equal Opportunity. Loan Administrator agrees to be bound by the requirements of Section 183.04 of the Saint Paul Legislative Code and the Rules Governing Affirmative Requirements in Employment adopted by the Saint Paul Human Rights Commission. Loan Administrator shall meet the requirements of this subsection by compliance with the statement of affirmative action/equal opportunity requirements attached hereto as **Attachment B** and incorporated herein.

SECTION 8: Hold Harmless. The Loan Administrator shall indemnify, save, hold harmless, protect, and defend the Lender and the City of Saint Paul, its officers, agents, and employees from all claims, actions or suits of any character brought for or on account of any claimed or alleged injuries or damages received by any person or property, including the Lender, resulting from any act or omission by any person employed by Loan Administrator in carrying out the terms of this Agreement.

SECTION 9: Termination. The Lender may rescind or terminate this Agreement for any reason upon thirty (30) days written notice to Loan Administrator. Loan applications pending at the time of termination notice will be processed and, if eligible, funded. If not previously terminated, this Agreement shall terminate on the date that is six years after the date when all loans have been repaid or the HRA notifies Loan Administrator that the loans have been determined to be nonrecoverable by HRA and the Council.

SECTION 10. Default and Termination. In the event that Loan Administrator fails or neglects to comply with any term or condition of this Agreement or to provide the services as stated herein, Lender shall have the right, following written notice sent to Loan Administrator by regular, first class mail, to cease payment hereunder. This remedy shall be in addition to any other remedies available in law or equity. The Lender shall be entitled to recover reasonable attorney's fees and costs of collection associated with enforcing its rights hereunder.

SECTION 11: Business Expenses. Loan Administrator shall be responsible for any and all expenses incidental or in any way related to the work performed or services rendered

hereunder.

SECTION 12: Non-exclusivity. Loan Administrator and Lender acknowledge and agrees that nothing in this Agreement is intended to, nor shall it be construed as conferring any exclusive rights to Loan Administrator and Lender.

SECTION 13: Subcontracting. With prior written approval from Lender, Loan Administrator may enter into any subcontracts for any work to be performed or services to be rendered under this Agreement.

SECTION 14. Taxes. Loan Administrator acknowledges that because of its status as an independent contractor, Lender will not withhold any funds for any federal, state, or local income, social security, unemployment, disability, or other tax. Loan Administrator acknowledges that it is solely responsible for the payment of these taxes.

SECTION 15: Amendment or Changes to Agreement. Lender or Loan Administrator may request changes that would increase, decrease, or otherwise modify the Scope of Services. Such changes and method of compensation must be authorized in writing in advance by the Lender. Any alternations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when reduced to writing and duly signed by the parties.

SECTION 16: Entire Agreement. It is understood and agreed that this Agreement supersede all oral agreements and negotiations between the parties relating to the subject matters hereof. The Agreement shall be interpreted and construed according to the laws of the State of Minnesota.

SECTION 17: Survival of Obligations. The respective obligations of Lender and Loan Administrator under these terms and conditions, which by their nature would continue beyond the termination, cancellation, or expiration hereof, shall survive termination, cancellation or expiration.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

APPROVED AS TO FORM:

**HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF
SAINT PAUL, MINNESOTA:**

Assistant Saint Paul City Attorney

Date: _____

Its Chair/Commissioner
Date: _____

Its Executive Director
Date: _____

City of Saint Paul, Director, Department of
Finance & Management Services
Date: _____
Req # 29250

LOAN ADMINISTRATOR

By: _____

Its: _____
Date: _____

ATTACHMENT A

CENTRAL CORRIDOR READY FOR RAIL SMALL BUSINESS LOAN PROGRAM LOAN ADMINISTRATOR AGREEMENT

Contract Scope of Work

I. Overview, Goals and Objectives of the Program

The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (Saint Paul HRA) has entered into an agreement with the Neighborhood Development Center (“Loan Administrator”) to administer a forgivable loan fund designed to support small businesses located in the Central Corridor areas of Saint Paul/Minneapolis.

This working capital loan, in conjunction with other marketing and branding tools available through the Ready for Rail program, is designed to help businesses prepare for and survive construction and be in a position to thrive once the LRT line is completed.

II. Duties of Loan Administrator. The Loan Administrator will be required to work closely with the HRA’s designated Project Manager. The Loan Administrator will identify an individual who will serve as the key contact person and to specify other staff who will perform various tasks. Any substitutions of staff during the course of the contract must be agreed upon by the HRA in advance.

A. Marketing of Loan

- Distribute materials and publicize the availability of the fund and its eligibility criteria through the existing Ready for Rail program and provide additional materials and outreach strategies in coordination with the Minneapolis Loan Administrator and subject to HRA staff review for consistent program content.

B. Facilitate Loan Applications:

- Identify documentation required from applicants to demonstrate construction-related decline in revenue. Loan documents and application will be provided by the HRA
- Assist applicants in preparation of application and accompanying documents
- Establish credit terms and application process and procedures.
- Distribute application materials and appropriate Loan Documents.
- Ensure that limited-English proficient applicants have meaningful access to the program and all related information and materials.

C. Determine and assess eligibility of applicants and establish protocols to ensure equitable access to loan funds based on the following eligibility standards:

- Independent, for-profit business with fewer than five locations.

- Up to \$2 million in annual gross sales.
- Business focuses on retail services. “Retail services” shall include businesses selling merchandise, products, or services in small quantities directly to the consumer, including restaurant services.
- Are located directly on the CCLRT line or within one block of the CCLRT construction zone where business can demonstrate a significant barrier to customer access due to construction.
- At current Central Corridor location for one year or more prior to application through a certification letter from the borrower.
- Sixty or more days have passed since construction began in applicant’s area.

D. Accept and Review Applications. Applications can be accepted by Loan Administrator through December of 2013. Applications must be accompanied with the following documentation:

- Certification by letter that applicant was current and/or in good standing with payments on sales taxes, other taxes, rent/mortgage, utility, and employee payments when CCLRT construction began in applicant’s immediate area. If applicant has any outstanding delinquent obligations (such as tax liens, judgments or child support), applicant shall include an explanation of the payment plan for these obligations.
- Proof of attendance at a meeting with the Loan Administrator’s Small Business Consultant to review and access “Ready for Rail” and/or other comparable trainings and support services.
- At least three years (or as long as the business has been operational if less than three years) of tax returns, and other documents such as financial records (e.g. balance sheets and income statements if reasonably available) and interim monthly financial statements from the beginning of CCLRT construction demonstrating the period of loss, to show loss of revenue related to construction.
- Certification that the loan will be used for basic business expenses at the central corridor location including taxes, rent/mortgage, utilities marketing, payroll and other day to day business expenses.
- Loan Administrator will verify that Applicant is in good standing with the Minnesota Secretary of State.
- Monthly income statements demonstrating decline in revenue to be as a result of the CCLRT construction
- Personal financial statement or a substantially similar document completed to the best of applicant’s ability (See Loan Application, **Attachment F**)
- Credit Release Authorization, if applicable (See Loan Application, **Attachment F**) (Note that this is in the event a credit report would want to be pulled, but not required for each application)
- Copy of current lease, or certification of current lease terms, if applicable.

E. Determine eligibility and make recommendation to HRA of amount of loan.

- In determining eligibility, Loan Administrators may use gross revenues as a baseline.
 - Establish an internal loan committee to review and respond to loan applications in a timely manner.
 - Complete a form provided by the HRA in which Loan Administrator will make recommendations to the Saint Paul HRA based upon the program criteria and eligibility of which loans to approve, how much money should be loaned, and whether any loan requirements should be waived and on what basis should the waiver be made.
- F. Notify Applicants of decision to award or deny application. It is preferred that this letter be written and provided by the Loan Administrator letterhead but if it is on Ready for Rail letterhead, it will include language stating that the acceptance or denial is based on the recommendation of the Loan Administrator and will require the signatures of both the Loan Administrator and HRA staff. Simple language for this letter will be provided by the HRA. It is anticipated that pre-screening of applicants by the Loan Administrators will minimize the number of denial letters.
- G. Finalize all loan documents, facilitate closing, disburse loan funds and file UCC-1 Financing Statement.
- H. Disburse funds to applicants (“borrower(s)”). Wire disbursements to Loan Administrator will be made within the first two weeks of the first loan and grant approvals and then on a monthly basis, based on batched loan approvals thereafter and the timing of these batches may be adjusted if needed. Loan administrators are not expected to front the loans. Loan funds may not be comingled with the Loan Administrator’s general operating funds. Loan and grant funds may not be invested in anything other than an interest bearing, FDIC-insured account. Ongoing allocation for administration fees will be 5% of the loans approved and disbursed and can be taken from said disbursement.
- I. Monitor allocation of loan funds across the geographic segments of the corridor in order to ensure fair and equal access to funds along the entire corridor and avoid disproportionate front loading of loans in early years of construction
- Develop allocation phases with Lender for approval by the Council for adjustment as necessary to support the cash flow demands of the program
 - Agree with Lender on a process to determine appropriate allocation of funds which will include methodology for ongoing decision making.
 - Coordinate this allocation process between the Minneapolis and Saint Paul Loan Administrators.
- J. Approve Loan Forgiveness/Accept Loan Payment. Secure certification (See Promissory Note at **Attachment C**) that businesses are still operating on the Central Corridor each year in order to forgive the annual 20% loan value for 5

years and, if this requirement is not met by the business, secure repayment of loans until loan repayments are complete, or until the loan is deemed uncollectable.

Loan payments will be forwarded to the HRA and then repaid to the Metropolitan Council and will be tracked in the Loan Administrator's quarterly reporting.

The HRA reserves the right to assign the loan and grant management of the Saint Paul Lowertown Business Mitigation Bridge Loan and Grant Fund, providing a 5% administration fee of those loan and grants already granted. Note that funding for these Lowertown loans were covered by the Saint Paul allocation of funds.

- K. Ongoing Loan Servicing. Loan Administrators will provide an annual certification that the borrower is still operating their business at the current location on the CCLRT corridor, or if they have relocated, their new location is operating on the CCLRT corridor.
- L. Collection of Delinquent Loans. Loan Administrators are required to make diligent efforts to secure loan repayment from the Borrower should the Borrower not meet the requirements for forgiveness. Diligent efforts include personal contact by phone or in person, at least three written demands for payment and, if no response is obtained, notify Lender in writing when Loan Administrator believes a loan is uncollectable detailing the efforts Loan Administrator made to collect the loan. The HRA will determine whether to accept this recommendation or request additional collection efforts. All agreed upon recommendations of uncollectable loans shall be turned back over to the HRA for final collections.
- M. Deliver all records to the Lender after final loans are repaid or determined to be nonrecoverable.
- N. Project Management File and Reporting
 - 1. Loan Administrator will submit quarterly reports, in a template provided by the HRA's designated project manager, the status of the loan fund, the level of activity and expenses incurred over the reporting period on or before the following dates from 2011 through the term of this Agreement:
 - April 15 regarding the reporting period January 1 – March 30
 - August 15 regarding the reporting period April 1 – June 30
 - October 15 regarding the reporting period July 1 – September 30
 - January 15 regarding reporting period October 1 - December 31
 - 2. In addition to formal quarterly reports, the Loan Administrator will provide more frequent updates on status of loan applications and applicant profiles (i.e. business type and location), to help gauge whether there is a need to reallocate program funds or conduct additional targeted outreach.

This information can be provided through the minutes of the loan committee or through an email update.

3. Performance Goals.
 - Increased level of preparation on the part of small businesses in the corridor.
 - Timely and equitable consideration of loan applications and disbursement of funds.
 - Maximum rate of loan repayment if Borrower does not meet forgiveness criteria.

III. Features of Loan:

- A. 0% interest.
- B. Single loan amounts will not exceed a total of \$20,000 per business.
- C. Amount of loan will be based on demonstrated need based on revenue loss.
- D. Recourse loan secured by “Loan Documents”:
 - A Loan Agreement (the “Loan Agreement”) in the form attached hereto as **Attachment C**, executed by Borrower and Lender.
 - A Promissory Note (the “Note”) in the form attached hereto as **Attachment D**, executed by the Borrower in favor of the Lender.
 - A Security Interest Agreement (the “Security Agreement”) executed by the Borrower in the form attached hereto as **Attachment E**, covering certain personal property owned by the Borrower (the “Collateral”).
 - A Guaranty of Payment (the “Guaranty”) to be executed by the principal owners of the Borrower in the form attached hereto as **Attachment F**.
 - Loan Application, attached hereto as **Attachment G**.
 - Lender’s Customer Information File Form, attached hereto as **Attachment H**.
 - Borrower’s W-9, attached hereto as **Attachment I**.
- E. Additional draws, up to \$20,000, can be continued with demonstrated need and loss, and drawn down over time with submission of proper documentation of continued need and loss. In no event will any Borrower receive more than \$20,000.00 from the Program.
- F. The repayment period for each loan will be (5) years in (5) equal annual installments. The first annual installment payment will be due on the first anniversary of the date of the loan closing. An annual installment payment will be forgiven if a Borrower certifies its continued presence on the CCLRT corridor during the 12 month period for which the installment payment was due. Should a borrower relocate to another location on the CCLRT corridor, and there is not an undo gap in their operation of service, and their new location can also be certified, the forgiveness criteria shall apply.
- G. Loan balance payable in full on sale of the business or relocation from Central Corridor.
- H. Project Time Line. The Loan Administrator will commence work on the Project within 10 days of contract execution by both parties and to complete all work no later 5 years after substantial completion of all CCLRT construction.

V. Duties of HRA

- Provide form Loan Documents to Loan Administrator. Lender may, from time to time, change the Loan Documents. Loan Administrator will always use most current version of Loan Documents as provided by Lender.
- Approve or reject Loan Administrators loan recommendations.
- Sign Loan Documents
- Provide loan reporting instruments to Loan Administrator.
- Monitor quarterly loan reporting and, more frequently, status of loan applications for timely feedback to gauge whether there is a need to reallocate program funds, timing of disbursements and/or conduct additional targeted outreach to market Program.

Attachment B

Affirmative Action/Equal Employment Opportunity

Attachment C

CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
LOAN AGREEMENT

Attachment D

CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
PROMISSORY NOTE

Exhibit E

CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
SECURITY AGREEMENT

Exhibit F

CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
GUARANTY OF PAYMENT

Exhibit G

CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
LOAN APPLICATION

Exhibit H

CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM

“CIF”

Exhibit I

W-9

Attachment B
Affirmative Action Requirements

AFFIRMATIVE ACTION/EQUAL EMPLOYMENT OPPORTUNITY
CONTRACT SPECIFICATIONS

These AFFIRMATIVE ACTION/EQUAL EMPLOYMENT OPPORTUNITY CONTRACT SPECIFICATIONS shall apply to all contractors on all City contracts. Contractors shall include these specifications in all lower tier contracts on all City contracts.

1. Every contractor or subcontractor whose total accumulated contract awards from the City of Saint over the preceding twelve months has exceeded \$50,000 must complete and submit to the Department an Affirmative Action Program Registration form, through which the contractor certifies it has developed and is implementing an effective Affirmative Action Program substantially similar to the Department's Model Affirmative Action Program. Once the Affirmative Action Program Registration is completed and accepted by the Saint Paul Human Rights Department, the contractor will be notified by letter. Registration is valid for two (2) years, during which time the contractor may be selected for a compliance review. At the end of the two-year period, the contractor must complete and submit a new Registration form.
2. The contractor shall implement the specific equal employment opportunity/affirmative action provisions outlined in paragraphs 3 (A) to 3 (G) of these Specifications and all the provisions of their Affirmative Action Plan.
3. The contractor shall take specific action to ensure equal employment opportunity. The evaluation of the contractor's compliance with these specifications must be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully and shall implement affirmative action steps at least as extensive as the following:
 - A. The contractor shall designate a responsible official to monitor the employment related activity to ensure that the contractor's equal employment opportunity policy and Affirmative Action Plan are being implemented, to keep appropriate records, and to submit reports relating to the provisions hereof as may be required by the Saint Paul Human Rights Department.
 - B. Make every good faith effort to maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor's

employees are assigned to work. The contractor shall specifically ensure that all lead supervisors, superintendents, and other on-site supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minorities, women, and individuals with disabilities working at such sites or in such facilities.

C. Establish and maintain a face-to-face relationship with recruitment sources for minorities, women, and individuals with disabilities. Document meetings and telephone contacts involved in such. Provide written notification to recruitment sources for minorities, women, and individuals with disabilities and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

D. Disseminate the contractor's equal employment opportunity and affirmative action (EEO/AA) policy by providing a copy of the policy to all applicable unions and training programs. Request the cooperation of unions and training programs in assisting the contractor in meeting its equal employment opportunity obligations. Include the EEO/AA policy in all policy manuals and collective bargaining agreements. Publicize the EEO/AA policy in the company newspaper or annual report. Review the policy with all employees, including management personnel at least once a year. Post the EEO/AA policy on bulletin boards or other places accessible to all employees at each location where work is performed. Distribute the EEO/AA policy to all employees, including temporary, seasonal, and part-time employees and to all independent contractors.

E. Review, at least annually, the contractor's equal employment opportunity policy and affirmative action obligations with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decision. A written records shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

F. Direct its recruitment efforts, both oral and written, to community organizations oriented toward minorities, women, and individual with disabilities, to schools with significant numbers of students who are minorities, women, and individuals with disabilities, and to recruitment and training organizations oriented toward minorities, women, and individuals with disabilities serving the contractor's recruitment area and employment needs.

G. Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have discriminatory effect. Continually monitor all personnel and employment related activities to ensure that the equal employment opportunity policy and the contractor's obligations under these specifications are being carried out.

4. The contractor, in fulfilling its obligations under these Specifications, shall implement

specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 3 (A) to 3 (G) herein, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of Section 183 of the Saint Paul Legislative Code, its implementing rules, or these Specifications, the Director may proceed with appropriate sanctions, including: suspension, termination, and cancellation of existing contracts.

5. The contractor shall not enter into any contract with any person, or firm debarred from government contracts under Section 183 of the Saint Paul Legislative Code, Chapter 139 of the Minneapolis Ordinances, the federal Executive Order 11246, or whose state certificate of compliance has been suspended or revoked pursuant to Minnesota Statutes, Section 33.073.
6. The contractor shall implement such sanctions for subcontractor's violations of these Specifications, including suspension, termination, and cancellation of existing contracts as may be imposed or ordered pursuant to Section 183 of the Saint Paul Legislative Code and its implementing rules. Any contractor who fails to implement such sanctions shall be in violation of these Specifications and Section 183 of the Code.

An Affirmative Action, Equal Opportunity Employer

**ATTACHMENT C
CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
LOAN AGREEMENT**

THIS LOAN AGREEMENT (the “**Loan Agreement**”) is made and entered into as of this ___ day of __, 201___, by and between name of business, a Minnesota corporation, and doing business as _____(hereinafter referred to as the "**Borrower**") at address, *Saint Paul/Minneapolis, MN, 55*, (the “Premises”) and the **Housing and Redevelopment Authority of the City of Saint Paul, Minnesota**, a public body, both corporate and politic, as the Lender ("**Lender**" or "**HRA**").

WITNESSETH:

WHEREAS, the Central Corridor Ready for Rail Small Business Loan Program (“Program”) is a collaborative effort between the Metropolitan Council (the “Council”), *and* the Saint Paul Foundation on behalf of the Central Corridor Funders Collaborative(a coalition of private nonprofits and foundations), *and the City of Saint Paul* (together the “Funders”) to provide a modest safety net for small businesses that undertake business planning, encourage preparation in advance for the Central Corridor Light Rail Transit (CCLRT) construction activities, and provide incentive for businesses to continue operating at their existing locations after CCLRT construction; and

WHEREAS, the Program consists of a forgivable loan fund (“Loan Fund”) that the Lender will use to make forgivable loans to eligible businesses; and

WHEREAS, the Loan Fund is made up of \$2,500,000.00 from the Metropolitan Council’s Community Development Division, and \$500,000.00 from the Central Corridor Funders Collaborative (together the “Program funds”), *and up to \$1,000,000.00 from the City of Saint Paul; and*

WHEREAS, the Lender will supervise the administration of the Program under the terms and conditions of the Amended Joint Exercise of Powers Agreement (“JPA”) with the Council *and the terms and conditions of the Joint Exercise of Powers Agreement with the City of Minneapolis (“Minneapolis JPA”); and*

WHEREAS, on behalf of the Funders, the Lender will make loans to eligible businesses using the services of the *Neighborhood Development Center/Metropolitan Consortium of Community Developers* (“Loan Administrator”); and

WHEREAS, the Borrower has requested the financial assistance of the Lender to partially finance costs associated with the decline in business revenue as a result of CCLRT project construction and working capital for the Borrower’s business which is located at the

Premises; and

WHEREAS, the Lender is willing to provide financial assistance to the Borrower consistent with the *JPA and the Minneapolis JPA* and in accordance with the terms and conditions of this Loan Agreement, and the following documents:

- 1) A Promissory Note (the "Note") in the form attached hereto as **Exhibit A**, executed by the Borrower in favor of the Lender.
- 2) A Security Interest Agreement (the "Security Agreement") executed by the Borrower in the form attached hereto as **Exhibit B**, covering certain personal property owned by the Borrower (the "Collateral").
- 3) A Guaranty of Payment (the "Guaranty") to be executed by the principal owners of the Borrower in the form attached hereto as **Exhibit C**.

Hereinafter, this Loan Agreement, the Note, Security Agreement and Guaranty shall be collectively referred to as the "Loan Documents."

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

I. The Loan.

Subject to the terms of this Loan Agreement, the Lender agrees to loan to Borrower, and the Borrower agrees to borrow from the Lender, upon the terms and conditions set forth herein, the sum **and No/100 Dollars (\$00.00)** (the "Loan").

II. Disbursement.

The Loan Administrator shall disburse the Loan to the Borrower in one lump sum upon the satisfaction of the following conditions, namely:

A. Eligible Costs

The Borrower agrees that all Loan funds made available to the Borrower pursuant to the Loan Agreement shall be used for costs associated with the decline in business revenue as a result of construction of the CCLRT project and working capital for the Borrower's business which is located on the Premises. The eligible costs are basic business expenses including taxes, rent/mortgage, utility or personnel payments.

B. Disbursement

Prior to the disbursement of any funds hereunder, the Borrower must furnish to

the Loan Administrator the following, unless waived by the Loan Administrator in writing:

- (1) Evidence satisfactory to the Loan Administrator, of hazard insurance coverage on the Property (if owned by Borrower) and Collateral, such insurance to:
 - (a) Be in an amount not less than the full value of the Loan Amount.
 - (b) Name the Lender, and the City of Saint Paul, Minnesota, a municipal corporation (the "City"), as a loss payee.
 - (c) Provide for at least thirty (30) days written notice to the Lender and Loan Administrator prior to completion or other termination of coverage.
- (2) The Borrower will have executed and delivered to the Loan Administrator the Loan Documents.

C. It is expressly understood and agreed that the Lender makes no agreements, representations or warranties to provide any further financial assistance to the Borrower under the JPA, *Minneapolis JPA* or any other source relating to the CCLRT project.

III. Loan Payment.

Interest shall be 0% .Unless forgiven as provided below, payments of principal shall be made in five consecutive yearly installments of \$____, which is one-fifth the loan amount. Payment shall due and payable on the first anniversary of the execution of the Loan Agreement and on each consecutive anniversary through _____, 201__ (the "Maturity Date"), on which date the balance of the principal shall be due and payable in full.

Provided that Borrower has not breached or otherwise failed to comply with all of the terms and conditions of the Loan Agreement, the Lender shall forgive and discharge each yearly installment of principal as it becomes due provided that:

- A. Borrower shall continue to use and operate the business known as _____ at the Property in substantially the same manner as indicated in Borrower's original loan application and on the date of the Loan Agreement.
- B. In order to receive the forgiveness of an installment pursuant to this Section, Borrower must, no more than thirty and no less than ten days prior to said due date, provide Loan Administrator with a Certificate signed by an officer of Borrower in the form attached hereto, certifying to Lender and Loan Administrator that Borrower has maintained continuous occupancy of the Business at the Property. If the Certificate is submitted at least ten days prior to the installment due date, it may be assumed, for reporting purposes, that the residency and occupancy has been achieved.

- C. If, at the time any yearly installment of principal becomes due under the terms of the Note, Borrower has maintained continuous occupancy as described in this section, Lender shall forgive such installment and reduce the balance of principal owed under the Loan Agreement as if such installment had been timely paid in full.
- D. Loan Administrator shall upon receipt of Certificate sign and acknowledge a copy thereof, and shall also state the amount of the principal which is to be forgiven under the conditions set forth in this Section.
- E. Lender or Loan Administrator shall have the right, within 60 days following the submission of a Certificate, to make an independent investigation and determination as to the accuracy of the Certificate. If the occupancy of Borrower during the subject period differs from that certified by Borrower, an appropriate adjustment shall immediately be made, by an amount due under the Loan Agreement or additional cash payment by Borrower, as the case may be.
- F. The provisions for credit and forgiveness set forth in this Section shall apply only in respect to the periodic installments due under the Loan Agreement, and shall not apply in the case where the Loan Agreement has been otherwise accelerated pursuant to the Loan Agreement prior to the 5th anniversary of initial funding.

IV. Security.

The Borrower's obligation to repay the Loan shall be secured by the Loan Documents.

V. Default.

Any one or more of the following shall constitute an event of default under this Loan Agreement ("Event of Default"):

- A. The Borrower shall fail to pay as and when due any payment under any of the Loan Documents and continue in default for a period of ten (10) days following receipt of a written notice from the Lender specifying such default;
- B. The Borrower shall fail to observe or perform or shall breach any covenant, condition or agreement contained in any of the Loan Documents for a period of ten (10) days, unless the Lender shall agree in writing to an extension of such time prior to its expiration for such longer period as may be reasonably necessary to remedy such default, provided that the Borrower is proceeding with reasonable diligence to remedy same. The Lender agrees to provide, or direct Loan Administrator to provide, to the Borrower a written notice specifying that an Event of Default under Section V. (A) or Section V. (B) of the Loan Agreement

has occurred, and requesting that such default be remedied within 10 days of the Borrower's receipt of such notice. Failure to send such notices does not preclude the Lender or Loan Administrator from exercising any of the remedies specified in Section VI of the Loan Agreement or as otherwise provided by law.

C. The Borrower shall:

- (1) File a petition in bankruptcy or for a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal bankruptcy act or under any similar federal or state law; or
- (2) Make an assignment for the benefit of its creditors; or
- (3) Admit in writing its inability to pay its debts generally as they become due; or
- (4) Be adjudicated bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Borrower as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of the Borrower shall be appointed in any proceeding brought against the Borrower and shall not be discharged within ninety (90) days after such appointment, or if the Borrower shall consent to an acquiescence in such appointment.

D. Any representation or warranty made by the Borrower herein or any document or certificate furnished to the Lender or Loan Administrator shall prove at any time to be, in any material respect, incorrect or misleading as of the date made.

VI. Remedies.

Whenever any Event of Default shall have happened and be subsisting, any one or more of the following remedial steps may, to the extent permitted by law, be taken:

- A. The Lender, or Loan Administrator on behalf of Lender, may, at its option, declare the full amount of the Loan to be immediately due and payable, whereupon the same shall become immediately due and payable by the Borrower;
- B. The Lender, or Loan Administrator on behalf of Lender, may suspend or terminate any further advances or disbursement of the Loan;
- C. The Lender, or Loan Administrator on behalf of Lender, may, at its option,

foreclose the Security Agreement;

- D. The Lender, or Loan Administrator on behalf of Lender, may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the Borrower under this Loan Agreement, or any related instrument; or to otherwise compensate the Lender for any damages on account of such Event of Default;
- E. No remedy conferred upon or reserved to the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in Section VI, it shall not be necessary to give any notice, other than such notice as may be herein expressly required or be required by law.

VII. Miscellaneous.

- A. The Borrower shall defend, indemnify, save and hold harmless the Lender, the City and their respective officers, agents and employees from any and all losses or damages of any kind (including reasonable attorney's fees) arising from any action, suit or claim arising out of the transactions herein.
- B. For the purposes of this Loan Agreement, the Borrower shall be deemed an independent contractor and not employee of the Lender. Any and all employees, contractors, and assigns of the Borrower, shall not be considered employees of the Lender.
- C. This section is intentionally left blank.
- D. In the event that the Borrower sells or ceases to operate its business at the Premises and does not relocate to the Central Corridor line or sells or otherwise disposes of all the Collateral the full outstanding balance amount of the Loan, shall be immediately due and payable.
- E. The Borrower represents and warrants that it will keep true, complete and accurate books of record and account in accordance with sound accounting principles, and, for the sole purpose of verifying the performance of the terms of

this Loan Agreement, allow the Lender or its agents, upon the Lender's advanced written notice, to examine and take extracts from the books and records during the Agreement period and for six (6) years from the date of the final payment under the contract for inspection or audit by the HRA, the State Auditor, or other duly authorized representative.

- F. The Borrower agrees to follow any and all compliance requirements deemed necessary by the Lender.
- G. The Borrower represents and warrants that it will not use the Premises in connection with the generation, disposal, storage, treatment or transportation of Hazardous Substances. As used herein, the term "Hazardous Substances" shall mean any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCBs, or any other substances the removal of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any and all federal, state, county, or municipal statutes or laws now or at any time hereafter in effect.
- I. All of the data created, collected, received, stored, used, maintained or disseminated by Borrower with regard to its performance of its duties under this Loan Agreement are subject to the requirements of Chapter 13, Minnesota Statutes, and Borrower agrees to comply with those requirements as if it were the Lender. The remedies in Minn. Stat. § 13.08 may apply to Borrower. If any provision of this Loan Agreement is in conflict with the Minnesota Government Data Practices Act or other Minnesota State laws, state law shall control.

VIII. Amendment, Governing Law.

No amendment, change or modification of this Loan Agreement shall be valid unless the same be in writing and signed by all parties hereto. This Loan Agreement shall be construed in accordance with the laws of the State of Minnesota.

IX. Conflict.

In the event of any conflict or inconsistency between the terms of this Loan Agreement and any of the other Loan Documents, the terms and provisions of the Loan Agreement shall in each instance govern and control.

IN WITNESS WHEREOF, the parties have executed this Loan Agreement on this ____th day of _____, 201____.

BORROWER:_____ dba _____

By _____

Its _____

By _____

Its _____

**HOUSING AND REDEVELOPMENT
AUTHORITY OF THE CITY OF SAINT
PAUL, MINNESOTA**

Approved as to Form:

Assistant City Attorney

By: _____
Its: Executive Director

By: _____
Its: Director, Office of Financial Services

EXHIBIT A

**CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM**

PROMISSORY NOTE

EXHIBIT B

**CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM**

SECURITY INTEREST AGREEMENT

EXHIBIT C

**CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM**

GUARANTY OF PAYMENT

**CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
PROMISSORY NOTE**

\$XX.XX

Saint Paul, Minnesota
_____, 20XX

FOR VALUE RECEIVED, the undersigned, _____, Inc. a Minnesota Corporation d/b/a _____ (herein called the "Borrower") promises to pay to the order of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic (herein called the "Lender"), or its designee, the Neighborhood Development Center/*Metropolitan Consortium of Community Developers* ("Designee), the sum of Thousand Dollars and 00/100 (\$,000.00) (the "Loan") except that portion of the principal which has been forgiven as outlined below. Said sum was made available to Borrower to enable Borrower to finance certain working capital costs including taxes, rent/mortgage, utilities or payroll related to the business known as "_____" at _____ University Avenue, Saint Paul/*Minneapolis*, Minnesota 55____, ("Property") and disbursed pursuant to a loan agreement of even date herewith, by and between the Borrower and Lender (the Loan Agreement).

1. Interest shall be 0%. Payments of principal shall be made in five consecutive yearly equal installments of \$____, which is one-fifth the loan amount. Payment shall due and payable on the first anniversary of the execution of the Loan Agreement and on each consecutive anniversary through____, 201__, (the "Maturity Date") on which date the balance of the principal shall be due and payable in full. A payment schedule is attached hereto as **Exhibit A**.

2. Provided that Borrower has not breached or otherwise failed to comply with all of the terms and conditions of the Loan Agreement, the Lender shall forgive and discharge each yearly installment of principal as it becomes due provided that:

2.1 Borrower shall continue to use and operate the business knows as _____ at the Property in substantially the same manner as indicated in Borrower's original loan application and on the date of the Loan Agreement and this Note .

2.2 Borrower must, at least two weeks prior to said due date, provide Designee with a Certificate signed by an officer of Borrower in the form attached hereto, certifying to Lender and Designee that Borrower has maintained continuous occupancy of the Business at the Property. If the Certificate is submitted at least two weeks prior to the installment due date, it may assumed, for reporting purposes, that the residency and occupancy has been achieved.

- 2.3 If, at the time any yearly installment of principal becomes due under the terms of the Note, Borrower has maintained continuous occupancy as described in Section 3.2, Lender shall forgive such installment and reduce the balance of principal owed under the Note as if such installment had been timely paid in full.
- 2.4 Designee shall upon receipt of Certificate sign and acknowledge a copy thereof, and shall also state the amount of the Note installment which is to be forgiven under the conditions set forth in this Section.
- 2.5 Lender or Designee shall have the right, within 60 days following the submission of a Certificate, to make an independent investigation and determination as to the accuracy of the Certificate. If the occupancy of Borrower during the subject period differs from that certified by Borrower, an appropriate adjustment shall immediately be made, by an amount due under the Note or additional cash payment by Borrower, as the case may be.
- 2.6 The provisions for credit and forgiveness set forth in this Section shall apply only in respect to the periodic installments due under the Note, and shall not apply in the case where the Note has been otherwise accelerated pursuant to the Loan Agreement or this Note prior to the 5th anniversary of initial funding.
3. If Borrower fails to submit the Certificate outlined in Section 3.2 with respect to any yearly reporting period, the subject installment and all future installments shall be due in full in accordance with the Note.
4. This Note is secured by a Security Agreement (the “Security Agreement”) of even date herewith, and reference is made thereto and to the Loan Agreement of even date herewith between the parties for the rights of the Lender as to the acceleration of the indebtedness evidenced by this Note.
5. In the event of failure to pay any installment of principal when due hereunder, or if an Event of Default as defined in the Loan Agreement shall occur, the holder of this Note shall have the right and option to declare, without notice, all the remaining indebtedness of unpaid principal, evidenced by this Note, immediately due and payable. Failure to exercise such option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.
6. If suit is instituted by Lender, or its successors or assigns, to recover on this Note, the Borrower agrees to pay all costs of such collection actually incurred, including reasonable attorney's fees and court costs. If this Note be reduced to judgment, such judgment shall bear the lawful interest rate pertaining to liquidated demands, but not to exceed 9% per annum.

7. Demand, protest and notice of demand and protest are hereby waived, and the Borrower hereby waives, to the extent authorized by law, any and all exemption rights which otherwise would apply to the debt evidenced by this Note.

8. This Note shall be governed by and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, this Note has been duly executed by the Borrower, as of the day and year above first written.

Inc., a Minnesota corporation

By: _____

Its: _____

By: _____

Its: _____

Exhibit A

CERTIFICATE OF OCCUPANCY

This Certificate is made pursuant to the Loan Agreement and Promissory Note dated _____, 201____, by and between the Lender and Borrower and is for the period ending____, 20____. All capitalized terms used herein are defined in the Loan Agreement and Note.

The business know as “_____” has maintained continuous occupancy at _____, also known as the Property:

I certify that the information on this Certificate is true and correct as of the date the form is completed.

Borrower

By: _____

Title: _____

Date: _____

Loan Administrator Verification:

By: _____

Title: _____

Date: _____

LOAN FORGIVENESS

Based on the above Certificate, the amount of the Note installment that is forgiven is \$_____.

Designee:

By: _____

Title: _____

Date: _____

**CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM
SECURITY AGREEMENT**

1. [Name of Business] , a Minnesota corporation, and d/b/a _____ located at address Saint Paul, Minnesota 55101 (hereinafter referred to as "Debtor"), for value received, hereby grants to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota , 1300 City Hall Annex, 25 West Fourth Street, Saint Paul MN 55102 (hereinafter called "Secured Party"), a security interest in the property described below (hereinafter collectively called "Collateral") to secure the payment of the principal on and all obligations pursuant to a Promissory Note (hereinafter called the "Note"), dated _____, 201, made by the Debtor payable to the order of the Secured Party, in the principal amount of __Dollars and No/100 Dollars (\$00,00.00), all renewals and extensions of the Note, and all costs, expenses, advances and liabilities which may be made or incurred by Secured Party in the disbursement, administration and collection of the loan evidenced by the Note and in the protection, maintenance and liquidation of the security interest hereby granted with interest at the maximum legal rate on such costs, expenses, advances and liabilities. The Note and all other obligations secured hereby are herein collectively called the "Liabilities."

2. The Collateral in which this security interest is granted is all of the Debtor's property described below in reference to which an "X" or check mark has been placed on the line applicable thereto, together with all proceeds and products therefrom. If two such lines are so marked, the security interest so designated secures the purchase money from the loan used by the Debtor to acquire title to the Collateral.

<u>X</u>	a.	All equipment and machinery, including power-driven machinery and equipment, furniture and fixtures now owned or hereafter acquired, together with all replacements thereof, all attachments, accessories, parts and tools belonging thereto or for use in connection therewith.
<u>X</u>	b.	All passenger and commercial motor vehicles registered for use upon public highways or streets, now owned or hereinafter acquired, together with all replacements thereof, all attachments, accessories, parts, equipment and tools belonging thereto or for use in connection therewith.
<u>X</u>	c.	All inventory, raw materials, work in process and supplies now owned or hereinafter acquired.
<u>X</u>	d.	All accounts receivable now outstanding or hereafter arising.
<u>X</u>	e.	All contract rights and general intangibles now in force or hereafter acquired.

		This box is intentionally left blank.
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3. Debtor shall not transfer, sell or assign Debtor's interest in the Collateral nor permit any other security interest to be created thereon without Secured Party's prior written approval, except that Debtor may sell the inventory listed in Paragraph 2.c. hereof in the ordinary course of business on customary terms and at usual prices and may collect as Secured Party's agent sums due on accounts receivable and contract rights listed in Paragraphs 2.d. and 2.e. until advised otherwise by Secured Party.

4. Debtor shall keep, store or regularly garage all Collateral at locations approved by Secured Party in writing.

Debtor shall promptly inform the Secured Party in writing if the Debtor sells its business, terminates or discontinues its business, or relocates its business to a location other than the address identified in Paragraph 1.

5. Debtor shall not conduct business under any other name than that given above nor change or reorganize the type of business entity under which it does business except upon prior written approval of Secured Party. If such approval is given, Debtor guarantees that all documents, instruments and agreements demanded by Secured Party shall be prepared and filed at Debtor's expense before such change of name or business entity occurs.

6. Debtor shall pay the filing and recording costs of any documents or instruments necessary to perfect, extend, modify, or terminate the security interest created hereunder, as demanded by Secured Party.

7. Debtor shall maintain all Collateral in good condition, pay promptly all taxes, judgments, or changes of any kind levied or assessed thereon, keep current all rent due on premises where Collateral is located, and maintain insurance on all Collateral against such hazards, in such amounts and with such companies as Secured Party may demand, all such insurance policies to be in the possession of Secured Party and to contain a Lender's Loss Payable Clause naming Secured Party in a manner satisfactory to Secured Party. Debtors hereby assign to Secured Party any proceeds of such policies and all unearned premiums thereon, and authorizes and empowers Secured Party to collect such sums and to execute and endorse in Debtor's name all proofs of loss, drafts, checks and any other documents necessary to accomplish such collections, and any persons or entities making payments to Secured Party under the terms of this Paragraph 7 are hereby relieved absolutely from any obligation to see to the application of any sums so paid.

8. Debtor shall be in default thereunder if Debtor fail to perform any of the liabilities imposed hereby or any other obligation required by the various instruments or papers evidencing or securing this loan, or if the full balance of the loan becomes immediately payable under the terms of such instruments, either automatically or by declaration of the Secured Party. In the

event of any default, Secured Party may, in its own discretion, cure such default and, if it does so, any expenditures made for such purpose shall be added to the principal of the Note.

9. In the event of default, Debtor shall assemble and make available all Collateral at any place designated by Secured Party. Debtor acknowledges being advised of a constitutional right to a court notice and hearing to determine whether, upon defaults there is probable cause to sustain the validity of the Secured Party's claim and whether the Secured Party is entitled to possession of the Collateral and being so advised. Debtor hereby voluntarily gives up, waives and surrenders any right to a notice and hearing to determine whether there is probable cause to sustain the validity of Secured Party's claim. Any notices required pursuant to any state or local law shall be deemed reasonable if mailed by Secured Party to the persons entitled thereto at their last known addresses at least ten days prior to disposition of the Collateral, and, in reference to a private sale, need state only that Secured Party intends to negotiate such a sale. Disposition of Collateral shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the community where the Collateral is located or by a private sale for a sum equal to or in excess of the liquidation value of the Collateral as determined by Secured Party.

10: All rights conferred on Secured Party hereby are in addition to those granted to it by any state or local law or any other law. Failure or repeated failure to enforce any rights hereunder shall not constitute an estoppel or waiver of Secured Party's rights to exercise such rights accruing prior or subsequent thereto. Secured Party shall not be liable for any loss to Collateral in its possession, nor shall such loss diminish the debt due, even if the loss is caused or contributed to by Secured Party's negligence.

11. Debtor authorizes Secured Party to file a UCC financing statement covering the Collateral without further signature by Debtor.

IN WITNESS WHEREOF, Debtor consents to its property being collateralized as herein provided.

DEBTOR:

D/B/A Business Name (type)

By: _____

Its _____

By: _____

Its _____

_____ Date

CONSENT BY INDIVIDUAL OWNERS

The undersigned who have an interest in the Collateral hereby consent to the security interest and other terms stated in the Security Agreement.

Individual

Individual

Finalized 5.27.11
No revisions as of 7.11.11

**CENTRAL CORRIDOR READY FOR RAIL
SMALL BUSINESS LOAN PROGRAM**

GUARANTY OF PAYMENT

DATE:

In order to induce the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (hereinafter referred to as the "HRA") to make a loan to (hereinafter referred to as the "Borrower") in the principal amount of _____ and No/100 Dollars (\$.00) as evidenced by that certain promissory note in said principal amount of even date herewith issued by the Borrower to the order of HRA (hereinafter referred to as the "Note"), the undersigned hereby irrevocably and unconditionally guarantees to the HRA:

- I. The due and prompt payment of the and 00/100 Dollars (\$.00) principal indebtedness as evidenced by the Note and any and all renewals thereof including any promissory note taken in substitution thereof, unless, prior to the due date of any payment, the undersigned contacts the HRA and requests forgiveness of a payment because the Borrower and the undersigned are unable to make said payment due to circumstances beyond the reasonable control of the Borrower and the undersigned and despite the Borrower and the undersigned expending every possible alternative and the HRA approves forgiveness under those circumstances ; and
- II. To the best of the undersigned's ability, the performance of each and all of the terms and conditions set fourth in the Loan Agreement and the Security Agreement of even date herewith by which the Borrower covenanted to perform said terms and conditions.

This Guaranty is a guarantee of payment and performance. Prior action against the Borrower shall not be a prerequisite to the HRA's right to proceed hereunder. Whenever the HRA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Borrower contained herein or in the Loan Agreement or Security Agreement, both of even date herewith, the Borrower agrees that it shall, on demand therefore, pay to the HRA the reasonable fees of such attorneys and such other expenses so incurred by the HRA.

The undersigned agrees that possession of this Guaranty by the HRA shall be conclusive evidence of due delivery hereof by it and further agrees that it shall continue in full force and effect notwithstanding the death or release of any other guarantor of the indebtedness represented by the Note or any Renewal Note. So long as any portion of the indebtedness is owing by the Borrower to the HRA, the undersigned, without the HRA's consent, will not collect from the Borrower the claim, if any (by subrogation or otherwise), acquired through payment of a part of the indebtedness evidenced by the Note. By execution of this Guaranty, the undersigned represents to the HRA that it has received a full, fair and equivalent consideration for the execution of this Guaranty.

The undersigned agrees that this Guaranty shall continue in effect, notwithstanding that from time to time no indebtedness from the Borrower to the HRA may exist, and that its liability upon this Guaranty shall be terminated only upon receipt by the HRA of written notice of revocation from it, and that in such event its liability herein shall continue as to indebtedness then existing and as to any and all renewals or extensions thereof made after such events.

The liability of the undersigned shall not be affected or impaired by the existence from time to time of indebtedness from the Borrower to the HRA in addition to the indebtedness by the Note.

Notwithstanding any modification, discharge or extension of the indebtedness or any amendment, modification, stay or cure of the HRA's rights under the indebtedness or any mortgage or other collateral securing repayment of the indebtedness which may occur in any case or proceeding under Title 11 of United States Code concerning the Borrower, whether permanent or temporary, and whether assented to by the HRA, the undersigned hereby agrees that it is obligated hereunder to pay the indebtedness, and discharge its other obligations in accordance with the terms of the indebtedness and the terms of this Guaranty.

The undersigned understands and acknowledges that by virtue of this Guaranty, it has specifically assumed any and all risks of a bankruptcy, reorganization case or related proceeding of the Borrower. As an example but not by way of limitation, a subsequent modification of the Note or any Renewal Note in any reorganization case concerning the Borrower shall not affect the obligation of the undersigned to pay the Note in accordance with its original terms.

Any and all payments upon such indebtedness made by the Borrower or by any of the undersigned, or by any other person, and/or the proceeds of any or all collateral or security for any such indebtedness may be applied by the HRA upon such of the items of such indebtedness as it may determine, whether the same shall be due or not.

This Guaranty shall be binding upon the undersigned and upon his/her heirs, legal representatives, successors and assigns, and shall inure to the benefit of HRA and its successors and assigns.

This Guaranty may be assigned by the HRA to any holder of the Note.

The acceptance of this Guaranty by the HRA is not intended to and does not release any liability previously existing of any guarantor or surety of any indebtedness or liability of the Borrower to the HRA.

This Guaranty shall be construed in accordance with the laws of the State of Minnesota.



CENTRAL CORRIDOR READY FOR RAIL SMALL BUSINESS LOAN PROGRAM

THE CITY OF SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY in partnership with The City of Minneapolis, The Metropolitan Council, and The Central Corridor Funders Collaborative

LOAN APPLICATION FORM

I. Applicant Information

Applicant's Name: _____

Name of Business: _____

Business Address: _____

Email Address: _____

Business Owner (1)

Home Address: _____

Home Phone #: _____ Business Phone # _____

Federal I.D. # _____ Social Security # _____

Percent of Ownership of the business: _____

Percent of Ownership of the property, if applicable: _____

Business Owner (2)

Home Address: _____

Home Phone #: _____ Business Phone # _____

Federal I.D. # _____ Social Security # _____

Percent of Ownership of the business: _____

Percent of Ownership of the property, if applicable: _____

If there are additional business owners, please attach a separate sheet with the above information.

Borrowing Entity (Select One)

_____ S Corporation _____ C Corporation _____ Partnership

_____ LLC _____ Sole Proprietorship _____ Other: _____

Do you own or lease the space where your business is located:

_____ Own _____ Lease: If lease, what is the term of your lease? _____

Business Square Footage: _____

Present Zoning: _____

Circle: City of Minneapolis or City of Saint Paul
Ward: _____ Ward _____ and District _____

Is your Business Registered/Incorporated with the Secretary of State? Y _____ N _____

If yes, What is your Business's Registered Name? _____

Is your Business registration active? Y _____ N _____

If yes, please provide the Expiration Date: _____

Race: (Please Circle One) Asian, Asian & White; Pacific Islander; Black/African American; Black/African American & White; American Indian/Alaska native; American Indian & Black; American Indian & White; Hispanic; White; Other; Not Known

Are you a minority owned business enterprise: Circle: Yes or No

Are you a woman owned business enterprise: Circle: Yes or No

Are you a small business enterprise; Circle: Yes or No

Please Circle if you are: Handicapped and/or Elderly

Brief Description, Type and History of Business: (Products, hours, clients, etc)

Date and Year Business Opened: _____

Date Business Opened at this location: _____

Previous Location of Business: _____

Number of Years at Previous Location: _____

Is this business a franchise? Yes _____ No _____

If, yes, please include a copy of your Franchise agreement and your Franchisor's FTC Disclosure Statement

II. Use of Loan Funds

These loan funds are designed for qualified small businesses along the Central Corridor Light Rail Transit line in Saint Paul and Minneapolis that are directly affected by the Central Corridor LRT construction. The funds provide a modest “safety net” for businesses that have prepared for the construction and still show a significant loss of gross sales.

Please describe the specific use of this working capital loan:

IV. Job Retention/Creation:

Current Number of Employees: _____
Number of Jobs to be Maintained: _____
Type of Jobs Maintained: _____
Average Wage of Jobs Maintained: \$/hour _____

Number of Jobs to be Created: _____
If New Jobs Created, By When _____
Types of Jobs to be Created: _____
Title: _____ Title: _____
Average Wage of New Jobs : _____ (\$/hour) _____

VI. Compliance

Because these loan funds are not from a federal origin, are for working capital only, (not construction) and will not exceed \$20,000, the City of Saint Paul’s and the City of Minneapolis compliance thresholds do not apply.

VII. Applicant’s Bank Information:

Name and Branch of
Bank: _____
Bank Address: _____
Loan Officer: _____ Phone # _____

VIII. Financial Information: Please provide the following information with this loan application:

- Attend a meeting with your loan administrator’s small business consultant or attend a “Ready4Rail” Forgivable Loan Workshop
- At least three previous years tax returns (or as long as the business has been operational if less than three years), and other documents such as financial records (e.g. year end balance sheets and income statements if reasonably available) and interim monthly financial statements from the beginning of CCLRT

construction demonstrating the period of loss, to show loss of revenue related to construction

- Monthly income statements demonstrating decline of revenue to be as a result of the Central Corridor construction
 - Schedule of existing debt (See Attachment 1)
 - Business owners with 20% or more ownership please bring personal financial statement (s) (See Attachment 4) or a substantially similar document completed to the best of your ability for review by the loan administrator. This document will not be retained or copied and therefore will not be part of your loan file.
 - Credit Release Authorization, if applicable (See Attachment 2)
 - Certify on page 6 lease terms, if applicable
 - Which of the following insurance do you have:
Property _____ Hazard_____ Liability _____ Workers Comp_____
- Please be prepared to provide proof of current hazard and liability insurance at the time of closing
- Certify on page 6 you were current with sales tax, other taxes, rent/mortgage, utility, and employee payments when CCLRT construction began in your immediate area. If you have any outstanding delinquent obligations (such as tax liens, judgments or child support), please provide an explanation of the payment plan for these obligations, including the amount outstanding and who is owed. Please provide a copy of the plan and proof that you are making payments as agreed.
 - Certify on page 6 use of working capital loan will be used for basic business expenses at your Central Corridor location, including taxes, rent/mortgage, utility payments, insurance, marketing, payroll and other day to day business expenses

IX. Where did you hear about this program?

X. Acknowledgements and Understandings

1. The applicant understands that acceptance of this application in no way implies that the HRA will approve the application and that the application is not a commitment to provide financing by the HRA.
2. All information in this application and the Exhibits are true and complete to the best of the applicant's knowledge and are submitted to the HRA so HRA can decide whether to grant a loan or participate with a lending institution in a loan to the applicant.
3. Reserved - N/A for this application.
4. As consideration for any Management, Technical and Business Development assistance that may be provided, the applicant waives all claims against HRA and its consultants.
5. If the applicant makes a statement that the applicant knows to be false or if you over-value a security in order to help obtain a loan the HRA reserves the right to terminate any commitment to provide financing or to call any loan(s) made to the applicant.

Required Certifications

By executing this document, I am certifying that the following statements are true:

- The information I have provided in the attached application for a loan from the Ready for Rail Forgivable Loan Program is true and accurate;
- My business has been located on the Central Corridor Light Rail line for more than 12 months prior to the submission of this application;
- My business is independently owned with four or fewer locations;
- Proceeds from this loan will be used for basic business expenses;
- At the start of construction of the Central Corridor Light Rail Line, my business was current, or in good standing by virtue of compliance with a mutually agreed to payment plan, on all obligations to pay taxes (including sales, payroll and property taxes), rent, utilities, and payroll;
- If applicable, at the start of construction of the Central Corridor Light Rail Line, I was current, or in good standing by virtue of compliance with a mutually agreed to payment plan, on personal tax obligations and child support payments;
- My current business lease is subject to the following terms:
 - Sq. Ft. Leased: _____
 - Start date: _____
 - End date: _____
 - Renewal Options: _____

 - OR I own the property where my business is located and do not have a lease:

Applicant Name

Business Name

Signature

Date

Attachment 1

DEBT SCHEDULE

PLEASE LIST ALL EXISTING BUSINESS DEBTS

Date: _____ *

Creditor Name/Address	Original Amount	Original Date	Present Balance	Interest Rate	Maturity Date	Monthly payment	Assets Secured	Current or Delinquent

TOTAL PRESENT BALANCE** _____

TOTAL MONTHLY PAYMENT _____

* Should be the same date as current financial statement. **Total must agree with balance shown on current financial statement.

**Attachment 2
Credit Release Authorization**

To Whom It May Concern:

The undersigned applicant(s) has applied for a business loan with the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota. You are hereby authorized to release any information required by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota and/or its assigns, to complete the processing of the loan request. Necessary credit information may include credit reports for the undersigned owners/guarantors, commercial banking history and deposit information, information on the business accounts payable, and mortgage payment records and balances.

A photographic or carbon copy of this authorization (being a photographic or carbon copy of the signature(s) of the undersigned) may be deemed to be the equivalent of the original and may be used as duplicate original.

Thank you,

Applicant	Date	Social Security #
-----------	------	-------------------

Applicant	Date	Social Security #
-----------	------	-------------------

Home Address:

Business Address:

Attachment 3 Data Uses Inclusion Requirements

Why we are asking for this information? To assess the credit risk and the public purpose benefit of the business financing proposal.

How do we plan to use this information? This information will be used to prepare a financing request, analyzing the strengths and weaknesses of the business financing proposal. For example, what is the historical performance of the business? Was it profitable, and were business trends positive or negative? Did the business experience substantial revenue declines as a result of the Central Corridor LRT construction? What is the credit history of the borrower or guarantor? What are the future trends of the business? Can the business afford the proposed financing? The financing request will be reviewed by the Loan Administrator and their Credit Committee and staff and will make a recommendation to the HRA as to whether or not financing should be approved for the proposed project.

With whom may we share this information? Before a financing request is approved, the information may only be reviewed by the Loan Administrator, their Credit Committee and staff and the City of Saint Paul's Planning and Economic Development staff and is not considered part of the public record. *Once a project has been approved by the HRA, all information except tax returns are considered to be part of the public record, according to the Data Practices Act, Minn. Stat. §13.62.*

If you do not provide this information. While you are not legally required to provide this information, and may refuse to do so, failure to provide this information may cause a denial of the requested financing.

**Attachment 4
Personal Financial Statement**

**City of Saint Paul
Department of Planning and Economic Development (PED)
Housing and Redevelopment Authority (HRA)
Personal Financial Statement**

You may apply for an extension of credit individually or jointly with another applicant. This statement and any applicable supporting schedules may be completed jointly by co-applicants if their assets and liabilities can be meaningfully and fairly presented on a combined basis, otherwise separate statements and schedules must be provided. For the purpose of obtaining credit from time to time with the following statement and information are furnished as a complete, true and accurate statement of the financial condition of the undersigned on _____, 20____.

APPLICANT	CO-APPLICANT
Name	Name
Street Address	Street Address
City/State/Zip	City/State/Zip
Date of Birth	Date of Birth
Social Security Number	Social Security Number
Telephone	Telephone
Employer	Employer
Position/Title	Position/Title
Dependents/Include Self	Dependents/Include Self
Marital Status*	Marital Status*
*Please furnish this information only if your spouse will use or be contractually liable for this account.	

ASSETS				LIABILITIES			
Cash (Schedule 1)				Short Term Notes Due Financial Institutions (Schedule 6)			
Securities (Schedule 2)				Short Term Notes Due to Others (Schedule 6)			
Life Insurance Cash Value (Schedule 3)				Credit Accounts and Bills Due (Schedule 7)			
Mortgages and Contracts Held by you (Schedule 4)				Insurance Loans (Schedule 3)			
Homestead (Schedule 5)				Installment Loans and Contracts (Schedule 6)			
Other Real Estate (Schedule 5)				Mortgages on Home (Schedule 5)			
Profit Sharing (Net of Loans)				Mortgages on Other Real Estate (Schedule 5)			
Pension & Retirement Accounts, Include IRA Accounts				Taxes			
Automobiles (Describe)				Other Liabilities (Describe)			
Personal Property							
Other Assets (Describe)							
				Total \$			
Total \$				(Total Assets Less Total Liabilities) Net Worth			

ANNUAL INCOME*	APPLICANT	CO-APPLICANT	PLEASE ANSWER EACH QUESTION YES OR NO	APP	CO-APP
Salary			Are you a Co-Maker, Endorser, or Guarantor of any other person's debt?		
Bonuses/Commissions			Are you a defendant in any suit or legal action?		
Dividends/Interest			Have you ever gone through bankruptcy or had a judgment against you?		
Net Real Estate Rent			Have you made a will?		
Other (List*)					
Total			*Income from alimony, child support, or maintenance payments need not be entered unless you want it considered as a basis for repayment.		

SCHEDULE 1 / CASH ON HAND AND IN BANKS

Name of Bank or Financial Institution	Type of Account	Account Balance		
Total \$				

SCHEDULE 2 / SECURITIES OWNED

Par Value or Number of Shares	Description	Registered in Name(s) of	Listed or Unlisted	Current Market Value		
Total \$						

SCHEDULE 3 / LIFE INSURANCE

Insurance Company	Insured	Beneficiary	Face Value of Policy	Cash Value of Policy			Loans		
Total \$									

SCHEDULE 4 / RECEIVABLES DUE TO ME ON MORTGAGES AND CONTRACTS I OWN

Name of Debtor	Description of Property	First Lien or Second Lien	Date of Maturity	Repayment Terms	Balance Due		
				Per			
				Per			
				Per			
				Per			
				Per			
				Per			
				Per			
Total \$							

SCHEDULE 5 / REAL ESTATE OWNED

Description of Property	Year Acquired	Purchase Price	Insured Value	Mortgage Balance	Date of Maturity	Repayment Terms	Current Market Value		
						Per			
						Per			
						Per			
						Per			
						Per			
						Per			
Total \$									

SCHEDULE 6 / SHORT TERM NOTES AND LOANS DUE

Name of Creditor	Collateral	Date of Maturity	Repayment Terms	Balance Due		
			Per			
			Per			
			Per			
			Per			
			Per			
			Per			
Total \$						

SCHEDULE 7 / CREDIT ACCOUNTS AND BILLS DUE

Name of Company	Repayment Terms	Balance Due		
	Per			
Total \$				

The undersigned certify that the information provided by this statement is true and correct. The City of St. Paul/HRA is authorized to retain this personal financial statement and is further authorized to verify the undersigned's credit and employment history or any other information contained herein.

Applicant Signature

Date _____

Co-Applicant Signature

Date _____

CIF DATA ENTRY SHEET

Project Name _____

Project Address _____

Y N Does this Project involve program funds which are subsequently used to make secondary loans to end buyers or homeowners where the secondary loan becomes payable to or assigned back to the HRA.

Type of Legal Entity of Customer – check one

- | | | |
|---|--|---|
| <input type="checkbox"/> individual | <input type="checkbox"/> couple | <input type="checkbox"/> corporation (for profit) |
| <input type="checkbox"/> corporation (non-profit) | <input type="checkbox"/> general partnership | <input type="checkbox"/> limited partnership |
| <input type="checkbox"/> LLP | <input type="checkbox"/> LLC | <input type="checkbox"/> sole proprietorship |
| <input type="checkbox"/> municipal corporation | <input type="checkbox"/> other business entity | |

TIN of Customer #1* _____

TIN of Customer #2* _____

Company _____

Name (Principal or 1st Contact Person) First:_____ MI:_____ Last:_____
Salutation _____ Title _____

Name (Principal or 2nd Contact Person) First:_____ MI:_____ Last:_____
Salutation _____ Title _____

Address of Principal or Contact Person House No. Street Name:_____
City: State:_____ Zip:_____

Home Phone:_____ Cell Phone:_____

E-mail _____

Web _____

Adverse list yes no

Adverse Reason _____

Date of Adverse _____

The following apply only if customer is an individual or couple:

Race -check one

- | | | |
|--|--|---|
| <input type="checkbox"/> White | <input type="checkbox"/> Black/African American | <input type="checkbox"/> Black/African American & White |
| <input type="checkbox"/> Asian | <input type="checkbox"/> Asian & White | <input type="checkbox"/> Pacific Islander |
| <input type="checkbox"/> American Indian & white | <input type="checkbox"/> American Indian & Black | <input type="checkbox"/> American Indian/Alaska native |
| <input type="checkbox"/> Other | <input type="checkbox"/> Not Known | |

Hispanic yes no

Female yes no

Handicapped yes no

Elderly yes no

The following apply only if customer is NOT an individual

Minority owned business enterprise (Asian)	yes <input type="checkbox"/>	no <input type="checkbox"/>
Minority owned business enterprise (African American)	yes <input type="checkbox"/>	no <input type="checkbox"/>
Minority owned business enterprise (Native American)	yes <input type="checkbox"/>	no <input type="checkbox"/>
Minority owned business enterprise (Hispanic)	yes <input type="checkbox"/>	no <input type="checkbox"/>
Woman owned business enterprise	yes <input type="checkbox"/>	no <input type="checkbox"/>
Small business enterprise	yes <input type="checkbox"/>	no <input type="checkbox"/>

RELATIONSHIP INFORMATION

Each Borrower or Related Entity Requires a Separate CIF Data Entry Sheet and CIF Number

Assigned

This Customer is Borrower	yes <input type="checkbox"/>	no <input type="checkbox"/>
Or		
This Customer is Related to Borrower	yes <input type="checkbox"/>	no <input type="checkbox"/>

If Customer is Borrower OR Related Entity to Borrower, check the appropriate Box describing legal entity **of the Customer**:

- Individual
- General Partnership – list all partners below
- Limited Partnership – list all general partners below
- Limited Liability Partnership – list all partners below
- Limited Liability Company – list all governors, managers, and/or members owning 25% or more stock below
- Corporation (for profit) – list all officers and/or stockholders owning 25% or more stock below
- Corporation (non-profit)
- Sole Proprietorship – list all owners below
- Other legal entity – (explain on separate sheet including a list of all persons in control and/or owning 25% or more of the entity)

Names of partners or officers of Borrower

Also Needed, if applicable (if Customer is Borrower only) – The following is entered by accounting staff.

All Guarantors _____
All persons in control of above entities _____
All other persons identified as “Applicant” on loan application _____

Old Central File # _____(if applicable)

Account Officer _____
Entered into NLS by _____
Date Entered _____
CIF Number Assigned _____

TO BE RETURNED TO ACCOUNT OFFICER FOR INCLUSION IN FILE

* any more than 2 customers requires separate CIF. Example – husband and wife can have one CIF, a third borrower co-applicant would have to have a separate CIF

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶	
	<input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name/disregarded entity name” line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the “Name” line and any business, trade, or “doing business as (DBA) name” on the “Business name/disregarded entity name” line.

Disregarded entity. Enter the owner's name on the “Name” line. The name of the entity entered on the “Name” line should never be a disregarded entity. The name on the “Name” line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the “Name” line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the “Business name/disregarded entity name” line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the “Name” line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the “Name” line is an LLC, check the “Limited liability company” box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter “P” for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter “C” for C corporation or “S” for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the “Name” line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the “Name” line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.