



June, 2010

Dear Business Owner:

Lakewood's Urban Enterprise Zone administration is proud to present the MicroLoan application package to you. This MicroLoan initiative is yet another Lakewood UEZ project being promoted in an ongoing effort to provide incentives for the further growth of the Lakewood business community.

Enclosed are all the forms and information you will need in order to submit a complete package. Applications will be accepted at the UEZ office in the Lakewood Municipal Building at 231 Third Street, Room 12 beginning 10:00 AM on June 30, 2010. Applications may be mailed or submitted in person. Business owners or their designees may bring in the application. Packages cannot be accepted from designees who are UEZ employees or employees of businesses in receipt of UEZ grants. Only original packages will be accepted. E-mail or fax submissions cannot be accepted. All packages will be date and time stamped.

It is anticipated that packages will be opened and reviewed for completeness on a first-come first-served basis by mid July. Business owners who have submitted incomplete packages will be notified and advised regarding the missing information. *However, no guarantee can be made as to the application remaining in the order it was received.*

After the initial acceptance, a participating bank will run a credit check on the applicant. The business owner will then be asked to make a presentation to the LDC finance committee. The finance committee will recommend to the LDC board loans for approval. The finance committee will convene specifically for this evaluation.

Please feel free to call Anita Doyle at (732)364-2500, Ext. 5395 if you have any questions.

We anticipate extending new incentive programs in the very near future to help further develop your business. Thank you for your interest in this program. We look forward to working with you.

Sincerely,

A handwritten signature in blue ink that reads "Patricia Komsa".

Patricia Komsa
LDC Executive Director/UEZ Coordinator

LAKEWOOD DEVELOPMENT CORPORATION

231 Third Street • Lakewood, New Jersey 08701
Phone: 732-364-2500 Ext. 5258 • Fax: 732-365-5417

MicroLoan Program

A project of the Lakewood UEZ, through the Lakewood Development Corporation

The Lakewood UEZ MicroLoan Program offers low interest loans to new and existing small businesses, certified in the Lakewood UEZ program. The purpose of the MicroLoan Program is to encourage entrepreneurship in the UEZ and to provide financing to start-up businesses that may not have access to financing from traditional lending sources.

Who May Apply:

Any small business, provided that the intended or existing business is a qualified member of the Lakewood UEZ Program. Sole proprietorships, partnerships and corporations are eligible to apply. Any business interested in obtaining a microloan through this program must be in compliance with all laws and regulations on local, state and federal levels and be in state tax compliance.

Use of MicroLoan Funds:

Funds obtained through this program may be used for working capital; to refurbish existing facilities; and to purchase inventory, supplies, machinery, etc. It may not be used to purchase real estate, pay off or refinance existing debt, or as collateral for other loan applications

Terms of the Loan:

The minimum loan amount considered under this program is \$5,000 up to a maximum of \$35,000. The term of the loan may be up to 10 years at a 3.5% interest rate.

Requirements:

The applicant must be a certified UEZ business and remain in the program in good standing for the duration of the loan. The applicant must:

- submit a concise business plan with financial projections
- submit a current resume, some form of collateral
- demonstrate an understanding of the business
- provide a written, detailed explanation of how the loan funds will be utilized including a cost breakdown
- provide a county and upper level judgement search on the business (cost to be borne by the applicant or deducted from the potential award of the loan).

The applicant will have an opportunity to meet with the LDC Finance Committee to present his/her proposal. The applicant's business must have annual sales (or sales projections) of less than \$350,000 *or* have been in operation for under five (5) years *or* can prove financial hardship. The Lakewood UEZ reserves the right to refer the applicant to other UEZ or similar programs.

Approval Process:

Complete loan applications will be forwarded to the Microloan Finance Committee for evaluation and recommendation for approval to the Lakewood Development Corporation board. Applications will be scored based on the history and credit worthiness of the applicant business and the projected impact of the proposal on economic development in Lakewood. Approved loans will be financed through the Lakewood Development Corporation.

How to Apply:

Please contact:



**Lakewood Development Corporation
Municipal Building 2nd Fl. – Room 12
231 Third Street
Lakewood, NJ 08701**

732-364-2500 extension 5258

LAKEWOOD UEZ FINANCIAL ASSISTANCE PROGRAM LOAN APPLICATION

Be advised that the approval and disbursement of Zone Assistance Funds (first or second-generation) is contingent upon the business applying for the loan remaining a UEZ certified business and meeting and maintaining all outstanding tax obligations to the State of New Jersey.

COMPANY NAME: _____

LOAN REQUEST:\$ _____ **TERM** _____

PERSONAL FINANCIAL STATEMENT AS OF _____

SUBMITTED TO: Lakewood UEZ MicroLoan Program

PERSONAL INFORMATION					
APPLICANT NAME			CO-APPLICANT NAME		
Employer			Employer		
Address of Employer			Address of Employer		
Business Phone No.	No. of Years with Employer	Title/Position	Business Phone No.	No. of Years with Employer	Title/Position
Name of Previous employer (if with current employer less than 3 years)		No. of yrs	Name of Previous employer (if with current employer less than 3 years)		No. of yrs

Current Cash Income & Expenditure Statement

ANNUAL INCOME	AMOUNT (\$)	ANNUAL EXPENDITURES	AMOUNT (\$)
Salary (applicant)		Federal Income and Other Taxes	
Salary (co-applicant)		State Income and Other Taxes	
Bonuses & Commissions (applicant)		Rental Payments, Co-Op or Condo Maintenance	
Bonuses & Commissions (co-applicant)		Mortgage Payments	Residential Investment _____
Rental Income		Property Taxes	Residential Investment _____
Interest Income		Interest & Principal Payments on Loans	
Dividend Income		Insurance	
Capital Gains		Investments (including tax shelters)	
Partnership Income		Alimony/Child Support	
Other Investment Income		Tuition	
Other Income (List)**		Other Living Expenses	
		Medical Expenses	
		Other Expenses (list)	
TOTAL INCOME	\$	TOTAL EXPENDITURES	\$

Any significant changes expected in the next 12 months? Yes No (If yes, attach information).

** Income from alimony, child support, or separate maintenance income need not be revealed if the applicant or co-applicant does not wish to have it considered as a basis for repaying this obligation.

Balance Sheet as of _____

ASSETS	AMOUNT (\$)	LIABILITIES	AMOUNT (\$)
Cash in this Bank (including money market accounts, CDs)		Notes Payable to this Bank: <u>Secured</u>	
		<u>Unsecured</u>	
Cash in Other Financial Institutions (list Include money market accounts and CDs)		Notes Payable to Others (Schedule E): <u>Secured</u>	
		<u>Unsecured</u>	
		Accounts Payable (including Credit Cards)	
		Margin Accounts	
		Notes Due: Partnership (Schedule D)	
		Taxes Payable	
Readily Marketable Securities (Schedule A)		Mortgage Debt (Schedule C)	
Non-Readily Marketable Securities (Sch.A)		Life Insurance Loans (Schedule B)	
Accounts and Notes Receivable		Other Liabilities (List):	
Net Cash Surrender Value of Life Insurance (Schedule B)			
Residential Real Estate (Schedule C)			
Real Estate Investments (Schedule C)			
Partnerships/PC Interests (Schedule D)			
IRA, Keogh, Profit Sharing & other vested retirement accounts			
Deferred Income (number of years deferred)			
Personal Property (including automobiles)			
Other Assets (list):			
		TOTAL LIABILITIES	
		NET WORTH	
	\$		\$

CONTINGENT LIABILITIES

	Yes	No	Amount
Are you a guarantor, co-maker, or endorser for any debt of an individual, corporation, or partnership?			
Do you have any outstanding letters of credit or surety bonds?			
Are there any suits or legal actions pending against you?			
Are you contingently liable on any lease or contract?			
Are any of your tax obligations past due?			
What would be you total estimated tax liability if you were to sell you major assets?			
If yes for any of the above, give details:			

Schedule A – All securities (including non-money market mutual funds)

No. of Shares (Stock) or Face Value (Bonds)	DESCRIPTION	OWNER(S)	WHERE HELD	COST	CURRENT MARKET VALUE	PLEGDED YES/NO
Readily Marketable Securities (including U.S. Governments and Municipals)*						
Non-Readily Marketable Securities (closely held, thinly traded, or restricted stock)						

Schedule B – Insurance

Life Insurance (use additional sheet if necessary)

Insurance Co.	Face Amount of Policy	Type of Policy	Beneficiary	Cash Surrender Value	Amount Borrowed	Ownership

Schedule C – Personal Residence & Real Estate Investments, Mortgage Debt (majority ownership only)

Personal Residence Address	Legal Owner	Purchase Price/Year	Market Value	Present Loan Balance	Interest	Loan Maturity Date	Monthly Payment	Lender
Investment Address	Legal Owner	Purchase Price/Year	Market Value	Present Loan Balance	Interest	Loan Maturity Date	Monthly Payment	Lender

Schedule D – Partnerships (less than majority ownership for real estate partnerships)*

Type of Investment	Date of Initial Investment	Cost	Percent Owned	Current Market Value	Balance Due on Partnerships; Notes, Cash Call	Final Contributions Date
Business/Professional (name)						
Investments (including tax shelters)						

* Note: For investments which represent a material portion of your total assets, please include the relevant financial statements or tax returns, or in the case of partnership investments or S-corporations, schedule K-1s.

Schedule E – Notes Payable

Due Date	Type of Facility	Amount of Line	Secured Yes/No	Collateral	Interest Rate	Maturity	Unpaid Balance

Please answer the following questions:

1. Income tax returns filed through (date) _____ Are any returns currently being audited or contested? Yes No If yes, what year(s)? _____
2. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? Yes No If yes, provide details: _____
3. Have you drawn a will? Yes No If yes, please furnish the name of the executor(s) and year will was drawn: _____
4. Number of dependants (excluding self) and relationship to applicant: _____
5. Have you ever had a financial plan prepared for you? Yes No
6. Did you include two years federal and state tax returns? Yes No
7. Do (either of) you have a line of credit or unused credit facility at any other institution(s)? Yes No If so, please indicate where, how much, and name of banker: _____

8. Do you anticipate any substantial inheritances? Yes No If yes, please explain: _____

Representations and Warranties

The undersigned represent, warrant and certify that the information provided herein is true, correct and complete. The undersigned agree to notify the Lakewood UEZ (LUEZ) immediately and in writing of any change of (1) name, address or employment (2) material adverse change in any of the information contained in this statement or (3) the financial condition of any of the undersigned or (3) the ability of the undersigned to fulfill their obligation to the LUEZ. In the absence of such notice or a new and full written statement, this application will be considered a continuing statement of fact. If the undersigned fails to notify the LUEZ or if any of the information herein should be proven inaccurate or incomplete in any material aspect, the LUEZ may declare the indebtedness of the undersigned immediately due and payable. The LUEZ is hereby authorized to make all inquiries deemed necessary to verify the accuracy of the information contained herein. The undersigned authorizes any person or consumer reporting agency to give the LUEZ any information it may have on the undersigned. The undersigned are aware that an annual review may be requested at the discretion of the LUEZ. This personal financial statement and any other financial or other information that the undersigned shall give to the LUEZ shall remain the property of the LUEZ.

The undersigned hereby certify that they fully understand the LUEZ's Financial Assistance Program's lending policy and procedures and that the following were made available to them in written form at their request: 1) a copy of the LUEZ's Financial Assistance Program's Policies and Procedures 2) a sample Business Plan worksheet and 3) an amortization schedule based on the loan amount they requested.

Date

Signature

Date

Co-Applicant's Signature

STATE OF NEW JERSEY
DIVISION OF TAXATION

Application for Exemption from Sales Tax on Purchases of Goods and Materials for Exclusive Use or Consumption within an Urban Enterprise Zone

1. NJ Taxpayer ID #: _____ / _____
2. Name of Business (Individual, Partnership or Corporate Name) _____
Trade Name (if any) _____
Business Address in the Urban Enterprise Zone _____
City _____ State _____ Zip Code _____
E-mail Address _____
3. Contact Name _____
4. Contact Telephone Number _____ 5. Contact E-mail Address _____
6. Principal Product or Service _____
7. Re-certification Beginning Date _____ Re-certification Ending Date _____
8. Employees: YES NO If yes, when did your business hire its first employee(s)? _____ / _____
9. UEZ File Number _____

Please check the following box that pertains to your business. The Division will verify the business gross receipts based on the tax data available.

The business gross receipts from all locations of this business entity for the prior annual tax period were less than \$10 million. I am requesting that you certify the business listed above as a qualified small business and that you issue to this business a UZ-5-SB Exempt Purchase Certificate.

The business gross receipts from all locations of this business entity for the prior annual tax period were \$10 million or more. I will be applying to the Division of Taxation for refunds of any use tax and/or sales tax paid at the point of purchase for goods and materials purchased by this business entity for use or consumption exclusively at its zone location.

The business listed on this application must be in full tax compliance with the State of New Jersey before any certification, recertification of eligibility in the Urban Enterprise Zone (UEZ) program, or the awarding of a business incentive or grant/loan associated with the UEZ program.

I consent to the release of information by the Division of Taxation to the Urban Enterprise Zone Authority (within the New Jersey Department of Community Affairs), municipal Urban Enterprise Zone coordinators, and the New Jersey Division of Revenue, which shall be limited solely to the business's tax compliance status and verification of annual gross receipts for the duration of the application and renewal processes.

Signature of Owner, Partner or Officer _____ Print or Type Name and Title _____ Date _____

THIS FORM MUST BE COMPLETED, SIGNED, AND RETURNED TO YOUR MUNICIPAL UEZ LOCAL COORDINATOR, ALONG WITH YOUR APPLICATION FOR UEZ CERTIFICATION OR RE-CERTIFICATION

SEE INSTRUCTIONS ON REVERSE SIDE



LAKEWOOD UEZ MICRO-LOAN APPLICATION CHECKLIST

(Please use this checklist in determining application completeness)

Name address and telephone number of business _____

Type of business (i.e. corporation, partnership or sole proprietorship) _____

Federal and State of New Jersey Tax I.D. number for the business _____

Name and address of each principal, their social security numbers and their respective ownership interest in the business entity _____

Requested loan amount _____

Description of how the loan funds will be used _____

Business federal tax returns for the last two years. If the financials are not available, personal financials of the principals may be substituted _____

Business plan _____

Current NJ business registration certificate _____

Current UZ5SBA form _____

Such other documentation as may required by the finance committee _____

Receipt of County and Upper Level Judgement Searches for business _____

LAKEWOOD DEVELOPMENT CORPORATION

231 Third Street • Lakewood, New Jersey 08701
Phone: 732-364-2500 Ext. 5258 • Fax: 732-365-5417

**LAKWOOD UEZ FINANCIAL ASSISTANCE PROGRAM
LENDING POLICIES AND PROCEDURES
“SUMMARY FOR PROSPECTIVE BORROWERS”**

PROGRAM OBJECTIVE

The Lakewood UEZ Financial Assistance Program (FAP) was established to provide funds for certified UEZ business owners to develop, renovate or otherwise improve their retail, service, commercial or industrial businesses. The following lending policies and procedures guide was developed for businesses to better understand the parameters of the program.

A. LAKEWOOD UEZ LOANS

The UEZ offers three financial assistance loan options:

1. Joint Participation Loan. This low-interest loan is a shared lending arrangement where the UEZ and a participating lender - one of a pool of approved UEZ lenders - have an equal lending position in the loan amount and in the collateral used to secure the loan. The loan may be up to \$500,000; \$250,000 is financed by the UEZ and the additional \$250,000 from the participating lender. The due diligence and servicing of the entire loan is done by the participating lender as part of their long term Lender’s Agreement with the UEZ.

Funds may be borrowed for up to fifteen (15) years. The interest rate is calculated as follows: the participating lender lends its portion of the funds at the banking institution’s interest rate in effect on the day of closing. The interest rate for the UEZ portion of the loan will be one-half the participating lender’s interest rate but not less than 3½%. This provides the UEZ business with a favorable blended rate of interest. The UEZ’s portion is fixed for the duration of the loan as long as the business remains a certified UEZ business and is in tax compliance with the NJ Division of Taxation.

The applicant will be advised to meet with a UEZ participating lender to complete an application. The lender will perform the due diligence and evaluate the loan’s viability and issue a Letter of Commitment which the UEZ Coordinator will forward with all pertinent documentation to the Lakewood Development Corporation (LDC) Finance Committee for review and recommendation. Finance committee appointees are selected from the local financial community and include accountants, bankers, attorneys and community members. The applicant will be requested to make a detailed presentation to the Finance Committee.

The participating lender will prepare the closing documents, which will be reviewed by the LDC attorney. Upon attorney approval, the Lakewood UEZ Coordinator will move to close, create a loan folder and file all the documentation.

2. Stand Alone Loan. This loan is for businesses seeking to borrow more than the Joint Participation Loan limits and is funded totally by the UEZ. Loan limits for this program are

determined by the LDC board on a case by case basis. The LDC attorney prepares and obtains all signed and legally binding agreements, forms and representations from the borrower. The approved loan documents are returned to the Lakewood UEZ office for filing and maintenance.

The applicant will be required to make a comprehensive presentation to the LDC Board of Trustees for concept approval, a subsequent presentation to the Lakewood Township Committee for their concept approval and another to the LDC Finance Committee. This final presentation will include an analysis of finances and terms, including proof of applicable insurance coverage and proof that there are no outstanding federal, state or city liens, obligations or judgments against the applicant.

For both the Joint Participation and Stand Alone loans, there will be a requirement for collateral and personal guarantees. Borrowers will provide a release signed by the applicant authorizing a search to determine clear title on any real property or equipment being offered as collateral and an additional release allowing the lender access to any collateral on the business' premises.

Approval of real property as collateral is subject to receipt of clear title and insurance (the cost of which shall be borne by the applicant) and a certificate of insurance naming the Township of Lakewood as an additional insured party for the term of the loan.

3. MicroLoan. Businesses may borrow from \$5,000 up to \$35,000. The term of the loan is up to ten (10) years at a 3 1/2% interest rate. The loan is funded totally by the UEZ. This program will be subject to a "sunsetting", or programmatic review, every two years from its original December 2, 2009 inception date. The LDC attorney will prepare and obtain all signed and legally binding agreements. The approved loan documents are then returned to the LUEZ office for filing and maintenance.

Applications for MicroLoans and Stand Alone loans are processed by Lakewood's UEZ office in collaboration with the LDC's attorney and finance committee and a designated participating lender who will perform the necessary due diligence – credit and profile check, collateral analysis, etc.

Lakewood's UEZ Coordinator, in conjunction with the UEZ Lender, will review the application and support documentation and will arrange a meeting with the business owner and the LDC's finance committee. The finance committee will evaluate the strength of the loan and credit information and make a recommendation to the LDC to approve the loan request.

B. LOAN CONDITIONS

Funding for all financial assistance loans is contingent upon the availability of loan funds through the Lakewood UEZ's first or second generation fund accounts.

The business must utilize the loan funds for the purpose presented in its loan application and for which it was approved.

There is no prepayment penalty for Lakewood UEZ Loans.

Lakewood's UEZ Coordinator or designee will be available to the borrower to answer any questions or discuss any concerns during the credit underwriting and analysis process.

C. LOAN DOCUMENTATION

UEZ loan application forms are essentially the same as those used by all commercial lending institutions with additional information and compliance requirements as mandated by the UEZ Authority.

The applicant must submit a business financial statement and federal tax returns for the two (2) most recent years. If the business has not been in existence for two years, the applicant must provide proof of the filing and payment of their quarterly estimated taxes and submit a Business Plan.

Pursuant to NJ UEZ Policy Circular 09-03, applicants for loans must disclose the names of all principles holding an ownership interest equal to or greater than 20% in the UEZ business seeking the loan. The principles must submit personal financial statements and their two (2) most recent personal federal income tax returns.

The applicant must submit a Certification of Business Compliance demonstrating compliance with all laws affecting the conduct of business within New Jersey.

If the business is a corporation, the applicant must submit proof that the corporation is in good standing with the State of New Jersey.

The business will comply with NJ UEZ Policy Circular No. 08-01, certifying that there is no known conflict of interest for the business to accept the loan proceeds.

If the business will be using the funds to purchase real estate, the applicant must submit a signed copy of the Agreement of Sale, land use permits and any other pertinent governmental agency approvals. The purchase of real estate for speculation is not permitted using UEZ funding.

For all equipment purchases and/or minor building renovations, the business must provide contractors estimates, suppliers price quotes and purchase orders, where applicable. The applicant must adhere to the existing State of New Jersey Prevailing Wage policy for any construction whose cost exceeds \$2,000.

If the applicant owns the property to be renovated with UEZ funds, a copy of the deed should be made part of the application. If the business rents the location, the applicant should submit a copy of the lease.

After receipt of all appropriate loan documentation, funds to be drawn from the Zone Assistance Fund in Trenton or Second Generation funds will require resolutions by the LDC and Lakewood

Township Committee authorizing the loan request to be considered for approval by the UEZ Authority in Trenton. The Authority may, at its discretion, revise the terms, conditions or allowed uses of any loan application.

The business must maintain its UEZ certification and NJ state sales-tax compliancy during the entire term of the loan. Should the UEZ certification status lapse, the UEZ portion of the loan will be re-cast at the prevailing interest rate unless the borrower can obtain other loan funding.

D. LOAN REPAYMENT

Payments made to the participating lender for a Joint Participation Loan will be deposited by the lender into a Lakewood Development Corporation account designated specifically to the borrower. This account will be identified as Second Generation UEZ Loan Funds and further identified as a UEZ Project Loan Fund account or UEZ Joint Participation Loan Fund account, as warranted.

For Stand Alone and MicroLoan loans, payments shall be sent to the LDC's UEZ office. The payment will be deposited into a UEZ Second Generation Fund bank account specifically set up for the borrower and identified as a UEZ MicroLoan fund account.

E. DELINQUENCIES AND COLLECTIONS

Joint Participation Loan Program – it will be the responsibility of participating lender to activate any and all delinquency and collection actions, which are standing banking procedures.

Stand Alone Loan or MicroLoan program – the Lakewood LDC attorney will contact the borrower fifteen (15) days after the payment due date or if the business moves out of the Zone or ceases operation. If no payment is received after thirty (30) days, the LDC Attorney will follow-up with correspondence to the Borrower. If there is no response, the attorney will initiate legal proceedings to liquidate the UEZ's interests in the collateral, if applicable, or pursue any other action as the attorney may see fit. The business will be reported to Equifax, Experian and TransUnion, the recognized credit reporting agencies, and a judgment will be filed against the borrower to protect the UEZ's position.

F. AMENDMENTS TO POLICIES AND PROCEDURES

The Lakewood UEZ and the Lakewood Township Mayor and Committee may jointly submit to the NJ UEZ Authority in Trenton a contract amendment requesting a change in the project scope should the need arise.

Please feel free to contact the LDC office at 732 364 5395 for the complete version of the Policies and Procedures.