

COLLATERAL REQUIREMENTS - CITY OF PITTSBURG, KANSAS
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND (CDBG)

The following documents will be required:

- 1) A fully completed and signed application, with documents required therein attached.
- 2) A full completed and signed financial statement by each personal guarantor. The City financial statement form is attached hereto. It must be used.
- 3) The federal income tax returns of each personal guarantor for the last three (3) years, whether calendar or fiscal years.
- 4) Documents confirming compliance with the Kansas Bulk Transfer Act, if the Act is applicable, and KSA
- 5) If the applicant is a corporation, a resolution of the Board of Directors authorizing the appropriate officers of the Corporation to sign the various loan documents on behalf of the Corporation.
- 6) A personal guaranty agreement to be signed by each personal guarantor and spouse.
- 7) Key person term life insurance on the principal personal guarantor.
- 8) Loan Agreement and Security Agreement, with Use of Loan Proceeds form attached.
- 9) Promissory Note and Mortgage.
- 10) UCC financial statements for filing with the Secretary of State and the Crawford County Register of Deeds.
- 11) Other relevant financial information or loan security documents requested by the City Manager, the City Attorney or any authorized representative of the City of Pittsburg, Kansas.

Documents referenced in Paragraphs 1, 2, 3, 4 and 5 shall be sent by Certified Mail to the City Manager, addressed P.O. Box 688, Pittsburg, Kansas 66762.

Items 6, 7, 8, 9, 10 and 11 will only come into existence if a loan is offered by the City of Pittsburg and said loan terms are accepted by the applicant.

STATEMENT OF ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies with respect to the loan that:

- (1) It possesses legal authority to make a loan submission.
- (2) It has developed its final statement (application) of projected use of funds so as to give maximum feasible priority to activities which benefit low-and-moderate income families or aid in the prevention of elimination of slums or blight.
- (3) The loan will be conducted and administered in compliance with:
 - (a) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and implementing regulations issued at 24 CFR Part 1;
 - (b) Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services;
 - (c) Section 109 of the Housing and Community Development Act of 1974, as amended; and the regulations issued pursuant thereto (24 CFR Section 570.601);
 - (d) Section 3 of the Housing and Urban Development Act of 1968, as amended and implementing regulations at 24 CFR Part 135;
 - (e) Executive Order 11246, as amended by Executive Orders 11375 and 12086 and implementing regulations issued at 41 CFR Chapter 60;
 - (f) Executive Order 11063 as amended by Executive Order 12259 and implementing regulations at 24 CFR Part 107;
 - (g) Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended and implementing regulations when published for effect;
 - (h) The Age Discrimination Act of 1975, as amended, (Pub. L. 94-135), and implementing regulations when published for effect;
 - (i) The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR 570.496A
 - (j) The labor standards requirements as set forth in 24 CFR 570.605 and HUD regulations issued to implement such requirements;

- (k) Executive Order 11988 relating to the evaluation of flood hazards and Executive Order 11288 relating to the prevention, control, and abatement of water pollution;
 - (l) The flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, (Pub. L. 93-234).
 - (m) The regulations, policies, guidelines and requirements of OMB Circular Nos. A-102, Revised, A-87, A-110 and A-122 as they relate to the acceptance and use of Federal funds under this federally assisted program;
- (4) No member, officer, or employee of the company receiving the loan, or its designees or agents, no member of the governing body and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the loan during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under the loan, and that it shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this certification;
 - (5) It will comply with the provisions of the Hatch Act which limits the political activity of employee;
 - (6) It will give the State, HUD and the Comptroller General or any authorized representative access to and the right to examine all records, books, papers, or documents related to the loan;
 - (7) It will comply with the lead paint requirements of 24 CFR Part 35 Subpart B issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.).
 - (8) It will comply with all requirements imposed by the State concerning special requirements of law, CDBG program requirements, and other administrative requirements, approved in accordance with OMB Circular No. A-102, Revised.
 - (9) It accepts the terms, conditions, selection criteria, and procedures, established by this program description and that it waives any right it may have to challenge the legitimacy and the propriety of these terms, conditions, criteria, and procedures in the event that its application is not selected for funding.
 - (10) It will comply with the regulations, policies, guidelines and requirements with respect to the acceptance and use of Federal funds for this federally-assisted program.
 - (11) It will comply with all parts of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited previously as well as with other applicable laws.

The applicant hereby certified that it will comply with the above stated assurances.

Signature, Authorized Official

Name (typed or printed)

Title

Date

USE OF LOAN PROCEEDS
FOR USE AFTER LOAN IS APPROVED

TOTAL AMOUNT OF PREVIOUS DRAWS \$ _____

The undersigned does hereby certify that he/she is authorized, on behalf of said Company, to draw down the loan in the total sum of

\$ _____

<u>NAME & ADDRESS OF PAYEE(s)</u>	<u>USE OF PROCEEDS</u>	
	<u>AMOUNT & DATE OF PAYMENT</u>	<u>PURPOSE</u>

MACHINERY AND EQUIPMENT

For each item of machinery and equipment, specify:

- 1) Name of Seller
- 2) Name of Manufacturer
- 3) Common descriptive name of machinery or equipment
- 4) Technical description of equipment or machinery
- 5) Capacity or similar designation
- 6) Serial Number
- 7) Model Number

The undersigned certifies that the above-mentioned equipment, machinery, inventory and/or working capital is necessary for the successful operation of the Company and that the amount paid or to be paid does not exceed the fair value of the amount of draw requested.

The undersigned further certifies that, except for the amounts due for which payment is to be made from this draw, there is no outstanding indebtedness now due and payable for labor, wages, materials, supplies or services incurred in connection with the operation and use of the Company which, if unpaid, might become the basis of a vendors', mechanic's, laborers' or materialmen's statutory or other similar lien upon the property at _____, Kansas, or any part thereof.

Signed this _____ day of _____, 19____.

BY: _____

STATE OF _____)
COUNTY) SS:

BE IT REMEMBERED, that on this _____ day of _____ 19____, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____ who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year last above written.

Notary Public

My Appointment Expires: _____

SCHEDULE A - U.S. GOVERNMENTS & MARKETABLE SECURITIES

Number of Shares or Face Value (Bonds)	Description	In Name Of	Are These Pledged?	Market Value

SCHEDULE B - NON-MARKETABLE SECURITIES

Number of Shares	Description	In Name Of	Are These Pledged?	Source of Value	Value

SCHEDULE C - PARTIAL INTERESTS IN REAL ESTATE EQUITIES

Address & Type Of Property	Title In Name Of	% Of Ownership	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount

SCHEDULE D - REAL ESTATE OWNED

Address & Type Of Property	Title In Name Of	Date Acquired	Cost	Market Value	Mortgage Maturity	Mortgage Amount

SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING N.S.L.I. AND GROUP INSURANCE

Name Of Insurance Company	Owner Of Policy	Beneficiary	Face Amount	Policy Loans	Cash Surrender Value

SCHEDULE F - BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name & Address Of Lender	Credit In The Name Of	Secured Or Unsecured?	Original Date	High Credit	Current Balance

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

STATE OF _____)
 COUNTY OF _____) SS:
 SUBSCRIBED AND SWORN TO BEFORE ME
 BY _____,
 THIS _____ day of _____, 19__

Signature (Individual) _____

S.S. No. _____ Date of Birth _____

Signature (Other Party) _____

S.S. No. _____ Date of Birth _____

(SEAL)

