

## ELYSIAN ECONOMIC DEVELOPMENT LOAN AGREEMENT

This agreement is made on \_\_\_\_\_, between \_\_\_\_\_ (“Borrower”) and the City of Elysian (“City”) and is ancillary to the making of business property improvements located at \_\_\_\_\_.

1. Borrower own a business facility located at \_\_\_\_\_ in the City of Elysian.
2. Borrower wishes to have the City assist in the financing of ‘lease hold’ improvements at the business location.
3. The City is determined that it is in the City’s best interest to financially assist the Borrower in making the requested improvements.

Now Therefore, it is mutually agreed as follows:

1. The City will provide a loan not to exceed \_\_\_\_\_ with a term of five (5) years at an interest rate of three percent (3%) and the proceeds of this loan shall be used exclusively for the undertaking of the necessary leasehold improvements as defined by the Borrower in their request for funds. Funds shall not be utilized for any other purpose including working capital or inventory.
2. The Business owner shall submit documentations of all costs with each request for loan funds. The requests may be made monthly or as a single disbursement and the funds shall be provided to the business owner by the City . All funds must be disbursed within six (6) months. The date of disbursement shall be referred to as the “Initial Disbursement Date” and shall be the date used for calculating interest charges on the loan. It shall be the business owner’s responsibility to insure that all payments for services and material are promptly paid and no liens are filed against the business location.
3. The first loan payment shall begin one (1) month after the full disbursement of funds and monthly thereafter. In the event the full amount of \_\_\_\_\_ is not utilized, the amortization schedule shall be adjusted to reflect the actual amount of the borrowed funds. Amortization shall be in the form of equal monthly payments of \_\_\_\_\_ and shall be first applied to interest and the balance to the principal. The remaining unpaid principal shall be paid in full as a balloon payment on month 60 payment, or may be renegotiated after approval by the Economic Development Authority Board.

4. The Borrower may repay this note in whole or in part at any time without penalty. If the Borrower makes a partial prepayment there will be no changes in the due date or in the amount of the Borrower's monthly payment unless the note holder agrees in writing to those changes.
5. In the event that the Borrower shall be in default or in violation of any of the covenants, certifications, terms or conditions, of the promissory note securing the indebtedness evidenced hereby, then the entire principal amount outstanding hereunder shall at once become due and payable at the option of the note holder, without notice or demand. In the event of any default in payment of this note, and if suit is brought hereon, the note holder shall be entitled to collect in such proceedings all reasonable costs and expenses of suit including, but not limited to, reasonable attorney's fees.
6. The property which is being improved is the Borrower's principal place of business and is the property in which the Borrower is now/or will be operating her/his business. If these premises are no longer used as the Borrower's principal place of business during the term covered by said loan agreement and promissory note, the entire balance of this note shall be immediately due and payable.

In Witness Whereof, the respective parties hereto have caused this agreement to be duly executed on the day and year hereinabove set forth.

**BORROWER:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF ELYSIAN:**

By: \_\_\_\_\_  
It's Executive Director

Date: \_\_\_\_\_