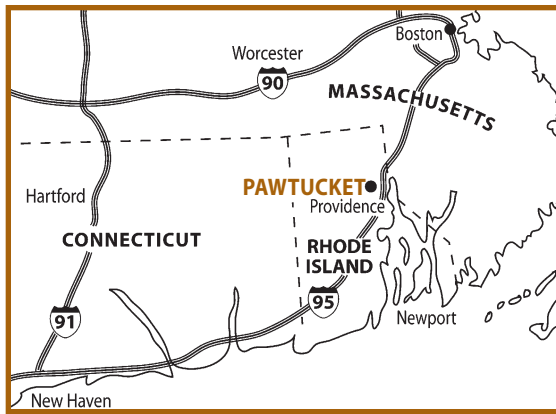


Ten minutes north of Providence, fifty minutes south of Boston and three hours from New York City make Pawtucket, Rhode Island a perfect location for a restaurant.



For more information about Pawtucket's Revolving Loan Program for Restaurants, contact:

Barney Heath or Herb Weiss
Pawtucket's Business Development Corporation
175 Main Street
Pawtucket, Rhode Island 02860-4119
Phone: (401) 724-5200 • Fax: (401) 726-6237



CITY OF PAWTUCKET
Pawtucket's Business Development Corporation
175 Main Street
Pawtucket, Rhode Island 02860



*Rhode Island's
Creative Community*

**PAWTUCKET'S
BUSINESS
DEVELOPMENT
CORPORATION**



*Donald R. Grebien
Mayor*

**RESTAURANT
LOAN PROGRAM
FOR ARTS &
ENTERTAINMENT
DISTRICT**

PAWTUCKET'S BUSINESS DEVELOPMENT CORPORATION, (PBDC) provides incentive funding for the improvement or expansion of restaurants located in the City of Pawtucket's Arts & Entertainment District or for those interested in relocating to this area.

APPLICANT ELIGIBILITY:

Applicants may be individual owners, partnerships or corporations. Applicants who are not property owners must have a lease equal to or greater than the term of the loan (including options) and furnish proof thereof. Chains or franchises may be eligible at the sole discretion of the PBDC.

No individual may have a concurrent interest in more than one project, which is receiving assistance.

No business shall be eligible for loan assistance through the PBDC Revolving Loan Fund Program for Restaurants if the business has an existing loan with PBDC and the term of the existing loan is greater than one-half of the original loan terms.

As a direct result of the loan assistance, the restaurant must create full-time permanent jobs.

All applications, which have an activity that is related in any way to the sale of alcoholic beverages, shall be strictly scrutinized in determining the appropriateness of such application.

MAXIMUM LOAN AMOUNT: Up to \$50,000.00.

INTEREST RATE & TERM:

The interest rate on loans made under this program shall be the prime rate as published in the Wall Street Journal on the day prior to the loan closing.

The term of the loan is determined by the use of the funds.

Working Capital - Not to exceed three (3) years, unless PBDC funds are used to match bank terms, which may extend term to five (5) years.

Real Estate - Not to exceed ten (10) years.

Equipment - Not to exceed five (5) years, unless PBDC funds are used to match bank terms, which may extend term to seven (7) years.

The repayment terms shall be formulated to allow the project to go forward and not jeopardize the success

of the project. Under no circumstances shall the loan term exceed ten (10) years.

Note: The loan repayment terms, including interest rate and amortization, will be structured to allow the restaurant a reasonable rate of return on invested equity, considering the level of risk of the project.

MATCHING FUNDS:

Applicants are required to secure funds from other sources. These sources can include cash equity, equity in materials and supplies, bank loans, or other loans. In all instances, the amount of funding from PBDC will not exceed the equity committed.

ELIGIBLE ACTIVITIES:

- Acquisition of commercial property.
- Rehabilitation of commercial property, including materials and/or labor.
- Leasehold improvements.
- Acquisition of machinery and equipment.
- Working capital for start-up companies. (Maximum amount \$10,000).
- Relocation expenses.

INELIGIBLE ACTIVITIES:

- Refinancing of existing debts.
- Improvements completed prior to loan approvals.

DISBURSEMENTS:

All disbursements are made by the PBDC and in the following manner: Three (3) bids must be submitted for all equipment to be acquired and/or any improvements to be completed. All requisitions must be accompanied by a cover letter from the borrower authorizing each loan disbursement; all checks issued are two (2) party checks, issued to the borrower and the general contractor or preferred vendor; and funds are disbursed in progress payments, for work completed to date only. If the project includes additional financing in addition to the PBDC, the loan funds are disbursed based on the ratio of the PBDC funds to the total project. Once a completed payment requisition has been submitted to the PBDC, the requisition is processed and checks are issued in five (5) to seven (7) business days.

ADDITIONAL REQUIREMENTS:

All laborers and mechanics employed by contractors in the performance of construction work financed in whole or in part by the PBDC shall be paid prevailing wages.

All pertinent local, state and Federal laws, regulations and statutes shall apply.

Applicant may be required to prepare a business plan and/or participate in small business training program approved by the PBDC.

Personal guarantees are required by the PBDC, even if the loan is being made to a partnership or corporation.

PBDC reserves the right to seek additional collateral or guarantors as it deems necessary at its sole discretion.

Borrowers may be responsible for PBDC loan closing fees, which shall not exceed \$500.00. This cost may be added to the principal amount of the loan.

CHANGES/WAIVERS

By majority vote, the PBDC has the authority to waive any nonregulatory requirements set forth in the Program Guidelines.

