

Resolution # _____-2011

Authorizing the Executive Director to Enter into a Construction Loan with Cumberland Empowerment Zone Corp.

WHEREAS, THE Holly City Development Corporation, a New Jersey non-profit corporation formed through a Certificate of Incorporation executed the 26th day of August 1998 desires to enter into a construction loan for an Aerobics facility at the Holly City Family Center.

And WHEREAS, the Cumberland Empowerment Zone Corp. has approved a Construction/Permanent Term Loan in the amount of \$50,000;

AND WHEREAS, the interest rate is fixed at 5% with the loan amortization at 15 years;

NOW THEREFORE, BE IT RESOLVED BY THE Trustees of the Holly City Development Corporation that the Executive Director is authorized to enter into a loan agreement with Cumberland Empowerment Zone Corp.

Larry Miller

Dianne McCarthy


Paula Ring

James Parent

Brian Tomlin

Date:

Attest:


Paul F. Dice, Secretary



**Cumberland
Empowerment
Zone Corp.**

A Catalyst For Change

Jeannine MacDonald
Executive Director

Darlene Barber
Chair

July 21, 2011

Holly City Development Corporation
Attn: Paul Dice
1153 Holly Berry Lane
Millville, NJ 08332

Re: CEZ Loan: SG-M1
Purpose of Loan: Expansion of Family Center
Amount of Loan: \$50,000.00
Length of Loan: 15 Years
Interest Rate: 5%
Monthly Payment: \$395.40

Dear Mr. Dice:

We are pleased to inform you that the Cumberland Empowerment Zone Corp. (the "Lender") hereby offers to make a Loan (the "Loan") to the Holly City Development Corporation (the "Borrower") in the principal amount of Fifty Thousand Dollars (\$50,000.00). This offer is subject to acceptance by Borrower and is further subject to the terms and conditions set forth below:

1. PURPOSE - The proceeds of the Loan shall be used by Borrowers for the following purposes:

Construction of new exercise room adjacent to the Holly City Family Center

2. AMOUNT OF LOAN - The total amount of the Loan is Fifty Thousand Dollars (\$50,000), to be evidenced by a Note bearing the interest rate of Five Percent (5%) per annum, (The "Note"), together with a one time servicing fee of One Percent (1%) of the total loan amount which will be paid by Borrower to the Lender. The Loan shall be for a term of Fifteen Years (15 yrs).

3. TERM OF PAYMENT -The Borrower shall pay principal, accrued interest and 1% servicing fee and all other applicable fees and expenses then due as follows:

 Servicing fee and all other applicable fees to be paid at closing.

 Principal and interest payments will be paid over a term of Fifteen Years with monthly payments in the amount of \$395.40.

 Borrower shall have the privilege to prepay the Loan in full or in part at any time without penalty or premium provided that each prepayment shall be accompanied by accrued interest on the amount prepaid. Any prepayment, whether voluntary or involuntary shall be applied first to any accrued and unpaid interest under the Note up to the date of such prepayment and then to any other sums which may be payable to Lender under the Related Documents up to the date of such prepayment and then to the outstanding principal balance of the Note. Any such prepayment applied to principal shall be applied to the principal portions of installments due under the Note in the inverse order of their maturity and the acceptance of any prepayment when there is an event of default in existence under any of the related documents shall not constitute a waiver, release or accord and satisfaction thereof or of any rights with respect thereto by Lender.

4. DEFAULT AND LATE CHARGE - The Note shall provide for a late payment charge computed at a rate of five (5%) percent of any principal and interest amount not paid within ten (10) days after its due date.

5. COLLATERAL (The Security) - The loan is to be evidenced and secured by:

 Second Mortgage Lien on commercial property located at 10-12 Mulberry Street, Block 366, Lot 9, Millville, NJ (as improved).

 Third Mortgage Lien on commercial property located at 14 Mulberry Street, Block 366, Lot 8, Millville, NJ

 Assignment of Rents & Leases on 10-12 Mulberry Street Property

 Second position UCC Security Interest on all equipment, inventory, and business assets of Holly City Development Corporation