Ulster County Economic Development Alliance P.O. Box 1800, 244 Fair Street Kingston, NY 12402-1800 Tel: 845.340.3556



December 16, 2020

John Parker JSP Plumbing and Heating 80 Boices lane, Building 33 Kingston NY 12401

#### **RE: Loan Commitment for JSP Plumbing**

Dear John:

It is our privilege to inform you that the Ulster County Economic Development Alliance, Inc. (UCEDA) has approved your loan request for \$38,000 from the Ulster County Revolving Loan Fund. Throughout this document, the term "Lender" refers to the UCEDA, as administrator of Ulster County's revolving loan fund programs.

The new loan is subject to the following terms and conditions:

- **1. BORROWER:** JSP Plumbing & Heating
- **2. AMOUNT:** \$38,000
- 3. USE OF PROCEEDS: Job Retention
- 4. TERM OF LOAN: 16 months
- 5. **RATE OF INTEREST:** This loan will bear the fixed interest rate of four percent (0.0%) per annum.
- 6. DRAWDOWNS AND DISBURSEMENTS: This loan will be disbursed in one installment after verification is received that all items and special contract conditions specified have been met.
- 7. **REPAYMENT** SCHEDULE: The loan will be paid with a one-time balloon payment on or before April 15, 2020 in the amount of \$26,000. Thereafter monthly selfamortizing loan payable in equal monthly installments. The monthly payments of principal will be approximately \$1,000.

From April 1, 2020 to the first day of the succeeding month, Borrower will pay remainder of the loan (\$12,000) on the first day of each month for twelve (12) months.

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- 8. PRE-PAYMENT This loan may be pre-paid at any time without penalty provided the Borrower gives the Lender fifteen (15) working days written notice of its intent to pre-pay the loan.
- 9. COLLATERAL AND This loan shall be secured by the following collateral and guarantees:
  - Personal guarantees of []
  - [list any other collateral].
- **10 JOB CREATION:** In return for the Lender providing this loan, the Borrower agrees to maintain at least 35 FTEs in Ulster County.

This loan does not require additional jobs.

The Lender will require the Borrower to submit periodic employment records at the close of each yearly tracking period and at such other times as deemed necessary by the lender, to monitor job creation necessary for the lender to verify compliance with all regulations.

11. SALE OF INTEREST IN BORROWER OR GUARANTOR: This commitment shall become invalid upon the change of ownership or the sale of any stock or other interest in any corporate Borrower or Guarantor.

> This loan is subject to a balloon payment if there is a change in ownership of the Borrower.

> Additionally, the loan agreement between the parties shall provide as an event of default, any change of ownership, or the sale of stock or other interest in, or any bankruptcy or receivership of the Borrower(s) or Guarantor(s).

12. ASSIGNABILITY OF RIGHTS UNDER THIS COMMITMENT: This commitment is made in favor of only the person or persons to whom this commitment is addressed as "Borrower". This commitment is not assignable or transferable by the Borrower, except with the prior written consent of the Lender. Page 3 John Parker JSP Plumbing and Heating December 16, 2019

- 13. ASSIGNMENT LOAN COLLATERAL: OF Neither this loan nor any interest of the Borrower in the collateral securing this loan is assumable by or assignable to any other party without the prior written consent of the Lender.
- 14. CLOSING DOCUMENTS: This loan shall be evidenced by a note, a loan authorization agreement, UCC securities or certain forms and other documents required by the Lender or its counsel in a format acceptable to the Lender.
- 15. TERMS TO SURVIVE CLOSING: The terms and conditions set out in this commitment letter shall be construed to supplement the various documents to be executed at closing and to that extent the terms and conditions of this commitment letter shall survive closing.
- 16. The Borrower will be responsible for incurring CLOSING COSTS and paying all reasonable costs of making this AND REIMBURSABLE loan, as applicable, including but not limited **EXPENSES:** to, title insurance, survey, recording fees, mortgage tax, and tax service fees. These charges shall be due at closing. If, for any reason, this loan does not close, the Borrower will be responsible for the payment of any charges incurred therein. Borrower will, on demand, reimburse Lender for all expenses incurred, or which may be hereafter incurred, by Lender from time to time in connection with or because of Borrower's application for, and the making and administration of this loan.
- 17. MODIFICATION AND WAIVER: Terms of the commitment may not be waived, modified, or in any way changed by modification or through subsequent conduct, correspondence, or otherwise, unless such waiver, modification or change is expressly stated as such and agreed to by the Lender in writing.
- **18. CANCELLATION OF** This commitment may be cancelled by the **COMMITMENT:** Lender if:

(a) All applicable conditions contained in

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> this commitment have not been satisfactorily completed and the closing has not occurred within 90 days of the date of the Lender's approval of this loan; or

- (b) Any event has occurred before the closing of this loan which, in the sole judgment of the Lender, adversely affects the business, prospects, or condition (financial or otherwise) of the Borrower so as to make Borrower's repayment of principal and interest on this loan less likely; or
- (c) Any information previously submitted by the Borrower to the Lender proves to be false.

This commitment shall be binding only if the Lender receives, prior to closing, all documents required to close the loan from the Borrower and said documents are satisfactory to the Lender's counsel in all respects.

- (a) Future Year End financial statements to be submitted annually to the Lender on an accrual basis.
  - (b) Is subject to legal counsel being satisfied as to security and collateral arrangements and ownership.
  - (c) Borrower provides access to the equipment to be used as collateral for the purpose of annual inspections.

The Lender will not schedule a closing until all the documents required by this commitment are received and approved by counsel. The Lender requires that the documents are received and approved five (5) business days before a scheduled closing.

20. ACCEPTANCE: This commitment is not valid unless and until the Lender has received one original of this commitment, properly executed by the Borrower, within thirty (30) days of the date of

19. COVENANTS AND CONDITIONS:

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this letter.

21. NON-DISCRIMINATION: In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, age, disability, religion, sex, and familial status. (Not all prohibited bases apply to all programs).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights,

1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

- 22. INSURANCE: Property used for collateral must be insured. A lien to the title of the equipment will be filed. The Lender will be notified prior to any attempts to transfer, sell, or otherwise dispose of the collateral.
- 23. ANTICIPATED Subject to the conditions stated above, CLOSING DATE: Lender anticipates the date of closing for this loan shall be no later than January 7, 2020.

Sincerely,

Lisa Berger, President & CEO, UCEDA

CC: Sarah Haley Lynn Archer Jennifer Clark Page 6 John Parker JSP Plumbing and Heating December 16, 2019

## ACKNOWLEDGED AND ACCEPTED

# Ulster County Economic Development Alliance, Inc.

# [JSP Plumbing and Heating]

BY:		BY:	
NAME:	Lisa Berger On Behalf of: Ulster County Economic Development Alliance, Inc.	NAME:	John Parker On Behalf of: JSP Plumbing and Heating
TITLE:	President & CEO	TITLE:	
DATE:		DATE:	

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## **EXHIBIT A: List of Equipment for Loan Collateral**

Equipment	Value	Manufacturer/Spec	Serial Number