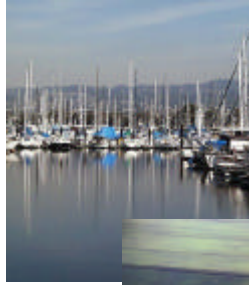


Recreational Marina Loan Application Package





State of California
The Resources Agency
DEPARTMENT OF BOATING AND WATERWAYS



DBW

Recreational Marina Loan Program Information





The Department of Boating and Waterways (DBW) lends construction funds directly to owners of recreational marinas for the development, expansion, or improvement of marinas and boater access statewide. DBW construction loan funds are available for:

-  ***Berthing***
-  ***Dredging***
-  ***Restrooms***
-  ***Vessel Pumpout Stations***
-  ***Utility Installation***
-  ***Riprap and Erosion Control***
-  ***Parking/Lighting***
-  ***Landscaping***
-  ***Launching Facilities***
-  ***Dry Storage Facilities***
-  ***Breakwaters***
-  ***Oil and Solid Waste Recycling Facilities***

DBW lends to private marina owners who operate, or intend to develop and operate, small boat recreational facilities providing boat berthing (wet or dry) to the general public. These funds are available for items directly related to recreational boating and marina facilities. However, they cannot be used to purchase or refinance a marina, or for items such as retail facilities, lodging facilities, campgrounds or RV parks.

Program Details

The source of funding for this program is the Harbors and Watercraft Revolving Fund, which is supported, in part, by State of California fuel tax revenues and vessel registration fees.

-  ***Recreational marina loans are made for periods of up to 20 years.***
-  ***Borrowers are given two years for project construction.***
-  ***Loan repayment begins after final loan disbursement.***
-  ***The maximum loan amount is 50 percent of the funds allocated to the program annually.***

Interest accrues during the construction period only on funds that have been disbursed. When repayment begins, the loan principal and any accrued interest are amortized over the remaining loan term. DBW charges an interest rate equal to the Prime Rate (as published in the Wall Street Journal Money Market Section) plus 1 percent. This rate is determined using the Prime Rate at the time an application is received or the contract date – whichever is lower.

All recreational marina loans must be secured by real property equal in value to 110% of the intended loan amount. The appraised value of any collateral must be determined “as is” – before construction. For instance, on a \$1million loan, collateral value “as is” must be at least \$1.1 million.

After they are received, applications are reviewed and a feasibility report is prepared for presentation to the Boating and Waterways Commission. The Commission has final approval authority over proposed loans and meets every two months.

If you have any questions concerning the Recreational Marina Loan Program contact the Recreational Loan Program project manager by telephone at (916) 263-8165 or by e-mail at hfflood@dbw.ca.gov.

Frequently Asked Questions

When can I begin my project?

DBW cannot officially begin reimbursement for project costs until all necessary documents (deeds of trust, title insurance, UCC-1 filings, etc.) have been recorded. This process usually takes four to eight weeks after loan contracts are signed. However, all project-related costs incurred after the date of the loan contract are *eligible* for reimbursement. As a rule, we encourage you to delay the start of your project until all loan documentation have been executed and recorded. In the event there is a failure to execute any of the necessary documentation and the loan is held up or terminated (depending upon the severity of the problem), you will be liable for any project costs incurred.

What items are reimbursable?

All construction costs incurred after the date of the contract, including any labor and materials associated with the project (as defined in the loan contract). Additionally, you may be reimbursed for you own labor and/or the rental of your own equipment, at a pre-approved rate, with prior permission. This does not include overhead labor costs such as health insurance, workman's compensation, etc. The use of your own labor sources must be accounted for and treated as if it were contract labor.

Working capital, items not associated with the project, engineering services and any work completed before the loan contract date are not eligible for DBW funds.

How do I request reimbursement?

DBW requires a written request for reimbursement – a letter listing the expenses, with copies of invoices and receipts. Reimbursement for project expenses cannot be more frequent than once every month (30 days). As stated in the loan contract, DBW will retain 10 percent from each request until all mechanic liens have been released from the project and you have received final approval.

When will I receive my reimbursement check?

DBW processes your request when it is received. The necessary paperwork is forwarded to the State Controller's office, and they issue your check. Typically, it takes four weeks to receive reimbursement.

Recreational Marina Loan Application Checklist

Application

Completed	Item	Description
<input type="checkbox"/>	Exhibit A	Personal and Business Background Information, including loan collateral and application costs.
<input type="checkbox"/>	Exhibit B	Balance Sheet Identifies assets, liabilities, and net worth of your business.
<input type="checkbox"/>	Exhibit C-1	Projected cash receipts and disbursements for your business.
<input type="checkbox"/>	Exhibit D	Identifies all creditors, amounts, and payments to creditors.
<input type="checkbox"/>	Exhibit E	Identifies nature and costs of project.
<input type="checkbox"/>	Exhibit F	Describes facility location, funding need, and other information relevant to your facility.
<input type="checkbox"/>	Exhibit G	Identifies personal data of applicant.

In Addition to Application

Completed	Item	Description
<input type="checkbox"/>	CEQA Compliance	Evidence that the proposed project complies with the California Environmental Quality Act (CEQA)
<input type="checkbox"/>	Federal Tax Returns	Three years Federal Income Tax returns for business and/or owners and partners. (Copies with wet signature are acceptable)
<input type="checkbox"/>	Planning Permits	Copies of any permits required, such as by planning agencies such as the Coastal Commission, BCDC, cities or counties.
<input type="checkbox"/>	Appraisal of Collateral	An "as is" appraisal of any assets used as collateral. Appraisal must be performed by an MAI (or equal) appraiser. Appraisal shall include the estimated "build-out" value.
<input type="checkbox"/>	Preliminary Construction Plans	Including a site plan and any normally required engineering.
<input type="checkbox"/>	Preliminary Title Report	Provide a preliminary title report for any property used as collateral, including any leases, for the loan.
<input type="checkbox"/>	Market Study	New or expanding facilities must provide a Market Study defining your customer base and competitors. The study should also document supply and demand for your proposed product.

NOTE :

If you are planning on using personal assets or assets which are not part of the marina as collateral for a Department of Boating and Waterways loan, you must complete the Supplemental Application Section (Exhibit H).

- | | | |
|--------------------------|-----------|---|
| <input type="checkbox"/> | Exhibit H | Identifies personal assets, liabilities, and sources of income. |
|--------------------------|-----------|---|

Recreational Marina Loan Application

EXHIBIT A

Borrower Information

Loan Applicant's Name (Refers to Proprietor, General Partner or Corporate Officer signing this form)

Address:		
City:	State:	Zip:
Phone:	Fax:	Other:

Business Information

Business Name:			
Business Address:			
City:	State:	County:	Zip:
Telephone:	Fax:	Other:	
Date Business Established:		Primary Bank:	
IRS Employer Identification Number		Account #:	
Number of Wet Storage Berths:	Number of Dry Storage Berths:	Berth Rental Fees:	

Management Information

Names of all owner, officers, directors, and/or partner, as well as any shareholders with 20% or greater ownership:

Name and Title:	Percent Ownership:	Annual Compensation:	
Address:	City:	State:	Zip:
Name and Title:	Percent Ownership:	Annual Compensation:	
Address:	City:	State:	Zip:
Name and Title:	Percent Ownership:	Annual Compensation:	
Address:	City:	State:	Zip:
Name and Title:	Percent Ownership:	Annual Compensation:	
Address:	City:	State:	Zip:
Name and Title:	Percent Ownership:	Annual Compensation:	
Address:	City:	State:	Zip:
Name and Title:	Percent Ownership:	Annual Compensation:	
Address:	City:	State:	Zip:

Summary of Collateral

Description:	Present Market Value:	Present Mortgage Balance:	Net Collateral:
Description:	Present Market Value:	Present Mortgage Balance:	Net Collateral:
Description:	Present Market Value:	Present Mortgage Balance:	Net Collateral:
Description:	Present Market Value:	Present Mortgage Balance:	Net Collateral:
Description:	Present Market Value:	Present Mortgage Balance:	Net Collateral:
Description:	Present Market Value:	Present Mortgage Balance:	Net Collateral:

* Appraisal must be attached to application.

Total Net Collateral:

Declarations

- | | Yes | No |
|---|--------------------------|--------------------------|
| a. Have you or any officers of your business ever been involved in a bankruptcy or insolvent proceedings? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Are you or your business involved in any pending lawsuits? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Have you or any partners, shareholders, or affiliates received a loan from the Department of Boating and Waterways previously? | <input type="checkbox"/> | <input type="checkbox"/> |

If you answered "Yes" to any of the above questions, please provide details below.

Application Costs

The Identification of the following costs is required by law. None of these costs may be reimbursed from the loan for which you are applying.

Permit costs: \$ _____	Engineering Costs: \$ _____
Environmental Impact Report Costs: \$ _____	Application Preparation Fees: \$ _____
Appraisal Costs: \$ _____	Other Costs: \$ _____

Signatures

Print or type name of preparer: (If preparer and loan applicant are not the same)

Address of preparer:

Signed: _____	Signed: _____
Date: _____	Date: _____

(If loan applicant is a Proprietor or General Partner)

(If Applicant is a Corporation)

Balance Sheet

	Year	Year	Year
ASSETS			
Current Assets			
Cash			
Accounts Receivable			
Inventory			
Prepays & Deposits			
Total Current Assets			
Fixed Assets			
Buildings and Docks			
Machines and Equipment			
Less Depreciation			
Other Assets			
TOTAL ASSETS			
LIABILITIES			
Current Liabilities			
Accounts Payable			
Notes Payable			
Taxes Payable			
Total Current Liabilities			
Long Term Liabilities			
Notes Payable			
TOTAL LIABILITIES			
NET WORTH			
Net Worth			
TOTAL LIABILITIES & NET WORTH			

I hereby certify this Balance Sheet to be correct and complete to the best of my knowledge:

Signed: _____

Date: _____

Annual Cash Flow Projection							
	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
CASH ON HAND (beginning balance)							
CASH RECEIPTS							
Berthing Receipts							
Lease Income							
Sales							
Loans							
1							
2							
3							
Capital Infusion							
Other							
TOTAL CASH AVAILABLE							
DISBURSEMENTS							
Cost of Goods Sold							
Labor							
Accounting/Legal							
Advertising							
Insurance							
Officer's Salaries							
Office Salaries							
Repairs/Maintenance							
Supplies							
Taxes							
Vehicles							
Travel							
Utilities							
Loan Payments (P+I)							
1							
2							
3							
4							
5							
Capital Additions/Acquisitions							
Buildings							
Land							
Berthing							
Other							
Miscellaneous							
TOTAL DISBURSEMENTS							
CASH ON HAND (ending)							

* See Exhibit C-2 for additional requirements regarding entries.

Explanation of Terms

TERM	DEFINITION
Berthing Receipts	Berthing Receipts refers to income generated from the rental of wet or dry boat dockage. This figure can represent both short-term and long-term rental incomes. On a separate sheet, identify assumptions made in acquiring total berthing income: number of berths, lengths of berths, rental rates, occupancy rates. Identify if berths are existing or new
Lease Income	Lease Income refers to any revenues generated from the leasing of property or buildings. On a separate sheet, indicate the lease terms (square footage, rental rate, etc.) and occupancy rate.
Sales	Sales refers to income generated through the sale of chandlery items, repairs, or any other service or commodity sold at the marina site. If projections are for goods for which there is no past sales history, explain on a separate sheet the assumptions made in arriving at this figure.
Loans	Show receipts from all loans intended to be obtained over the projected period; include Boating & Waterways loan. On a separate sheet, indicate the use of each loan: construction, working capital, etc.
Capital Infusion	Indicate any infusion of funds from owners, stockholders, partners, etc.
Other	Indicate any other significant sources of income. On a separate sheet, identify and explain these sources.
Taxes	Includes the total amount of property, sales, and income taxes; incomes taxes should be net of depreciation. Indicate on a separate sheet, the amount of depreciation for each year.
Loan Payments	Loan payments includes all payments made to creditors: installment, lump-sum, refinancing, construction loan payments, etc. Include only those loan payments that are dependent upon marina revenues for payment. Include Boating & Waterways loan payments; assume a three year deferment of payment (interest accumulates over this period) from time of loan acceptance; amortize as a 17 year loan at Prime plus one percent.
Capital Additions	Show planned construction, acquisition, or other such expenses to be made during the period covered by the projection. On a separate sheet, describe yearly expenditures on capital additions.

Note:

You are not required to use the forms accompanying this application. You may submit financial data on your own forms, PROVIDED that your forms follow the same format as Boating & Waterways forms.

Project Description and Cost Estimate

Please list cost estimates for construction of the project. Include all items needed to fully complete the project, including any items that are to be financed from other sources. Attach additional sheets if necessary.

Item Description

Cost Estimate

Total Project Cost \$ _____

Total Loan Required from Boating & Waterways \$ _____

By law only direct labor and material costs are eligible for funding under the Boating & Waterways loan program. Therefore, any costs incurred in preparing this loan application or costs sustained in the preparation of any plans or specifications for the project can not be included in the loan amount.

Description of Business

Provide a description of your facility and its operations. Identify marina location, ownership, and length of ownership. Describe how ownership plans to finance any portions of the project not covered by a Boating & Waterways loan. Include any information you deem relevant to your facility: marketing plans, future growth, etc. Attach additional sheets if necessary.

Statement of Personal History			
State full name, if married, include spouse's name. List all former names and dates each name was used. Use a separate sheet if necessary.			
First:	Middle:	Last:	Maiden:
First:	Middle:	Last:	Maiden:
Social Security Number:	Date of Birth:	Place of Birth (City, State, Country)	
Present Mailing Address:		Immediate Past Residence Address:	

From: To: From: To:

Are you presently under indictment, on parole, or on probation? Yes No

Have you ever been charged with or arrested for any criminal offense other than a minor motor vehicle violation? Yes No

Have you ever been convicted of any criminal offense other than a minor motor vehicle violation? Yes No

If you answered yes to any of the above questions, please furnish details here or on a separate sheet:

Signature of Loan Applicant: _____ Date: _____

Personal Financial Statement

To be submitted *only* if applicant is using personal assets (or assets not a part of the marina) as loan collateral.

Loan Applicant's Name: _____

Assets:

Cash on hand
 Savings
 U.S. Government Bonds
 Accounts and Notes Receivable
 Life Insurance - Cash Value
 Other Stocks and Bonds (Describe below)
 Real Estate (Describe below)
 Automobiles - Present Value
 Other Personal Property (Describe below)
 Other Assets (Describe below)

TOTAL ASSETS

LIABILITIES

Accounts Payable
 Notes Payable (Describe below)
 Installment Account -Auto
 Installment Account -Other
 Loans on Life Insurance
 Mortgages on Real Estate (Describe below)
 Unpaid Taxes (Describe below)
 Other Liabilities (Describe below)

TOTAL LIABILITIES

NET WORTH

TOTAL LIABILITIES & NET WORTH

Sources of Income

Salary
 Net Investment Income
 Other Income (Describe below)
 TOTAL

Liabilities

Contingent Liabilities:

- As Endorser or Co-Maker
- Legal Claims and Judgments
- Other
- TOTAL

NOTES:

Name of Holder Original Amount Present Balance Payment Amount Maturity Secured by:

Net Worth

OTHER STOCKS AND BONDS:

Number of Shares Name of Security Cost Market Value

REAL ESTATE OWNED:

Title in name of:		Property Description:		
Property Address:				
Name and Address of Mortgage holder:				
Date Purchased:	Original Price:	Market Value:	Mortgage Balance:	
Equity:	Mortgage Status:	Payment Terms:		

* Add additional sheets if necessary.

OTHER PERSONAL PROPERTY:

OTHER ASSETS:

OTHER LIABILITIES:

UNPAID TAXES:

I hereby certify that the above statements of my personal financial condition are true and accurate as of:

Signed

Date: