

TO: Loan Applicant
FROM: The Development Association, Inc.
RE: Douglas County Revolving Loan Fund Application

We are pleased to present this application for funding from the Douglas County Revolving Loan Fund.

The Development Association will review your application for completeness, and will present the application to the loan review board only when all requirements of the loan are satisfied. We advise you to consult with your accountant and attorney in preparation of this application, type the application if possible, and explain in narrative form where necessary.

Once the application is considered complete, the loan review board will meet to determine their recommendation on the loan application. That recommendation will then be taken to the Board of Directors for final approval. The process will take approximately 4-6 weeks.

Should you have any questions or need assistance in completing this application please contact The Development Association @ 715-392-4749. We look forward to working with you in the near future.

Submit your application to: The Development Association, Inc.
1401 Tower Avenue, Suite 302
Superior, WI 54880
715-392-4749

**DOUGLAS COUNTY
REVOLVING LOAN FUND**

GENERAL GUIDELINES AND REQUIREMENTS

- * The purpose of the Douglas County Revolving Loan Fund is to promote economic growth in Douglas County through recruitment, expansion and retention of business and industry by providing the necessary financing to fill gaps in local markets and thereby stimulate private sector capital formation and to serve as a "pump primer" rather than a replacement for private commercial lending.

- * Maximum loan size is \$25,000 per business, unless the company is a manufacturing firm (SIC 2000-3999) with at least a three year operating history.

- * Job/Cost Ratio - must create at least one job per \$5,000 of RLF financing.

- * DCRLF funds must be necessary to the completion of the project. Each applicant shall obtain a letter from the participating financial institution specifying why DCRLF participation is needed. Appropriate needs statements include the existence of a financial "gap" between the feasible project site and available financing, of a situation where additional jobs can be created with added financing, of the need for an inducement for a company to locate or expand in Douglas County, etc.

- * The RLF Board will not consider jobs created prior to their final approval for job creation; investment prior to their approval as equity contribution; or financing disbursed prior to their approval as participating financing.

- * **Should the business relocate outside Douglas County the loan will become immediately due and payable.**

- * Interest rates on Revolving Loan Fund loans will be two percent (2%) below New York prime. The interest rate will be determined by the Board of Directors on the date the loan application is approved.
- * A deferred repayment provision may be permitted for two reasons: first, when rehabilitation, construction, or other physical improvements will affect cash flow; and second, when the owner shows and the participating bank concurs that cash flow in the first 24 months of the project is not adequate to service debt, but that it will be after the deferral period. A written request for this provision is required and will be considered on its merits.
- * All loans shall be secured by the personal guarantee of any individual with at least 20% ownership in the borrowing firm.
- * RLF loans will generally be subordinated to other loans. The maximum amount per loan will be 40% of financing needs.
- * The borrower will have a minimum equity in the project of 10%.
- * Funds can be used for the acquisition of land, buildings and machinery. Working capital and inventory needs will be considered on a case by case basis.
- * **Quarterly reports will be required from each borrower. The report must contain information on job creation or retention as well as current financial data (income statement, etc.).**
- * Loan servicing is the responsibility of the primary lender. (Servicing includes: Payments, accounting, and financial information).
- * **DCRLF applications may be subject to geographical targeting within Douglas County or the City of Superior.**
- * If the loan closing does not occur within six (6) months from the date of the approval of the loan, it must be reviewed by the Board of Directors.

Douglas County Revolving
Loan Fund Application

I. Name of Business: _____

Business Address: _____

Business Phone: _____

Contact Person: _____

Employer Identification Number (EIN): _____
or Social Security Number for Sole Proprietor: _____

Company Principals: (Please list all proprietors, partners, officers, directors and stockholders
owning 20% or more of outstanding stock).

Name	Address	% Owned
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

_____ Sole Proprietorship _____ Start-up

_____ Corporation _____ Expansion

_____ Partnership _____ Retention

_____ Date Established _____ Relocation

II. Brief Description of the Business Applicant Is In:
(Attach additional sheets if necessary).

III. Description of Project for Which Financing Is Requested:
(Attach additional sheets if necessary).

IV. You are required to disclose whether any real estate or collateral is located within a floodplain hazard area.

Y _____

N _____

If Yes, please provide proof of insurance.

V. Loan Request:

DCRLF Request \$ _____

Total Cost of Project \$ _____

VI. Jobs:

Existing Jobs _____

Jobs to be Created _____

Jobs Retained _____

Of those jobs to be created, how many will be open to low-moderate income individuals

VII. Project Cost

	DCRLF	Bank	Equity	Other	Other	Other	Total
Amount							
% of project cost							
Term (years)							
Interest rate							
Lien Position							
Collateral							
Guarantee							

Participating Lender: _____

Contact Person: _____

Telephone: _____

Please list name, address, telephone number and contact person for each source of financing being utilized.

VIII. Sources and Uses of Funds for Total Project Cost:

Purpose for which funds to be used	DCRLF	Bank(s)	Equity	Specify Other	Specify Other	Total
Property Acquisition						
Site Improvement						
Building Renovation						
New Construction						
Machinery & Equipment						
Working Capital						
Inventory						
Debt Refinancing						
Other (Specify)						
Other (Specify)						
Total						

Please include detailed list of all equipment to be purchased, explanation of any working capital needs as well as supporting bids/estimates on any new construction or renovations.

Applicant's Signature

Date

Required Exhibits

- _____ Exhibit 1: DCRLF Application.
- _____ Exhibit 2: History and Description of the Business. The history and description of the business should be one or two pages describing the company, operation and product line, history principals, market, and competition, affiliates, legal structure, and employment. Keep this exhibit simple and restrict it to the basics.
- _____ Exhibit 3: **Marketing Plan and Related Information.** Provide information as applicable on all items identified below.
- A. Market Analysis and Strategy
 1. Description of current buyers and target markets (provide verification of purchase orders, contracts, and so on, which relate to reasons for the loan request)
 2. Competition
 3. Pricing
 4. Distribution
 5. Advertising
 6. Sales promotion
 - B. Products
 1. Description of product line
 2. Proprietary position of patents, copyrights, legal and technical considerations
 3. Comparison to competition
 - C. Manufacturing Process
 1. Materials
 2. Production methods
- _____ Exhibit 4: **List of Collateral.** A detailed list of all collateral offered, its value, and security position by funding sources.
- _____ Exhibit 5: **Resumes and Personal Financial Statements.** Resumes of all principals and key management personnel as well as current, dated, and signed personal financial statements on all principals with significant financial interest in this business.
- _____ Exhibit 6: **Financial Statements.** Applicant must provide balance sheets and income statements for past three fiscal years. If business has been in existence less than three years, provide as many as possible.

_____ Exhibit 7: **Interim Financial Statements.** Applicant must provide a balance sheet and income statements less than 90 days old, as well as a separate detailed list which contains current obligations.

_____ Exhibit 8: **Schedule of Business Debts.** This list will include original amount and date, present balance owed, interest rate, monthly payments, maturity, and indicate whether the loan is current or delinquent. All obligations must be consistent with interim balance sheet (see attached form).

_____ Exhibit 9: **Schedule of Accounts Receivable and Payable.** List all accounts as well as the aging of those accounts.

_____ Exhibit 10: **Projections.** All projections will cover a minimum, of two complete fiscal years. Two (2) years proforma balance sheets. Two (2) years projected income statements. Two (2) years projected cash flow.

Projections must have footnotes attached explaining the basis for the figures you are showing such as sales, expenses and profits. Sales projections must be supported by marketing information contained in the application.

_____ Exhibit 11: **Affiliates/Franchises.** Description of any affiliates or subsidiaries of business or principal(s) requesting assistance. Disclosure and description of all franchise agreements are required.

_____ Exhibit 12: **Appraisals and Proposed Lease/Purchase Options or Agreements.** An independent appraisal will be required for any real estate which is a subject of the proposed financing, or which is offered as a major source of collateral to secure the loan. Also include copies of existing or proposed lease(s), purchase options or agreements, or other financial arrangements.

_____ Exhibit 13: **Authority.** Partnership Certificate of Authorization, or Corporate Certificate of Authority and Incumbency; include minutes of the corporate meeting adopting this certification, where applicable.

_____ Exhibit 14: Lender's analysis including credit reports, financial spreadsheets, with commentary and letter of eligibility.

PLEASE REVIEW TO ENSURE ALL EXHIBITS ARE INCLUDED
TO COMPLETE THE LOAN PACKAGE

It is requested that the Douglas County Revolving Loan Fund Board of Directors and all ancillary agents associated with the Douglas County Revolving Loan Fund maintain strict confidentiality on all information provided for the application of funding. This information would include but not be limited to product information, business plan or financial documentation as well as any and all information relating to the principal(s) applying for loan funding.

The Development Association, Inc.
(Signature)

(Date)

AGREEMENTS

I/We certify:

- A. I/We give the assurance that we will comply with Section 112 and 113 of Volume 13 of the Code of Federal Regulations, prohibiting discrimination on the grounds of race, color, sex, religion, marital status, handicap, age or national origin by recipients of Federal financing assistance and require appropriate reports and access to books and records. These requirements are applicable to anyone who buys or takes control of the business. I/We realize that if I/We do not comply with these non-discrimination requirements, DCRLF can call, terminate, or accelerate repayment on my/our loan.
- B. I/We understand that if the business closes or relocates outside Douglas County the loan becomes immediately due and payable.
- C. I/We agree to provide the DCRLF with quarterly financial statements.
- D. I/We agree to provide proof that life insurance has been obtained for the total amount of the DCRLF monies which have been loaned through this program.
- E. I/We agree to provide, to the extent possible, all necessary information required by the DCRLF to insure that project expenses as listed in the application were actually incurred, and that the number of jobs listed in the application were actually created or retained.

F. I/We will become a member of The Development Association, making annual contributions throughout the term of our loan agreement.

G. I/We authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate with the DCRLF loan.

(Name of Business)

Dated this _____ day of _____, 200____.

(Signature)

(Title)

(Signature)

(Title)

(Signature)

(Title)