

Loan Application Package

- I. Application Form
 - a. Application name and contact information
 - b. Legal Structure of company
 - c. Financial Background on owners
 - d. Business Description – products, customers, suppliers, etc.
 - e. Project Timeline
 - f. General Financial Structure Requested
 - g. Description of Security and Collateral
 - h. Impact-Employment and Benefits
 - i. Environmental Assessment
 - j. Obligations of Loan Recipients
- II. Loan Recommendation
- III. Qualifications of Owners
- IV. Financial Background of Owners & Key Investors
 - a. Tax Statements (3 years)/Income History
 - b. Personal Financial Statements
 - c. Bank Application Forms
 - d. W-2 Forms/Pay Stubs
 - e. Credit Reports
- V. Financial Background of Business
 - a. Financial Statements
 - b. Tax Statements (3 years)
 - c. Real Estate Documents
- VI. Business Plan (If Available)
- VII. Proof of Private Match
- VIII. Loan Proceeds Description
- IX. Collateral

Richland Electric Cooperative (REC) Revolving Loan Fund Program Application

Date: _____

Business Name: _____

Check One: Corporation S Corporation Sole Proprietorship
 Partnership LLC/LLP

Name of Applicant: _____

Social Security Number: _____ Tax ID Number: _____

Name of Spouse: _____

Business Address: _____

Mailing Address: _____

Home Phone _____ Work Phone _____

Fax Number: _____ E-Mail: _____

Web Site: www. _____

Applicant's Financial Consultant: _____

Phone: _____ Fax: _____

Ownership Information

(Use a separate sheet to list this information)

For each owner, please provide the Name, Address, City, State, Zip, Telephone Number, social Security Number, Birth date, and % of Ownership of the business.

The following questions must be answered and are made a part of this application.

1. Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings?
 Yes No If yes, please provide the details on a separate sheet.
2. Are you or your business involved in any pending lawsuits? Yes No If yes, please provide the details on a separate sheet.

3. Do you or your spouse or any member of your household, or anyone who owns, manages or directs your business or their spouses or members of their households work for the Richland Electric Cooperative or any of its subsidiaries? ____ Yes ____ No If yes, please provide the name and address of the person:

Employee Name: _____

Department: _____

Address: _____

4. Does your business, its owners or majority stockholders own or have a controlling interest in other business: ____ Yes ____ No If yes, please provide their names, relationship with your company along with a current balance sheet and operating statement for each as a separate exhibit.

Name of business: _____

Relationship to Applicant: _____

5. Do you buy from, sell to, or use the services of any company in which someone in your company has a significant financial interest? ____ Yes ____ No If yes, provide details in a separate exhibit.

Business Information

If your business is an existing business, please describe the business's activities and products; your major competitors; major suppliers; major customers and seasonality. Describe your proposed project. (Please use a separate sheet and attach additional pages, drawings, maps, as necessary.)

If this is a start-up business, please describe your proposed project and your background, if any, in this business. (Please use a separate sheet. Attach additional pages, drawings, maps, as necessary.)

Describe why funds are needed from the REC Revolving Loan Fund to complete this project.

If your project is funded, what do you see as benefits to the community?

Project Time Line

Proposed Project Financing Structure

Note: Matching funds of at least one dollar of private funds for each dollar of Revolving Loan Funds must be obtained. (Example: For a project cost of \$10,000, \$5,000 could be requested of the Revolving Loan Fund. The remaining \$5000 must come from the owner, lender or other financing source.)

A. Projected total Cost of the Project: \$ _____
(Include property purchase, costs o building or remodeling,
Costs of equipment, inventory and any other costs.)

B. Cash to be contributed by the Owner, the Company or by Investors: \$ _____
Name(s) of Source(s): _____

C. Funds to be borrowed from commercial lenders such as Banks: \$ _____
Name of Lender: _____ -
Describe completely and specifically all security/collateral
to be given to the lender for their loan: _____

D. Funds from any other financing sources: \$ _____
Source: _____
Collateral: _____

E. Requested amount of Revolving Loan Funds: \$ _____

F. Proposed security/collateral to the RLF (be specific as to the
nature and location of the collateral and the priority which
the RLF will have in each item of collateral. Include the
present market value and any loans outstanding on this
collateral.

Sources and Use of Funds

Source of Funds	Amount	Use of Funds
Bank		
Owners		
Rev. Loan Fund		
Other		
Total		

Employment Information

Job Retention/Creation Related to the Proposed Project

- A. Existing Jobs Retained: _____ (If this is an existing business)
- B. Number of New Jobs to be Created: _____ In the table below, indicate the nature of the jobs that will be created.

Job Title/Type of Job	Wage/Salary	Full time/Part Time	Hours per Week

- C. How many jobs will be filled by the Borrower, Borrower's Spouse or Other Family Members?
- _____

Benefit Information

Type of Health Insurance Provided: _____ None _____ Individual _____ Family
 Percent of Health Insurance Premium Paid by Company: _____% _____%

Other Benefits Provided:
 Life Insurance Pension 401(K) Tuition Reimbursement
 Childcare Assistance Other _____

Revolving Loan Fund Environment Assessment

(Mandated by National Environmental Policy Act for all projects which are not exempt or categorically excluded to determine any significant impact on the human environment.)

If this project consists primarily of costs relating to administration, design engineering, paperwork activities, acquire building or land with improvement to 20% capacity or density, machinery, equipment and working capital, this project is excluded from any environmental review and completion of Part II is not necessary.

Part I.

Applicant: _____

Project: _____

Project Site: _____

Do you know of any potential environmental problems with this project? No Yes If yes, please explain: _____

Part II.

This project has possible impact on: (check all that apply):

- | | | |
|--|--|---|
| <input type="checkbox"/> Historic properties | <input type="checkbox"/> Archeological sites | <input type="checkbox"/> Flood plan management/wetland protection |
| <input type="checkbox"/> Water Quality | <input type="checkbox"/> Endangered species | <input type="checkbox"/> Wild and scenic rivers |
| <input type="checkbox"/> Farmland protection | <input type="checkbox"/> HUD environment standards | <input type="checkbox"/> Air quality |

- | | | |
|---|------------------------------|-----------------------------|
| Is project in compliance with all Planning and Zoning Regulations? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are community energy supplies adequate to accommodate this project? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are there any indications that the project will promote inefficient energy use? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the site subject to unusual terrain features? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is there evidence of soil problems? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will the project adversely affect the aesthetic image of the surrounding area? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will the project block views? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will the project force the displacement of individuals or families? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will the water supply and sanitary sewer systems be adequate to serve the proposed project and its occupants? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are the roads and off-street parking facilities adequate for efficient transportation? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will the project make the area more susceptible to erosion because of: | | |
| Grading? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Increased runoff? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Inadequate vegetation cover during or after construction? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Inadequate drainage plan? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Other causes? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will erosion, increased runoff, or wastes from the project contaminate open streams/lakes? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will groundwater supplies be adversely affected? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

I certify that the above information is true and correct to the best of my knowledge.

Signature of Applicant _____ Date _____

OBLIGATION OF LOAN RECIPIENT

In addition to the terms and conditions of the loan, all borrowers shall agree to comply with the following:

- (1) The creation or retention of the agreed upon number of jobs within 18 months of the date of the execution of the loan agreement with REC.
- (2) Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s.51.01(5), sexual orientation or national origin in any employment or construction activity related to the use of the business loan funds.
- (3) To use the loan money only to pay the cost of services and materials necessary to complete the project or activity for which the loan funds were awarded.
- (4) To permit inspections by persons authorized by the REC of all projects and properties assisted with loan funds. Related project materials shall also be open to inspections which include, but may not be limited to, contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection shall be complied with by the borrower.
- (5) To maintain records on the project as may be requested by the REC. These files shall be maintained as long as the loan is active or for at least three (3) years after completion of the work for which the loan has been obtained, whichever is longer.
- (6) To submit periodic progress reports to the Administrator in accordance with the schedule in the loan agreement. These reports shall report on project progress including number of jobs created or retained during the loan agreement.
- (7) To maintain fire and extended coverage insurance on the project property required during the term of the loan. The REC shall be listed as Loss Payee, Mortgagee, or "additional" insured on the policy. Term life insurance may be required of the applicant to cover the loan balance through the life of the loan.
- (8) To abide by all federal laws, when applicable. These include, but may not be limited to The Civil Rights Act of 1964; the Age Discrimination Act of 1975; the Davis-Bacon Act, as amended; the Contract Work Hours and Safety Standards Act; the Copeland "Anti-Kickback" Act; and, all regulations pursuant to these Acts.
- (9) Any property interest given as security for the repayment of all revolving loan fund monies as agreed, or made as a condition of granting of the loan shall be provided and maintained unimpaired until the entire loan amount has been paid back. All documents necessary to establish and protect such security interest(s) shall be executed and delivered to the revolving loan fund prior to release of any loan funds.
- (10) Applicant hereby authorizes disclosure of any information submitted in support of this application to any financial institution which has agreed or which has been requested by applicant to participate in the project. Applicant further authorizes disclosure by any financial institution or other person or entity of any information disclosed on any balance sheet or income and expense statement submitted in support of this application to the revolving loan fund or its authorized agents for purposes of verification of the accuracy of such information.
- (11) Failure by an applicant to comply with the terms and conditions of the loan agreement may be reviewed on a case-by-case basis by revolving loan fund committee. Such failure, if substantiated, may result in the imposition of one or more penalties, which may include, but are not limited to, an increase in the rate of interest, acceleration of the due date of the scheduled repayment, foreclosure on assets and actions of guaranties.
- (12) Applicant agrees to abide by all applicable laws and codes of the United States, the State of Wisconsin and the County and municipality in which the funded activities are located in carrying out the project for which the loan funds are awarded.
- (13) As consideration for any management and/or technical assistance that might be provided, applicant waives all claims against Richland Electric Cooperative, its employees, management, directors, staff and the Board of Directors.

- (14) All information contained in this application and all exhibits hereto and other documents submitted in support of this application are true to the best of my/our knowledge.
- (15) The foregoing agreements, terms and conditions shall bind the applicant, heirs, successors, assigns, personal representatives, and any other person who succeeds to the applicant's interest.
- (16) I/We understand that the loan approval may be subject to terms different than those proposed in the application. Such a difference may be in the amount loaned, the interest rate, due dates of payments, changes in the payment schedule pertaining to the deferrals, if any, or the security for the loan. I may then accept or reject the terms of the loan offered. If I choose to accept the terms of the loan offered, the terms of the revolving loan fund loan approval shall be controlling.

I/We CERTIFY that all information in this application is true and complete to the best of my/our knowledge and are submitted to the Richland Electric Cooperative. I/we agree to pay or reimburse the REC for the cost of any surveys, title or mortgage examinations, appraisals, etc., performed in the processing of this loan application, provided I/we have given our consent. I/we authorize the REC to obtain a credit report on the business or "owners" and verify any credit information provided in this application.

Signed: _____ Title: _____

Print Name: _____ Date: _____

Signed: _____ Title: _____

Print Name: _____ Date: _____

Signed: _____ Title: _____

Print Name: _____ Date: _____

Signed: _____ Title: _____

Print Name: _____ Date: _____

Fees Associated with the Revolving Loan Fund

Application Fee: \$100 to be submitted with the application. This fee will not be refunded if the loan is denied.

Closing Costs: 1% of the loan amount or a minimum of \$100, whichever is greater, and any direct costs such as filing fees.

IMPORTANT

Please ask a loan officer or representative from your primary lender to accompany you to this application committee meeting.

Exhibits

The following exhibits must be included, if applicable, and are made a part of this application.

Personal financial statements

Personal/business tax returns

Business plan which includes company history, a discussion of your industry, sales and marketing plans, and discussion of competition and resumes of business owners and management.

If you are buying equipment with loan proceeds, attach a list of the equipment to be purchased.

If you are using loan proceeds for new construction, please attach plans and specifications along with a proposed construction contract.

Letter of Commitment from other financing sources (bank, etc.)

Feasibility study (if requested)

Marketing Analysis (if requested)

Resolution authorizing corporation to borrow

In Addition, Existing Businesses Provide:

Business financial statements, historical and current

Aging of Accounts Receivable and Payable

In Addition, New Business provide:

Cash flow analysis on a monthly basis for first (1st) year of operation

Earning projections for three (3) years from date of application with assumptions

Articles of Incorporation