MERCED COUNTY
DEPARTMENT OF COMMERCE, AVIATION & ECONOMIC DEVELOPMENT

REVOLVING LOAN PROGRAM

PRELIMINARY LOAN APPLICATION

I. COMPANY INFORMATION

NAME: ______________________________

ADDRESS: ______________________________

____

TELEPHONE NO: ______________________________

CONTACT PERSON: ______________________________

PROJECT ADDRESS: ______________________________

____

PROJECT ASSESSOR PARCEL NUMBER(S): ____________________

CURRENT ANNUAL PROPERTY TAXES: ____________________

CURRENT NUMBER OF EMPLOYEES: ____________________

PROJECTED NUMBER OF EMPLOYEES AFTER COMPLETION OF PROJECT:

____

NUMBER OF EMPLOYEES TO BE HIRED DURING YEAR ONE: ________
(Also indicate which month(s) jobs begin)

NUMBER OF EMPLOYEES TO BE HIRED DURING YEAR TWO: ________
(Also indicate which month(s) jobs begin)

TOTAL NUMBER OF NEW EMPLOYEES: ____________________

TOTAL NUMBER OF EMPLOYEES TWO YEARS FROM COMPLETION OF PROJECT: ______________________________

II. PRINCIPAL(S) INFORMATION

NAME: ____

POSITION: ____

BUSINESS LEGAL STRUCTURE: _____ PROPRIETORSHIP
_____ PARTNERSHIP
_____ CORPORATION

% OF
OWNERSHIP:____

YEARS OF
EXPERIENCE:____

III. EXISTING FACILITY

SIZE: ________________ SQ. FT.

OWNED OR LEASED? ____________________________________

IF OWNED:

PURCHASE PRICE $________________________

EXISTING MORTGAGE $________________________

RECENT APPRAISED VALUE $________________________

ANNUAL MORTGAGE PAYMENTS $________________________

IF LEASED:

MONTHLY RENT $________________________

ANNUAL RENT $________________________

EXPIRATION DATE OF LEASE ________________________

IV. NEW/EXPANDED INFORMATION (IF APPLICABLE)

SIZE: ________________ SQ. FT.

WILL NEW FACILITY REPLACE EXISTING FACILITY? ________________

IF REPLACED, WILL RENT BE SAVED OR WILL EXISTING FACILITY BE SOLD? ____

CURRENT MARKET VALUE OF EXISTING FACILITY $______________

PURCHASE PRICE AND CONSTRUCTION COST OF NEW FACILITY:

$______________

APPRAISED VALUE: $______________

WILL PURCHASER OCCUPY ENTIRE SPACE? ______________________

IF NO, EXPLAIN OTHER USES:

____

____

PERCENTAGE TO BE OCCUPIED BY PURCHASER: ______________%

RENTAL INCOME GENERATED: $______________

V. PRINCIPAL BANK INFORMATION:

NAME OF BANK: ____

CONTACT PERSON: ____

TELEPHONE NUMBER: ____

AVAILABLE LINES OF CREDIT: ___________________________________

VI. PROJECT COSTS

NEW CONSTRUCTION $______________

REHABILITATION $______________

MACHINERY & EQUIPMENT $______________

OFF-SITE IMPROVEMENTS $______________

ACQUISITION $______________

WORKING CAPITAL $______________

OTHER (identify) $______________

TOTAL $________________

DESCRIPTION OF MACHINERY AND EQUIPMENT: ____________________
____

IS MACHINERY AND EQUIPMENT FOR REPLACEMENT PURPOSES OR FOR ADDITIONAL CAPACITY?____

RESALE PROCEEDS (IF ANY)? $________________

VII. PROJECT FUNDING

RLF $________________

BANK $________________

COMPANY $________________

OTHER (identify) $________________

TOTAL $________________

VIII. PROJECT DESCRIPTION

IX. ADDITIONAL INFORMATION

X. INFORMATION REQUESTED BY LOAN ADVISORY BOARD

______ BUSINESS INCOME STATEMENTS
[CURRENT & LAST THREE (3) YEARS]

______ BUSINESS BALANCE SHEETS
[CURRENT & LAST THREE (3) YEARS]

______ BUSINESS PLAN

______ PERSONAL FINANCIAL STATEMENTS

______ BUSINESS & INDIVIDUAL(S) INCOME TAX RETURNS
(LAST THREE YEARS)

______ DEBT SCHEDULE

______ MONTHLY CASH FLOW PROJECTIONS

______ PROJECTED INCOME STATEMENT

______ RESUME(S) OF OWNER(S) AND BUSINESS HISTORY

______ WRITTEN ITEMIZED COST ESTIMATE

______ PRELIMINARY PLANS INCLUDING FACADE RENDERING

______ SIGNED ASSISTANCE AGREEMENT

______ ____

I/WE HEREBY ACKNOWLEDGE THAT THE LAB DOES NOT AND CANNOT GUARANTEE THAT I/WE WILL RECEIVE FINANCING FROM THE RLF, OR PUBLIC OR PRIVATE LENDERS. IN ADDITION, RLF FINANCING WILL NOT BE PROVIDED WITHOUT ADEQUATE DOCUMENTATION REGARDING FUNDING OF THE BALANCE OF PROJECT COSTS.

APPLICANT SIGNATURE:____
DATE: ______________________________

APPLICANT SIGNATURE:____
DATE: ______________________________

REVOLVING LOAN FUND

PROJECT CHECKLIST

I. BUSINESS INFORMATION:

_____ Business Plan
_____ Resume(s) of Principal(s)
_____ Articles of Incorporation/By-Laws
_____ Certificate of Good Standing (obtained for Corporations from Secretary of State)
_____ Partnership Agreement
_____ Franchise Agreement
_____ Fictitious Name Statement

II. PROJECT INFORMATION:

_____ Purchase Agreement (Deposit Receipt)
_____ Preliminary Title Report on Property to be Acquired
_____ Preliminary Plans and Specifications
_____ Cost Estimates (Construction, Machinery & Equipment)
_____ Lease Agreement, Existing or Future
_____ Project Appraisal
_____ Applicable Permits and Licenses
_____ Copy of Equity Capital/Buy-Out Agreement
_____ Summary of Collateral

III. BUSINESS FINANCIAL INFORMATION

_____ Income Statement — past three (3) years plus current (within 60 days)
_____ Balance Sheet — past three (3) years plus current (within 60 days)
_____ Aging Schedules of Accounts Receivable/Payable (same date as current Balance Sheet)
_____ Schedule of Existing Debt (same date as current Balance Sheet)
_____ Business Federal Tax Returns — past three (3) years (used to verify/supplement Financial Statements)
_____ Income and Cash Flow Projections — next two (2) years

IV. PERSONAL FINANCIAL INFORMATION

_____ Personal Financial Statements of Principal Owner(s)
_____ Individual Federal Tax Returns of Principal(s)

V. OTHER INFORMATION

_____ Corporate Resolution to Borrow
_____ Letter of Assurance from Business as to Hiring Policy, Training Agreements, Location, Use of Proceeds, etc.
_____ Assistance Agreement
_____ Other

LOAN APPLICATION AGREEMENT

This agreement entered into this ____ day of ___________, 199_, between Merced County Commerce, Aviation & Economic Development, Atwater, California, hereinafter referred to as MCCAED and __________________________________ of _____________, California, hereinafter referred to as APPLICANT.

MCCAED, with the assistance and at the request of APPLICANT, agrees to prepare a set of documents with supporting exhibits hereinafter referred to as a "loan package" for the use and benefit of APPLICANT. The loan package is intended for use by APPLICANT in seeking financial assistance from governmental agencies and/or private lending institutions.

It is hereby agreed between the parties that the loan package will be prepared by MCCAED at no initial cost to APPLICANT. APPLICANT agrees that the loan package, including all documents and attached exhibits thereto, is and will remain the sole property of MCCAED. A $150.00 deposit will be charged when a completed application is accepted and will be credited as a processing fee if the loan is approved and refunded (less reasonable costs) if the loan is not approved. Such deposit is not refundable if the loan application is withdrawn by the potential borrower. Additionally, borrowers will pay for any direct costs incurred in loan processing and closing, such as recording fees, escrow fees, etc. Loan origination fees will be approved by the Loan Advisory Board, not to exceed one percent (1%) of the amount borrowed, payable at closing, with a minimum of $100.00.

It is further agreed that upon the completion of the loan package by MCCAED, APPLICANT will be furnished one copy free of charge. APPLICANT agrees that if additional copies are desired at a future date, APPLICANT will pay to MCCAED a reasonable sum to be determined by MCCAED based upon the amount of time involved and incurred by MCCAED.

I/WE hereby acknowledge that in the provision of this assistance, MCCAED or its staff <u>do not and cannot guarantee that I/WE will receive</u> a loan(s), a loan guarantee(s), or grants from the Merced County Revolving Loan Fund, private, or public lenders.

In the conduct of this assistance, MCCAED acknowledges that all information provided by the business concern and/or its principal(s), will remain confidential and will not be divulged to person(s) or agencies, other than prospective lenders or guarantor.

<u>Conflict of Interest:</u>

MCCAED shall not make loan funds available to a business entity if the owner of such entity or any owner of an interest in such entity is related by blood, marriage, law or business arrangement to any officer or employee of MCCAED or any member of MCCAED's Loan Administration Board which advises, approves, recommends or otherwise participates in decisions concerning loans or the use of grant funds (hereinafter referred to as the "LAB").

No officer, employee, or member of MCCAED's LAB, or person related to an officer, employee, or member of the LAB by blood, marriage, laws, or business arrangement shall receive any benefits resulting from the use of loan funds, unless the officer, employee or Board member affected first discloses to MCCAED on the public record the proposed or potential benefit and receives MCCAED's written determination that the benefit involved is not so substantial as to affect the integrity of MCCAED's decision process and of the services of the officer, employee or LAB member.

An officer, employee or LAB member of MCCAED shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment or any other thing of monetary value, for himself or for another person, from any person or organization seeking to obtain a loan or any portion of the grant funds.

Former LAB members and/or officers are ineligible to apply for or receive loan or grant funds for a period of one year from the date of termination of his/her services.

We further acknowledge that MCCAED may request information from me/us, and that failure to furnish the information requested on a timely basis will delay the specific assistance to be provided.

I/WE certify that we have read the above agreement and agree with each provision.

Entered into a Merced, California on the date first written above.

MERCED COUNTY COMMERCE, AVIATION & ECONOMIC DEVELOPMENT	APPLICANT
By:_______________________________	By:_______________________________