FIVCO Area Development District
Revolving Loan Fund

Financing for FIVCO Business

The purpose of the FIVCO Revolving Loan Fund is to develop and assist in financial packages for business start-ups and expansion in Boyd, Carter, Elliott, Greenup and Lawrence Counties. It is used when conventional sources cannot extend full financing to an applicant because the cost and terms of credit are such that a firm will be prevented from starting, continuing and expanding.

Program Guidelines

1. Projects financed must be within the FIVCO ADD boundaries.

2. FIVCO RLF caps loans at a maximum of $10,000 per job.

3. Loan limit per application is $150,000.

4. FIVCO will not participate in a loan without other financial lender participation.

5. RLF funds may be used for fixed asset or working capital financing.

6. Projects must create new jobs or have a significant impact (job retention) on the economic growth of an area.

7. Interest rates will be determined at the date of closing.

8. As appropriate and practical, financing will be secured with personals, mortgages, liens, or assignment of rights to assets of assisted applicants.

9. RLF funds may not be used for assisting businesses to relocate from one job area to another.

10. There is a non-refundable application fee of $250.00.

11. A letter of denial from another lending institution (bank) should be attached. Letter should include amount and terms requested along with amount bank is willing to participate.

12. 10% owner equity investment is required.

13. RLF funds may not be used to pay-off existing debts.

14. Prospective applicants should contact the FIVCO Area Development District in Catlettsburg, Kentucky to discuss project eligibility and proposed financing structure. Phone (606) 739-5191.

NOTE: This information is to serve as a program outline only.

Revised 5-14-96

CHECK LIST FOR RLF

1. Business plan (should include list of present customers and future customers and competitors).

2. Commitment letter from bank outlining amount, term, interest rate and collateral.

3. An explanation of the collateral position required for other participants in the financing.

4. Jobs projected and description (if jobs are not created within the two year period and maintained on average through the third year, the business may be required to repay principal in the amount of the dollar per job cost of the RLF loan for each job not created).

5. List of debt.

6. Equipment list.

7. Personal financial statements of all owners with 20% or more ownership of the company. These statements must include Social Security numbers.

8. Resumes of owners and key management.

9. Financial statements of business for past three years.

10. Financial schedules A, B, C, D, E and F. Borrower must use these schedules or follow this format if using a computer.

11. The names of affiliates and/or subsidiary firms and the last FY end financial statements for these firms.

12. An appraisal of the building and real estate being purchased, if applicable.

13. Provide Credit Report.

14. Tax returns for past three years (personal and business).

15. Preferred financing structure

Bank & Owner Investment	51%
FIVCO	49%
Total Project Cost	100%

Revised 5-14-96

APPLICATION FOR FINANCIAL ASSISTANCE
FROM
FIVCO AREA DEVELOPMENT DISTRICT'S
REVOLVING LOAN FUND

This information is necessary to process a request for financial assistance. Fill in all the blanks, using "NONE" or "NOT APPLICABLE" where necessary. If more space is needed to answer any specific questions, use a separate sheet. Submit completed application to FIVCO AREA DEVELOPMENT DISTRICT, P.O. BOX 636, CATLETTSBURG, KENTUCKY 41129.

NOTE:

A borrower is eligible for Revolving Loan Fund (RLF) financing only when credit is not otherwise available on terms and conditions which would permit completion and/or the successful operation or accomplishment of the project activities to be financed.

RLF Loans will not be used to substitute for private capital. The RLF will normally require documentation from outside sources which may include bank rejection letters or other documentation, as appropriate, to support the claim that the RLF is not substituting for private capital.

I. APPLICANT (Proposed owner of the project)

A. Business (Borrowers) Name:_____

Street Address: _____

City, State, Zip Code: _____

County: _____

Type of Business: _____

Date Established: _____

Employers ID. No.: _____

Amount of Loan Requested: _____

No. of Permanent Jobs to be Created: _____

Telephone No.: _____

B. Business Organization: Sole Proprietorship _____ Corporation _____
Partnership _____ If a corporation, please indicate the State of incorporation.
_____

Is the proposed project owner, and/or applicant, and/or user, a subsidiary or direct or indirect affiliate of any other organization? If so, indicate name of related organization and relationship. _____

C. Management: List all owners, officers, directors and partners of applicant. Also list all stockholders having 20% or more interest in applicant (complete all columns for each person).

Name (List first, middle and last) Home Address (including zip code)	Birthdate	Office Held	Social Security #	Percent Ownership
(1)				
(2)				
(3)				
(4)				

D. If any of the persons listed in Item 1-C own more than 50% of the applicant, please list all other companies, partnerships, or associations in which such persons have more than 50% interest. (Use separate page if needed.) _____

_____

PLEASE FURNISH DETAILS IN SEPARATE ATTACHMENT IF YES IS CHECKED FOR ITEMS 1-E THROUGH 1-H BELOW.

E. Have any of the persons listed in Item 1-C or 1-D ever been charged with, or convicted of any criminal offenses other than a minor motor vehicle violation?
_____ YES _____ NO

F. Is applicant or management of applicant now a plaintiff or defendant in any civil or criminal litigation? _____ YES _____ NO

G. Has the applicant or any person listed in Item 1-C or 1-D above or any concern with which any person(s) listed in Item 1-C or 1-D has been connected, ever been in receivership or adjudicated a bankruptcy? _____ YES _____ NO

H. Has the applicant or any person listed in Item 1-C or 1-D been denied a business-related license or had it suspended or revoked by any administrative, governmental or regulatory agency? _____ YES _____ NO

I. 1. Name, address and telephone number of counsel to company:

_____

_____

_____

2. Name and address of principal bank(s) of account, loan officer and telephone number:

_____

_____

_____

3. Name, address and telephone number of accountant to company:

_____

_____

_____

J. Is the proposed occupant of the project different from the proposed owner of the project? _____ YES _____ NO If YES, list both occupant and owner and explain. _____

_____

K. Will the proposed occupant be operating under a Franchise Agreement?
_____ YES _____ NO If YES, please enclose Franchise Agreement.

II. Proposed Project

If the project is for purchase of equipment only, please complete Items A and D only.
If project includes construction or land, complete all items.

A. Location of Proposed Project:

Street Address City County

_____

B. Project Site (Land)

1. Indicate approximate size (in acres) of project site. _____

2. Are there buildings now on the project site? _____ YES _____ NO

3. Indicate in detail the present use of the project site. _____

_____

_____

4. Indicate present owner of project site. _____

5. If applicant now owns project site, indicate:

    a. Date of purchase _____
    b. Purchase price _____
    c. Balance of existing mortgage _____
    d. Holder of mortgage _____

6. If the applicant is not the owner of the project site, does applicant have an option to purchase the site and any buildings on the site?
   _____YES _____ NO If YES, include a copy of the option.

7. Has the applicant entered into a contract to purchase this site?
   _____ YES _____ NO

8. If the applicant is not the owner of the site, does the applicant now lease the site or any buildings on the site? _____ YES _____ NO If YES, include a copy of the lease.

9. Is there a relationship legally or by virtue of common control between the applicant and the seller of the project? _____ YES _____ NO If YES, describe this relationship, using an attachment if necessary. _____

   _____

C. Buildings

1. Does the project involve acquisition of an existing building or buildings?
   _____ YES _____ NO If YES, indicate the number and size of buildings.

   _____

   _____

2. Does the project consist of the construction of a building or buildings?
   _____ YES _____ NO If YES, indicate the number and size of new buildings. _____

   _____

3. Does the project consist of additions and/or renovations to existing buildings?
   _____ YES _____ NO If YES, indicate nature of expansion and/or renovation.

   _____

   _____

4. Has an outside appraisal report been made on the land or building?
   _____ YES _____ NO If YES, please include a complete copy of the appraisal report.

5. Describe in detail the principal uses by the project occupant of the building or buildings to be acquired, constructed or expanded. Please respond to this item as fully and precisely as possible; attach separate sheet if needed.

_____

_____

D.Equipment

1. Describe in detail the principal uses by the project occupant of the machinery or equipment to be acquired. Please respond to this item as fully and precisely as possible; attach separate sheet if needed.

_____

_____

_____

2. List all equipment and the price of each item to be acquired as part of the project. _____

_____

_____

3. Has any of the above equipment been ordered? _____ YES _____ NO If YES, include copies of purchase orders.

4. Has any of the above equipment been purchased? _____ YES _____ NO If YES, include copies of invoices.

III. Project Benefits and Inducements (Please be specific. Use separate sheet if needed.)

A. Indicate facts which would support the RLF determining that:

1. The project will tend to maintain or provide gainful employment for the people of FIVCO, maintain or increase the tax base of the economy of FIVCO and maintain or diversify and expand business and industry in FIVCO.

B. Briefly indicate and evaluate the alternatives available to project applicant if financial assistance by the RLF is disapproved.

IV. <u>EMPLOYMENT IMPACT</u>

Indicate below the number of people presently employed at the site of the project, and the number that will be employed at the site at the end of the first and second year after the project has been completed (do not include construction workers).

	ON SITE AT PRESENT		FIRST YEAR		SECOND YEAR	
Type of Employment	Full Time	Part Time (Seasonal)	Full Time	Part Time (Seasonal)	Full Time	Part Time (Seasonal)
a) Professional						
Managerial						
Technical						
b) Skilled						
c) Unskilled						
Semi-Skilled						
TOTALS						

V. Project Cost

A. State the costs reasonably necessary for the acquisition of site and construction of the proposed project, together with any machinery and equipment to be acquired in connection therewith, using the following categories.

DESCRIPTION OF FIXED ASSET COSTS:

Land $_____
Buildings _____
Equipment, Machinery _____
Other (Specify) _____
TOTAL FIXED ASSET COSTS $_____

FINANCING OF FIXED ASSETS: COLLATERAL TERM RATE

KDFA _____ $_____
Bank _____ _____
EKCDC (SBA 504) _____ _____
Other (Specify) _____ _____
Owner's Equity _____ _____
TOTAL FINANCING OR FIXED ASSETS $ _____

OTHER COSTS:

Working Capital $ _____
Other (Specify) _____
TOTAL OTHER COSTS $ _____

FINANCING OF OTHER COSTS: COLLATERAL TERM RATE

Bank _____ $ _____
Other (Specify) _____ _____
Owner's Equity _____ _____
TOTAL FINANCING OTHER COSTS $ _____

B. Have any of the above expenditures already been made by the applicant? _____ YES _____ NO If YES, indicate particulars.

_____

_____

_____

C. Have any of the above expenditures been incurred but not paid by the applicant? _____ YES _____ NO If YES, indicate particulars.

_____

_____

_____

D. Refinancing: Will any of the funds to be borrowed through the RLF be used to repay or refinance an existing mortgage or outstanding loan?
_____ YES _____ NO If YES, provide details. _____

_____

_____

E. Collateral: Explain the collateral position available to each of the lenders.

_____

_____

_____

F. Working Capital: Will any of the RLF Funds be used for working capital? _____ YES _____ NO If YES, provide details. _____

_____

_____

_____

PROJECT OVERVIEW

REVOLVING LOAN FUND

VI. PROJECT DESCRIPTION. Thoroughly describe the proposed project. Add additional sheets if necessary.

PROJECT OVERVIEW

REVOLVING LOAN FUND

VII. MANAGEMENT OF BUSINESS. Thoroughly describe experience and background relative to proposed project. Also, amount of time owners will be at business. Add additional sheets if necessary.

PROJECT OVERVIEW

REVOLVING LOAN FUND

VIII. REVOLVING LOAN FUND (RLF) USE. Thoroughly describe how the RLF will be used, and cost per job saved and/or created. Add additional sheets if necessary.