



CITY OF TULLAHOMA COMMERCIAL REVOLVING LOAN FUND

Dear Applicant:

The Commercial Revolving Loan Program is an economic development tool administered by the City of Tullahoma. The program provides loans to industries and businesses in the City of Tullahoma, Tennessee. This program was initially funded by a federal Urban Development Action Grant, with all commercial loan repayments returned to the fund.

Terms

Loan terms are for up to ten years and must be secured with adequate collateral. While the city may accept equipment for a portion of the collateral, larger loans are generally secured by real property.

Interest Rate

Four percent below the daily prime rate released by the Federal Reserve and published on-line at www.federalreserve.gov, simple interest, re-adjusting annually, with a floor of 1%.

Eligible Businesses and Activities

The program is primarily designed to create permanent employment opportunities in Tullahoma. Funding priority will be given to projects that generate new jobs, as well as those proposed for job retention. Loan funds are encouraged to be used in conjunction with other financing sources, including South Central Development District, Small Business Administration, or United State Rural Development financing, bank participation as well as applicant capital investment.

Administration and Approval

The Business Loan Committee of the City of Tullahoma and the City Attorney conduct the funding review. Formal approval is required by resolution of the Board of Mayor and Aldermen. Applications may take two to four weeks to review, dependent on scope of the project and potential environmental review.

Funding and Fees

The City of Tullahoma provides funding for the project from loan payments received from prior UDAG loan proceeds. Loan fees including a \$50 loan origination fee, attorney fees and any UCC or lien filing fees will be deducted from the loan disbursement check at closing.

For assistance with the attached loan application, please contact the Finance Department at (931)455-2648. Completed applications may be submitted in person to at the Tullahoma Municipal Building, 201 West Grundy Street in Tullahoma or mailed to:

Finance Director
City of Tullahoma
P.O. Box 807
Tullahoma, TN 37388

The City of Tullahoma complies with Title VI requirements.

GENERAL INFORMATION

Section 1: Data Sheet

- A. Project Name: _____
Project Site: _____
Amount Requested: _____ Date: _____
No. of jobs project will create: _____

Applicant/Organization

- B. Legal Name: _____ d/b/a _____
Street: _____ P.O. Box: _____
City: _____ State: _____ Zip: _____
Phone: _____ Ext.: _____ FAX: _____ Email: _____
Contact Name & Title: _____
Date of Inception: _____ State of Incorporation: _____
Federal Taxpayer ID _____
Duns No.: _____ TN Unemployment Tax No.: _____
Parent Co. Name: _____
Street: _____
City: _____ State: _____ Zip: _____

Do you do business from any other location? Yes No

If "yes", please state address of other location(s): _____

Instead of responding in detail on this application, you may refer to and attach any written material available that clearly answers the question/request (i.e.: business plans, annual reports, brochures, financial statements, etc.). If more room is needed you may attach additional sheets. If you are completing an electronic version simply expand the relevant section. Electronic version is available via e-mail or on disk.

- C. 1a. Form of Business:
- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Not-for-Profit Corporation |
| <input type="checkbox"/> Limited Liability Partnership | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Subchapter 5 Corporation | <input type="checkbox"/> Business Corporation |

1b. Is the Company A:
Minority owned Business?
 Yes No

(If you are a minority or woman-owned business, please attach a copy of your Federal or TN Certification Letter.)

Woman-Owned Business?
 Yes No

2. Name & Title of corporate officers or partners: _____

3. Industry: _____
Product(s)/Services: _____

Section 2: Company, Product and Market Information

Please provide a concise narrative describing the following.

- ◆ The Company's history.
- ◆ The Company's current operations, including its products, services and position within the industry; the market share for each major product of service.
- ◆ Major customers and approximate percentage of Company's sales for each; the Company's primary competitors, their location and approximate share of the market; the Company's strengths and weaknesses in relation to the competition.
- ◆ Describe general market trends and specific opportunities the Company is targeting, e.g. market expansion, market retention, new markets.

Section 3: Project Activities

- A. Describe the specific activities that will be undertaken and funded through the project. If the proposed project involves:
- ◆ the acquisition of real property, the construction or renovation of buildings or infrastructure improvements, describe.
 - ◆ the acquisition of machinery and equipment, describe the equipment, where it will be installed, indicate whether it is new or used, whether it will be purchased or leased, its cost and its proposed uses.
 - ◆ **Loans will not be given for the purpose of debt refinancing.**
- B. Provide a time schedule for the project (e.g., design, site acquisition, construction start, equipment installation, project completion date).

Section 4: Project Results

- A. Describe the measurable results and economic impact the company expects to achieve through this project. Examples may include changes in profitability, sales, market share and sales per employee, cycle time reduction, quality cost saving, etc.

B. Employment

1. Complete the following table. Note: Job creation and retention are important considerations for project approval. Changes to these figures after submission of this application may affect the type, amount or terms of assistance made available.

	Total	Existing Jobs	Jobs Retained	Jobs Created	YR1	YR2	YR3
Project Site							
Other TN Sites*							
Out-of-TN Sites*							
Total Co. Employment							

Total net permanent full-time equivalent employment after project: _____

*Provide a list of all sites with the the number of employees at each.

**In lieu of providing employee information by ethnicity, you may attach the company’s current annual EEO-1 or EEO-2 report.

2. Number of full-time employees presently making less than \$16,800 on an annual basis: _____

3. Are any of your employees hired under any State or Federal incentive programs? Yes No

If the answer to the above question is “yes”, please specify the number of positions so funded and the type of funding and/or incentives provided on the lines below:

Section 5: Project Implementation

- A. If any other governmental or non-profit entities (local, state or federal) will be involved in the project, identify each entity and describe their involvement.

Section 6: Financial Information

- A. Please attach financial records for the past three years. At a minimum, compiled balance sheets, income and cash flow statements should be furnished for each fiscal year. Please have your accountant certify that these records were compiled using Generally Accepted Accounting Standards. Also include year to date records. If your business is less than three years old, furnish records back to your inception.

- B. You must furnish a three-year projected budget. These “pro forma” balance sheet and income and cash flow statements should involve this loan and project. At least the first year should illustrate monthly figures.
- C. If the company is a sole-proprietorship, partnership, limited liability partnership, or privately held corporation tax returns for the principles and the company from the last three (3) years are required. You must include the principles’ personal balance sheets.
- D. Please provide a schedule of assets pledged as collateral.
 - 1. If the loan involves the purchase or significant renovation of company/principle owned property, attach a current appraisal or an engineer or architect’s construction estimate.
 - 2. If the loan involves equipment, please furnish documentation that confirms the value of those pieces that the loan proceeds will buy. (For instance, vendors’ estimates/quotes or catalog entries with a price list.) Written estimates should be valid for 90 days.

If these assets are subject to existing liens or mortgages, please provide details.

Section 7: Project Budget

A. Complete the following Project Budget with as much detail as is currently available.

Use of Funds	Total	Sources		
		City	Company	Other Sources
	\$	\$	\$	\$
TOTAL	\$	\$	\$	\$

B. Attach commitment letters or letters of intent from each source of financing indicated (other than the Company). Letters may be conditional, pending approval of this loan. Proof of funding for the non-UDAG commitment portion of the total project. Funding for the non-UDAG portion of the project can be in the form of (1) bank financing, (2) other private financing, (3) equity, and (4) public financing other than the requested loan. Proof of funding should include:

1. Source of funds
2. Dollar amount
3. Rate
4. Term
5. Annual payment
6. Availability

If a portion of the project will be funded with equity, the applicant should indicate in what form the equity will be and should include certification that the equity is now available or will be available at the time the project is initiated.

- C. A list of credit references to include banks, suppliers and mortgagees, if any. The applicant should note that credit references will be verified.
- D. A loan will be granted for a portion of the project cost. Remaining costs may be financed by a combination of owner equity and outside financing providing owner equity. All loans will be secured and primary collateral shall be real property.
- D. Applicants must be current with City property taxes. Business properties must meet City building code requirements at the conclusion of the project activities.

Section 8: Environmental Information

- 1. Does your project involve any physical alteration to a site or to the exterior of a facility, change in the nature of the activity conducted at the project site or facility, or result in significant changes to the project site area's activity patterns? Yes No

If "yes", please answer question 2 below. If "no", skip question 2; your project probably does not require environmental review. (Your application will be reviewed to confirm this.)

- 2. Does your project involve:
 - ◆ Acquisition of real estate? Yes No
 - ◆ Infrastructure improvements, other than extensions of existing distribution systems in approved subdivision plans? Yes No
 - ◆ Renovation or new construction that will add more than 4,000 square feet or requiring a zoning or land use change with no other discretionary action? Yes No
 - ◆ Procurement of environmental regulatory permits? Yes No
- 3. Does your project comply with all building regulations of the City of Tullahoma and meet all approval levels as required? Yes No

Section 9: Miscellaneous

1. Is the company presently the subject of any litigation, or is any litigation threatened, which would have a material adverse effect on the company's financial condition? Yes No

2. Has the company or any of its affiliates ever been involved in bankruptcy, a creditor's rights or receivership proceeding, or sought protection from creditors? Yes No

3. If the company is a sole proprietorship, limited liability partnership, or privately held corporation have any of its principles, partners, or officers been involved in bankruptcy, a creditors' rights or receivership proceeding, or sought protection from creditors either personally or as a principle, partner, or officer of any business? Yes No

4. Has the company ever settled a debt with a lending institution for less than the full amount outstanding? Yes No

5. Has any senior manager or principal of the company ever been convicted of any felony or misdemeanor, other than a minor traffic violation, or are any such charges pending? Yes No

6. Has the company or any of its affiliates been cited for a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices? Yes No

7. Are there any outstanding judgements or liens pending against the company other than liens in the normal course of business? Yes No

8. Is the company delinquent on any State, federal or local tax obligations? Yes No

(Note: If your answer is "Yes" for any of the above questions, please provide explanation)

Section 10: Certifications

A. Certification of Applicant and Recipient

The undersigned solemnly affirms that to the best of my/our knowledge, information and belief, all statements in this application, including all schedules, appendices and additional information submitted, are true and accurate. I hereby authorize the City of Tullahoma to order credit reports or other financial background information on the Company, and any individual or entity proposed as a guarantor, as may be necessary to provide the assistance requested.

I further understand that as a condition of the loan, my Company will be required to report on job creation, meet and maintain promised job creation and retention goals, and remain in the City of Tullahoma for the duration of the loan.

The loan applicant agrees to pay all reasonable closing costs associated with the project which will be detailed prior to loan closing. Closing costs may be included as an eligible expense under the loan and the loan request may be increased by the amount of the closing costs.

This is not a legally binding document for purposes of receipt of loan monies. The loan request may be withdrawn any time prior to formal closing of the loan. However, this application is being submitted in good faith as a request for loan funds.

Applicant Signature: _____ Date: _____

Print Name: _____

Revised 3/16/2009