

Section 108 Loan Fund



UNDERWRITING CHECKLIST

Please provide a completed **Application for Loan** form (Attached) with ***all*** of the following **Exhibits** (See Attached for Further Explanation):

Business Information:

- _____ 1. **History and description of the business** and the **qualifications and background of the principals** involved in day-to-day management of the business and information regarding **existing and new facilities** and **number of existing and future employees**.
- _____ 2. **Key cost documents** such as copies of executed and valid real estate purchase agreements, contractor cost estimates, vendor quotes for machinery and equipment purchases with breakdown of use of proceeds and **expected benefits of the new loan**.
- _____ 3. **Balance Sheet and Income Statement** for the previous two (2) years- **SIGNED**
- _____ 4. **Corporate Tax Returns** for the previous two (2) years- **SIGNED**
- _____ 5. **Year to Date- Balance Sheet and Income Statement** dated within 120 days of application - **SIGNED**
Including:
 - _____ a): **Aging of accounts receivable and accounts payable**. Totals should be consistent with A/R and A/P on the current Balance Sheet.
 - _____ b): **Debt Schedule**. Totals should be consistent with Notes Payable on the current Balance Sheet
- _____ 6. **Projected, Annualized Income Statement** for the first two years after the loan with a description of assumptions included.
- _____ 7. For a new business, a **monthly cash flow analysis** for the first 24 months of operations or for three months beyond the breakeven point (whichever is longer) together with a description of assumptions.
- _____ 8. Resolutions: (provided by borrower and any guarantors, as applicable)
 - _____ a) **Resolution of Board of Directors**, if a corporation, and a copy of the Articles/Certificate of Incorporation and By-Laws.
 - _____ b) **Certificate as to Partners**, if a partnership, and a copy of the Certificate of Partnership and Partnership Agreement.
 - _____ c) **Borrowing Resolution for Limited Liability Company**, if an LLC holds title to the real estate, and a copy of the Articles of Organization and Operating Agreement.

Appraisal and Environmental:

- _____ 9. **Independent Appraisal** on an "as completed basis." An appraisal must also be provided when purchasing used equipment.
- _____ 10. **Environmental Report / Questionnaire** or additional analysis, if applicable.

Personal Information: (needed for all individuals with 20% or more ownership)

- _____ 11. **Personal Financial Statement** current within 90 days. If any assets are jointly owned, spouse must sign. - **SIGNED**
- _____ 12. **Personal Tax Return (1040)** for the previous two (2) year. - **SIGNED**

Other Documents:

- _____ 13. A schedule of any previous government financing by any principals or affiliates. Indicate name of agency; the original amount; date of request; outstanding balance; whether or not it is current, delinquent or paid in full; and collateral securing the loans.
- _____ 14. Provide names of affiliated (through ownership or management control) or subsidiary businesses; the last two fiscal year-end financial statements and/or federal income tax returns for the last two years.
- _____ 15. If a franchise, include a copy of the Franchise Agreement and the Franchisor's Disclosure Statement (Offering Circular).

APPLICATION FOR LOAN

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BUSINESS INFORMATION:

Operating Company: _____

Business Address: _____

Mailing Address: _____

Name of Principal in Charge: _____

Business Telephone No. _____

Fax No. _____

Cell Phone No. _____

Home Phone No. _____

E-mail Address: _____

Type of Business: _____

Date Established: _____

Type of Entity (Check One): Corporation _____
Sole Proprietorship _____

Partnership _____
LLC _____

Employer/Tax ID No. _____

NAICS Code: _____

Ownership of Operating Company (Percentage of ownership should equal 100%):

#1 Name: _____ % _____ SS# _____

#2 Name: _____ % _____ SS# _____

#3 Name: _____ % _____ SS# _____

#4 Name: _____ % _____ SS# _____

#5 Name: _____ % _____ SS# _____

#6 Name: _____ % _____ SS# _____

APPLICATION FOR LOAN

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BORROWING ENTITY: (Owner of the project real estate, if different from above.)

Name of Borrower: _____

Business Address: _____

Mailing Address: _____

Name of Principal in Charge: _____

Business Telephone No. _____

Fax No. _____

Cell Phone No. _____

Home Phone No. _____

E-mail Address: _____

Type of Business: _____

Date Established: _____

Type of Entity (Check One): Corporation _____
Sole Proprietorship _____

Partnership _____
LLC _____

Employer/Tax ID No. _____

NAICS Code: _____

Ownership of Operating Company (Percentage of ownership should equal 100%):

#1 Name: _____	% _____	SS# _____
#2 Name: _____	% _____	SS# _____
#3 Name: _____	% _____	SS# _____
#4 Name: _____	% _____	SS# _____
#5 Name: _____	% _____	SS# _____
#6 Name: _____	% _____	SS# _____

OTHER:

Amount of Financing Requested: _____

What is the source of the equity injection? _____

EXHIBIT 1

History and Description of Business

In addition to answering the following questions, please provide any additional information to complete a history and description of the business. Also, an analysis of the management ability of the owners and key employees would be very helpful. Such as a brief description of the qualifications and background of the principals involved in the day-to-day management of the business.

1. When was your company established and by whom?
2. When did you gain control of the business?
3. What products or services do you offer? (enclose brochures or marketing literature)
4. What is your geographic market area?
5. What is the size (square feet) of your existing facility? If applicable, when does your lease expire?
6. What is the size (square feet) of the new project facility?
7. What is the current number of employees?
8. How many new employees do you anticipate hiring as a result of this project within the next two years?

EXHIBIT 2

Key Cost Documents and Use of Proceeds

Please provide copies of all key cost documents for this project*:

- Real Estate Purchase Agreement
- Contractor Cost Estimates (including soft costs)
- Vendor Quotes for Machinery and Equipment Purchases

Use of Proceeds

Pre-Development Costs	\$ _____
Land Purchase	\$ _____
Building Purchase	\$ _____
Construction/Remodeling	\$ _____
Machinery and Equipment Purchase	\$ _____
Professional Fees	\$ _____
Other (contingencies)	\$ _____
Interim Financing Costs	\$ _____
Closing Costs	\$ _____
TOTAL	\$ _____

Expected Benefits from the Loan

1. What is the size (square feet) of your new (or enlarged) facility and size (acreage) of land?

2. Are there any tenants that will occupy the new (or enlarged) facility? Yes: _____ No: _____

If yes, complete the information below:

Tenant	Square Footage	Lease Expiration
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. How will the new (or remodeled) facility help your business?

4. If you are moving to a new location, how will this affect your business?

EXHIBIT 3

BALANCE SHEET AND INCOME STATEMENT

FOR PREVIOUS TWO YEARS

Include here the Balance Sheet and Income Statement (profit and loss) for at least the previous two (2) year-ends

Please have an officer sign all financials for verification purposes.

If this is a new business, provide a proforma balance sheet with a description of assumptions attached.

EXHIBIT 4
CORPORATE TAX RETURNS
FOR PREVIOUS TWO YEARS

If the operating company & real estate holding company is an existing business, provide copies of the previous (2) two years tax returns

Please provide signed copies of tax returns for verification purposes.

EXHIBIT 5

CURRENT BALANCE SHEET AND INCOME STATEMENT

A current, Year to Date, Balance Sheet and Income Statement, for the Operating Company & Real Estate Holding Company (if applicable) – statement should not be more than 120 days old.

A current aging of accounts receivable and accounts payable should be included.

It is recommended that the most current statement available be used for this exhibit.

Please have an officer sign all financials for verification purposes.

DETAILED LIST OF OBLIGATIONS

- A list which contains:
 1. Original date and amount
 2. Present balance owed
 3. Interest rate
 4. Monthly payment
 5. Maturity and security for each loan or debt that your business currently has
 6. Indicate whether the loan is current or delinquent
- The total amount must reconcile to the current statement.

EXHIBIT 6

PROJECTED INCOME STATEMENT FOR FIRST TWO YEARS

Assumptions should be included for revenues and expenses.

Regardless of which format the projections are in, be sure to provide detailed breakdown of officers' salaries, depreciation, interest, and rent, if any.

EXHIBIT 7

MONTHLY CASH FLOW ANALYSIS FOR FIRST 24 MONTHS

(FOR NEW BUSINESS)

This is to be a monthly cash flow for the first 24 months of operation or for three months beyond the breakeven point (whichever is longer) together with a description of assumptions attached.

EXHIBIT 8

RESOLUTION OF BOARD OF DIRECTORS

and/or

CERTIFICATE AS TO PARTNERS

and/or

BORROWING RESOLUTION FOR LIMITED LIABILITY COMPANY

If borrower is a **corporation**:

- Resolution of Board of Directors, authorizing the business concern to borrow. This document must contain two officer's original signatures, one of which must be the secretary.
- Articles of Incorporation and By-laws
- Provide federal identification number

If borrower is a **partnership**:

- Certificate As To Partners,
- Partnership Agreement
- Provide federal identification number(s)

If borrower is a **limited liability company**:

- Borrowing Resolution for LLC
- Articles of Organization
- Operating Agreement

EXHIBIT 9

APPRAISAL

The appraisal is to be completed by an independent appraiser approved by the Lender.

If there is construction or improvements to be completed on the project property, the appraisal must be valued on an "as-completed" basis.

Appraised value must be concluded using at least 2 approaches.

The appraisal must be submitted at the time of application.

The following entity must be named as an intended user of the report and the report must be addressed to the Lender as follows:

Consolidated City of Indianapolis and Marion County
Department of Metropolitan Development
200 E. Washington Street, Suite 2042
Indianapolis, IN 46204

EXHIBIT 10

ENVIRONMENTAL ANALYSIS

Please refer to the Environmental Flow Chart and list of Environmentally Sensitive Industries on the following pages to determine the level of investigation needed, Please contact Cambridge to coordinate the of ordering of any environmental report.

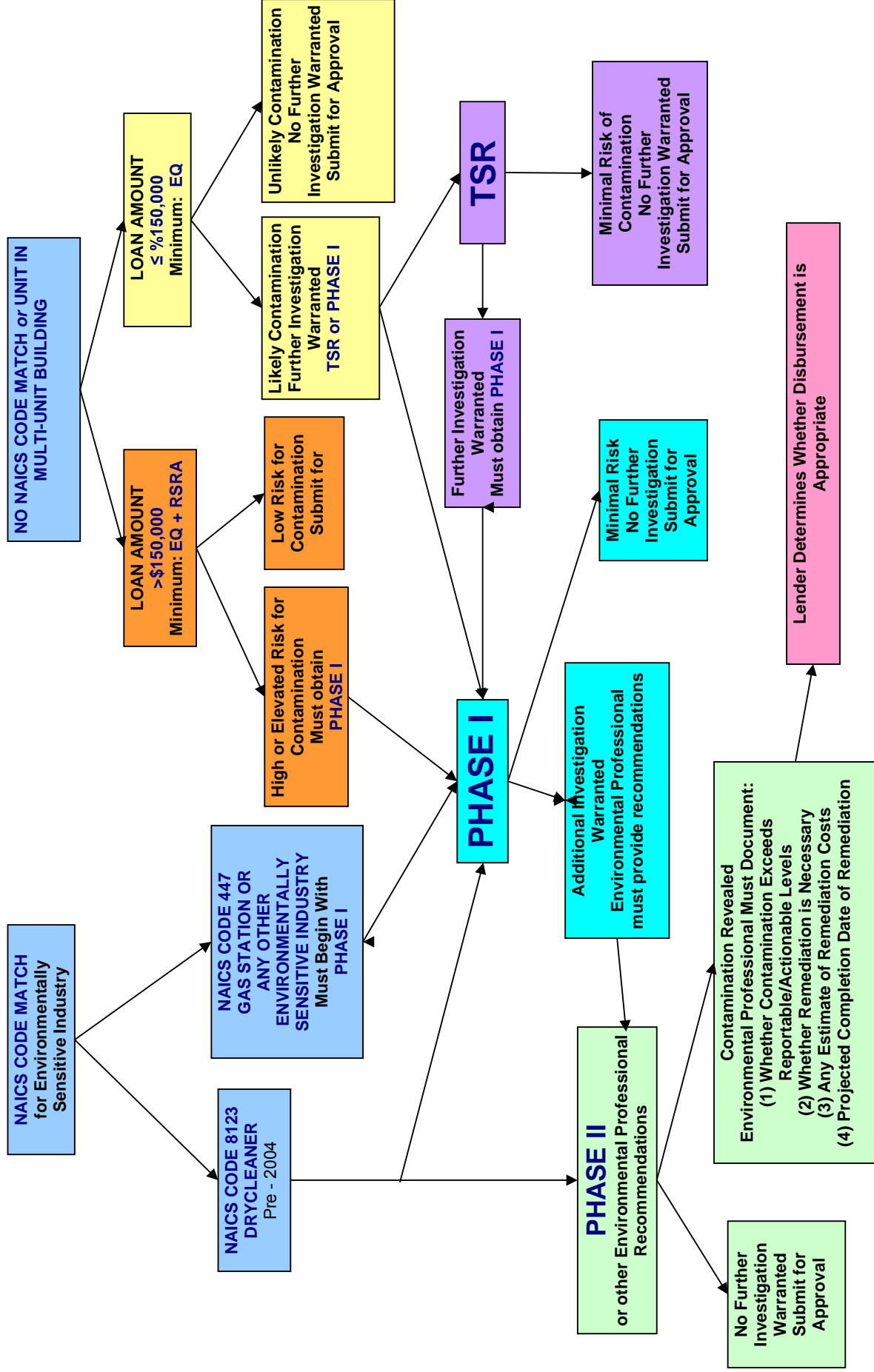
The environmental analysis will need to be submitted as soon as possible during the application process.

The analysis must be submitted and approved by the Lender prior to the Closing.

The Environmental Report must be addressed to OR a reliance letter must be issued to the Lender as follows:

Consolidated City of Indianapolis and Marion County
Department of Metropolitan Development
200 E. Washington Street, Suite 2042
Indianapolis, IN 46204

FLOW CHART FOR ENVIRONMENTAL INVESTIGATIONS



NAICS CODES OF ENVIRONMENTALLY SENSITIVE INDUSTRIES

A 3, 4, 5 or 6 digit NAICS Code includes all industries beginning with those 3, 4, 5 or 6 digits

211	Oil & Gas Extraction	441	Motor Vehicle and Parts Dealers
212	Mining (except Oil & Gas)		<i>(if service bays present)</i>
213	Support Activities for Mining	447	Gas Stations
237	Heavy & Civil Engineering Construction	45431	Fuel Dealers
311	Food Manufacturing <i>(if underground fuel tanks present)</i>	481	Air Transportation
312	Beverage & Tobacco Product Manufacturing	482	Rail Transportation
313	Textile Mills	486	Pipeline Transportation
314	Textile Product Mills	53212	Truck, Utility Trailer and RV Rental & Leasing <i>(if repairs, maintenance or vehicle washing are performed onsite)</i>
316	Leather & Allied Product Manufacturing		
321	Wood Product Manufacturing <i>(if finishing occurs on site)</i>	53241	Construction, Transportation, Mining & Forestry Machinery & Equipment Rental Manufacturing & Leasing <i>(if repairs, maintenance or vehicle washing are performed onsite)</i>
322	Paper Manufacturing		
323	Printing & Related Support Activities		
324	Petroleum & Coal Products Manufacturing	53249	Other Commercial & Industrial Machinery & Equipment Rental & Leasing <i>(if repairs, maintenance or vehicle washing are performed onsite)</i>
325	Chemical Manufacturing		
326	Plastics & Rubber Products Manufacturing		
327	Nonmetallic Mineral Products Manufacturing		
331	Primary Metal Manufacturing	54138	Testing Laboratories
332	Fabricated Metal Product Manufacturing	56171	Exterminating & Pest Control
333	Machinery Manufacturing <i>(not required if assembly only)</i>	562	Waste Management & Remediation Services
334	Computer & Electronic Product Manufacturing <i>(not required if assembly only)</i>	6221	General Medical & Surgical Hospitals <i>(if fuel tanks are present)</i>
335	Electrical Equipment, Appliance & Component Manufacturing <i>(not required if assembly only)</i>	71391	Golf Courses & Country Clubs
336	Transportation Equipment Manufacturing	71392	Skiing Facilities
337	Furniture & Related Manufacturing <i>(if finishing occurs on site)</i>	71393	Marinas
339	Miscellaneous Manufacturing <i>(only required if hazardous materials are involved)</i>	7212	RV Parks & Recreational Camps <i>(if fuel tanks are present or if vehicle repairs or maintenance is performed onsite)</i>
42311	Automobile & Other Motor Vehicle Merchant Wholesalers <i>(if service bays present)</i>	8111	Automotive Repair & Maintenance
42314	Motor Vehicle Parts (Used) Merchant Wholesalers	8112	Electronic & Precision Equipment Repair & Maintenance <i>(not required if assembly only)</i>
4235	Metal & Mineral Merchant Wholesaler	8113	Commercial & Industrial Machinery & Equipment Repair & Maintenance
42393	Recyclable Material Merchant Wholesaler		
4246	Chemical & Allied Products Merchant Wholesalers	8122	Death Care Services
4247	Petroleum & Petroleum Products Merchant Wholesalers	8123	Laundry & Dry Cleaning Services <i>(if dry cleaning operations on-site)</i>
		812921	Photofinishing Laboratories <i>(except one hour)</i>

A Phase I should always be obtained if the business sells, supplies or dispenses fuel, gas, heating oil or liquefied petroleum (LP) gas, even if the NAICS Code for the business is not identified on this list of Environmentally Sensitive Industries

EXHIBIT 11

PERSONAL FINANCIAL STATEMENT

The following version of the Personal Financial Statement must be used. The PFS must be less than 90 days old at the time of application submission and have the borrower's **original signature**.

Again, it is recommended that the most current information be used so that the statement does not become outdated during staff and loan committee reviews prior to submission.

This form must be completed for each principal who owns 20% or more of the company.

If the principals are married, spouses signatures must be obtained as well.

PERSONAL FINANCIAL STATEMENT

Applicant

1. Name: _____
2. Social Security No.: _____ Date of Birth: _____
3. Street Address: _____
4. City: _____ State: _____ Zip Code: _____
5. Phone: _____ Fax: _____
6. Email Address: _____
7. Employer: _____ Position/Title: _____
8. Length of Employment: _____ Marital Status (optional):
 Married
 Unmarried
 Separated

Co-Applicant

1. Name: _____
2. Social Security No.: _____ Date of Birth: _____
3. Street Address: _____
4. City: _____ State: _____ Zip Code: _____
5. Phone: _____ Fax: _____
6. Email Address: _____
7. Employer: _____ Position/Title: _____
8. Length of Employment: _____ Marital Status (optional):
 Married
 Unmarried
 Separated

ASSETS		LIABILITIES	
Cash on Hand and In Banks (Schedule A)		Notes due to Banks and Others (Schedule F)	
Cash Value of Life Insurance (Schedule. B)		Loans on Life Ins. Policies (Schedule. B)	
Securities - Marketable (Schedule C)		Credit Cards and Bills Payable (Schedule. G)	
Securities - Non Marketable (Schedule C)		Mortgage on Homestead (Schedule D)	
IRA and Tax Deferred Accounts		Other Mortgages Payable (Schedule.D)	
Homestead/Residence (Schedule D)		Personal Property (Schedule E)	
Other Real Estate (Schedule D)		Taxes	
Personal Property (Schedule E)		Other Debts - Itemize	
Mortgages and Contracts Held by You (Schedule H)			
Other Assets - Itemize			
<input type="checkbox"/> (See Attached Itemization)		<input type="checkbox"/> (See Attached Itemization)	
		Total Liabilities	
Total Assets		Net Worth (Total Assets Minus Total Liabilites)	

ANNUAL INCOME		ESTIMATE OF ANNUAL EXPENSES	
Salary Bonuses & Commissions		Income Taxes	
Dividends and Interest		Other Taxes	
Rental and Lease Income (Net)		Insurance Premiums	
Other Income		Mortgage Premiums	
		Rent Payable	
		Other Expenses	
Total			
Provide the following information only if application is for Joint Credit			
Joint Applicant's Salary, Bonuses & Commissions			
Other Income of Joint Applicant			
Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.			
Total		Total	

GENERAL INFORMATION		CONTINGENT LIABILITES (including any guaranties for Fidelity Bank loans)	
Are you a Defendant in any lawsuits or Legal Actions? <input type="checkbox"/> Yes <input type="checkbox"/> No		As Endorser, Co-maker or Guarantor? <input type="checkbox"/> Yes <input type="checkbox"/> No	Amount
Income Tax Return filed through what date?		On Leases or Contracts? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Have you ever been declared Bankrupt in the last 10 years? <input type="checkbox"/> Yes <input type="checkbox"/> No		Legal Claims? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Are you involved in any other Venture? <input type="checkbox"/> Yes <input type="checkbox"/> No		Federal - State Income Taxes? <input type="checkbox"/> Yes <input type="checkbox"/> No	
		Other	

SCHEDULES

Schedule A - Cash in Banks and Notes due to Banks (List all Real Estate Loans in Schedule D)

Name of Bank/Financial Institution	Type of Account	Balances
<input type="checkbox"/> See Attached Itemization		TOTAL

Schedule B - Life Insurance (List only those Policies that you own)

Company	Insured	Beneficiary	Face Value/Death Benefit	Cash Value	Policy Loan From Insurance Company
<input type="checkbox"/> See Attached Itemization					TOTALS

Schedule C - Securities Owned (Include statement for any securities as collateral on Fidelity Bank loans)

Face Value-Bonds/No. of Shares Stock	Description	Owner	Amount Pledged to Secured Loan	Market Value (Marketable)	Market Value (Not Readily Marketable)
<input type="checkbox"/> See Attached Itemization					TOTALS

Schedule D - Real Estate Owned

Property Description	Name of Creditor	Date Acquired	Purchase Price	Market Value	Mortgage of Contract Payable		
					Payment	Maturity	Balance Due
Homestead							
<input type="checkbox"/> See Attached Itemization					TOTAL	TOTAL	

Schedule E - Personal Property

Description	Loans on Property		Value Today
	Balance Due	To Whom Payable	
Automobile(s):			
<input type="checkbox"/> See Attached Itemization			TOTAL

Schedule F - Revolving and Installment Notes due to Banks and Others

Revolving = R Installment = I	Payable To	When Due	Collateral	Repayment Terms	Balance Due
TOTAL					

See Attached Itemization

Schedule G - Credit Cards and Bills Payable

Payable To	Repayment Terms	Balance Due
TOTAL		

See Attached Itemization

Schedule H - Mortgages and Contracts Held by You

Debtor	Description of Property	Payment	Maturity	Balance Due
TOTAL				

See Attached Itemization

This information and the information provided on all accompanying financial statements and schedules is provided for the purpose of obtaining credit for the Applicant(s) or for the purpose of Applicant(s) guaranteeing credit for others. Applicant(s) acknowledge that representations made in this Statement will be relied on by Creditor in its decision to grant such credit. This Statement is true and correct in every detail and accurately represents the financial condition of the Applicant(s) on the date given below. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the creditworthiness of the undersigned. Applicant(s) will promptly notify Creditor of any subsequent changes which would affect the accuracy of this Statement. Creditor is further authorized to answer any questions about Creditor's credit experience with Applicant(s). Applicant(s) are aware that any knowing or willful false statements regarding the value of the above property for purposes of influencing the actions of Creditor can be a violation of federal law 18 U.S.C. sec. 1014 and may result in a fine or imprisonment or both.

In addition, each individual signing below authorizes the Creditor to check their individual credit account and employment history and have a credit reporting agency prepare a credit report on them.

The undersigned declares that he/she has read and understands the statements above.

Date Signed _____

Applicant
Signature: _____

Joint Applicant
Signature: _____

EXHIBIT 12

PERSONAL TAX RETURNS

Please provide complete copies of Personal, Federal Tax Returns, including all exhibits, for the past two (2) years for anyone required to provide a Personal Financial Statement.

Please provide signed copies of tax returns for verification purposes.

EXHIBIT 13

PREVIOUS GOVERNMENT FINANCING

Applicant certifies below ANY government financing received by any principals or affiliated companies, including name of the agency, the original date and amount, the outstanding balance, status of the loan (current, delinquent or paid in full), and collateral securing the loan. In addition, Applicant confirms no loss to the U.S. Government on any previous loan, if applicable.

Type of Loan	Agency Name	Original Date	Amount	Current Balance	Status	Collateral/ \$ Guarantee	Govt. Loss

Applicant:

By:

Date:

If there have not been any prior government loans, please mark N/A and Sign.

EXHIBIT 14

AFFILIATES

If no affiliates - state that there are none.

If yes - indicate names and ownership/officer details.

If any of the officers and/or owners of the applicant company are also officers and/or 20% or more owners of any other company, it is classified as an affiliate.

--Concerns are considered affiliates of each other when one concern controls or has the power to control the other.

This exhibit must include the last two (2) previous fiscal year-end financial statements and/or federal income tax returns for the last two years.

Please provide signed copies of tax returns for verification purposes.

Please have an officer sign all financials for verification purposes.

EXHIBIT 15

FRANCHISE AGREEMENT

AND

FTC DISCLOSURE STATEMENT

If the applicant will be operating under a Franchise, Membership Agreement, or Fuel (Jobber) Agreement, please submit a complete copy of the Agreement and the Franchisor's Disclosure Statement (Offering Circular).