



**FORMAL
APPLICATION**

I. Information on Business to be Assisted

Referred By: _____

Name of Small Business Concern (SBC)/Operating Company: _____

Address of SBC: _____

Address of Project: _____

County: _____ Name of Chief Executive Officer: _____

Principal Contact: _____

Telephone Number: _____ Fax Number: _____

Name(s) of Principal(s) and percentage of ownership:

Majority Ownership: Women _____ Minority _____ Veteran _____

Type of Business: _____ SIC Code _____

Date Established: _____ Employer I.D. Number: _____

II. Business Status

Sole Proprietor _____ Corporation (C-Corp.) _____ L. L. C. _____

Partnership _____ Corporation (Sub Chapter-S) _____

State of Incorporation: _____ Date of Incorporation: _____

III. Participating Financial Institution

Name of Institution: _____

Address: _____

Contact Person: _____ Telephone Number: _____

IV. Accounting Firm

Name of Firm: _____

Address: _____

Contact Person: _____ Telephone Number: _____

V. Legal Counsel

Name of Firm: _____

Address: _____

Contact Person: _____ Telephone Number: _____

VI. Use of Loan Proceeds

| Use of Project Funds | Size (Acreage/Sq. Footage) | Amount |
|-------------------------------------|----------------------------|--------|
| A. Land Acquisition | | |
| B. Land Improvements | | |
| C. Purchase Existing Bldg. | | |
| D. Remodel Existing Bldg. | | |
| E. New Construction | | |
| F. Purchase Machinery and Equipment | | |
| G. Repair Machinery and Equipment | | |
| H. Purchase Furniture and Fixtures | | |
| I. Leasehold Improvements | | |
| J. Professional Fees | | |
| K. Interim Interest Expense | | |
| L. Contingencies (Specify) | | |
| TOTAL | | |

VII. Source of Equity Injection

A. Cash: Personal Funds _____ Corporate Funds _____

B. Land Equity: _____ Date Purchased _____

C. Land and Building Equity: _____ Date Purchased _____

D. Seller Financing: _____

VIII. Information on Project Impact

A. Job Impact: Number of Existing Employees: _____

Number of Employees to be Retained: _____

Number of Jobs Created: (*within 2 years of the project*)

A). Full-Time: _____

B). Part-Time: _____

B. Relocation: Yes _____ No _____

If yes, relocation from _____
to _____

C. Occupancy: What percentage of facility will the SBC occupy? _____

IX. **Passive Company**

Will the project assets be owned by the Passive Company?

Real Estate: Yes _____ No _____

Machinery & Equipment Yes _____ No _____

If yes, complete the following:

Name of Entity to own project assets: _____

Business Status: _____

Names and Percentage of Ownership in Passive Company: _____

X. **Affiliates**

Names of Companies affiliated by Ownership or Management: _____

XI. **Funds Expended**

Has any portion of the land, building(s) or equipment been purchased or ordered?

Yes _____ No _____

If yes, specify: _____

XII. **Zoning and Site Plan Review**

A. Does the involved parcel(s) have appropriate zoning at this time?

Yes _____ No _____

B. Has the project received local site plan approval?

Yes (*date of approval*): _____

No (*projected date of review*): _____

XIII. Tax Yield Projections for Project Site

| | |
|-------------------------|-------------------------|
| A. Current Taxes: | B. Projected Taxes: |
| Real Property _____ | Real Property _____ |
| Personal Property _____ | Personal Property _____ |

XIV. Other Information

A. Has the SBC, affiliate(s) or principal(s) ever filed for protection under the Bankruptcy Act?

Yes _____ No _____

If yes, give details: _____

B. Is the SBC, affiliate(s) or any principal(s) involved in any current legal action, litigation/lawsuit?

Yes _____ No _____

If yes, give details: _____

C. Are local, state and federal taxes paid current?

Yes _____ No _____

If no, give details: _____

D. Is there a buy-sell agreement between the owners/partners?

Yes _____ No _____

If yes, is it funded (*provide details*): _____

E. Has the company, affiliates or principal(s) received financing from any government programs?

Yes _____ No _____

If yes, provide details as requested for Exhibit L.

XV. Agreement Regarding Fees Expenses and Limitations of Liabilities

THIS AGREEMENT is entered into as of the _____ day of _____ 20 _____, by and between the OAKLAND COUNTY BUSINESS FINANCE CORPORATION, a Michigan non-profit corporation and United States Small Business Administration Certified Development Company (the "CDC"), and _____, a Michigan _____ (the "Company").

RECITAL

WHEREAS, the Company has applied to the CDC for financing assistance for a project located in the County of Oakland (the "Project") under Section 503 of the Small Investment Act of 1958, as amended; and

WHEREAS, the CDC tentatively has determined to commence the processing of the Company's application on the basis of the information submitted to date by the Company; and

WHEREAS, the parties agree that their best interests are served by an early delineation of responsibility for fees and expenses incurred in connection with the proposed financing and by a recognition by the Company of the limitations of liability of the CDC and related parties in connection with the financing;

NOW THEREFORE, the parties agree as follows:

ARTICLE - I - CDC DEPOSIT, PROCESSING AND SERVICING FEES

1. Company agrees to pay to the CDC, as provided below, a conditionally refundable deposit fee equal in amount to the lesser of One Thousand (\$1,000.00) dollars or one and one-half (1-1/2%) percent of the principal amount of the debenture to be issued by the United States Small Business Administration ("SBA") for the benefit of the Company. **THIS DEPOSIT MUST BE PAID UPON APPLICATION.**

The company will be entitled to a full refund of any deposit fee paid by it to the CDC in the event that 1) the Company withdraws its application for financing assistance prior to approval thereof by the SBA; 2) the Company's application is rejected by the SBA; or 3) the Company's application is approved by the SBA and the financing contemplated hereby is closed. In the event that the Company withdraws its application prior to closing of the transaction but after approval of the application by the SBA, the CDC will retain the deposit fee.

2. The Company further agrees to pay to the CDC, at the closing of the financing contemplated hereby, the CDC's reasonable loan processing fee in the amount (not to exceed one and one-half (1-1/2%) percent of the principal amount of the debenture to be issued by the SBA for the benefit of the Company) set forth in the CDC's schedule of fees on the date of execution of this Agreement. This processing fee will be financed through the debenture proceeds.
3. The Company further agrees to pay periodic servicing fees in the amount of approximately 1.2 percent of the outstanding principal amount of the debenture to be issued by the SBA, computed in accordance with the rules and regulations of the SBA.
4. *The Company further agrees to have its monthly loan payments automatically debited from its bank account, following the closing and disbursement of the financing contemplated hereby, by the CDC's servicing agent.*

ARTICLE II - LIMITATION OF CDC LIABILITY

1. The CDC reserves the right to suspend, discontinue, or abandon the processing of the Company's application for financing at any time, in its sole discretion, consistent with the rules and regulations of the SBA and the purposes and policies of the CDC as promulgated and interpreted by its members and Board of Trustees.

2. The Company agrees that the CDC, its members, Board of Trustees, any committee of the Board of Trustees or membership, and all employees of the CDC or the County of Oakland acting on behalf of the CDC, shall not be responsible or liable under any circumstances or for any reason for, and the Company will indemnify and hold them harmless from and against, any and all losses, claims, damages or liabilities (including indebtedness of the Company incurred in connection with the financing contemplated hereby or otherwise) 1) suffered or incurred by the Company as a result or by reason of the suspension, discontinuance, or abandonment by the CDC of its processing of the Company's application for financing assistance, or 2) suffered or incurred by any person as a result of or in connection with the Project.

ARTICLE III - LEGAL COUNSEL AND FEES

1. The Company hereby accepts the law firm of Butzel Long as legal counsel in connection with the financing contemplated hereby and agrees to pay the fees and expenses of Butzel Long as such fees and expenses are billed to the Company. The Company acknowledges that Butzel Long has agreed to act as such legal counsel through the closing of the financing contemplated hereby for a total fee of \$2,500.00, exclusive of all expenses incurred in connection with the contemplated financing, which fee (and expenses of approximately \$400), as aforesaid, will be paid by the Company as and when billed by Butzel Long or the CDC to the Company.

IN WITNESS WHEREOF, the CDC and the Company have executed this agreement by their authorized officers or representatives as of the date first above written.

OAKLAND COUNTY BUSINESS FINANCE CORPORATION

By: _____

Its: _____

COMPANY

By: _____

Its: _____

XVI. Certification of Application

Eligibility for financial assistance by the Oakland County Business Finance Corporation is determined by the information presented in this application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including, but not limited to, the commencement of construction or the acquisition of assets such as land or equipment. Please contact the Loan Officer of the OCBFC before taking any action that could change the status of the project as reported herein.

CERTIFICATION: I hereby represent and certify that the foregoing information, to the best of my knowledge and belief, is true, complete, accurate and fairly describes the proposed project for which financial assistance is required.

Signature _____

Name (Print) _____

Title _____

Date _____

XVII. **Exhibits**

- A. OCBFC formal application and \$1,000.00 application fee (make check payable to Oakland County Business Finance Corporation).
- B. Brief business history of small business concern (SBC) - include when business started, description of manufacturing or services provided, method of operations, key customers, brief description of the proposed project, and impact of new project.
- C. Personal history statement for each officer and director (regardless of ownership) and each proprietor, partner and stockholder with 20% or more ownership of the SBC and, if different, each owner with 20% or more ownership of the eligible passive company (EPC). (SBA form 912 attached, include **a copy of the individual's driver license**).
- D. Personal financial statement, current within 90 days of the application, for each proprietor, partner, or stockholder with a 20% or more ownership of the SBC, and, if different, each owner with 20% or more ownership of the EPC, as well as copies of federal income tax returns for the last one year. Personal guarantees will be required of each. Assignment of life insurance policy may also be required of key individuals. (SBA form 413 attached)
- E. Management background of key individuals in small business concern.
- F. Year-end financial statements and federal income tax returns for the past two (2) fiscal years for the SBC, including balance sheet, profit and loss statement, statement of cash flow, and related notes.
- G. Include signed IRS Tax Return verification form. (SBA Form 4506 attached).
- H. Interim financial statement, current within 120 days of application, including balance sheet, profit and loss statement, statement of cash flow, and related notes together with an aging of the accounts receivable and accounts payable.
- I. Two years projections for the small business concern showing impact of new project, including profit and loss statements, and a list of assumptions used to substantiate the projections.
- J. For a new business, a monthly cashflow analysis for the first 12 months of operation or for three months beyond the breakeven point (whichever is longer) together with a description of assumptions.
- K. Schedule of current debt, information should correspond to the most recent financial statement provided. (OCBFC Form Exhibit 10: Debt Schedule).
- L. Schedule of any previous government financing received by company, principals or affiliates. Include: name of agency, original date and amount, outstanding balance, status of loan (current, delinquent or paid in full), and collateral securing loan. (**signed and date by officer of company**).
- M. Names and addresses of affiliates and/or subsidiary firms. Last two fiscal year-end financial Statements and/or federal income tax returns for the last 2 years and a current financial statement for all affiliates (**signed and date by officer of company**).
- N. If a franchise, include franchise agreement and Franchisor's Disclosure Statement that is required by the Federal Trade Commission.
- O. Copy of purchase agreement for land or land and building.
- P. Preliminary plans and specifications and written cost estimates covering construction and/or machinery and equipment, provided by contractor and/or suppliers. Verification of useful life of machinery and equipment.
- Q. Resolution from the Board of Directors or Members, if a corporation, Limited Liability Company, or partner(s), if a partnership, authorizing the SBC or PC to borrow. (SBA form 160 and/or SBA Det. form 40 attached).

- R. Copy of Articles of Incorporation for small business concern and/or professional corporation.
- S. Copy of LLC Articles of Organization and Operating Agreement, if applicable.
- T. Partnership Agreement and Certificate of Partnership if partnership is to own assets.
- U. Copies of trust documents if any ownership is held in a trust.
- V. An outside appraisal report on the assets to be purchased. (When available from bank).
- W. Copy of environmental assessment report. (When available from bank).
- X. Statements Required by Laws and Executive Orders. (SBA form 1244 Part C attached).
- Y. Bank commitment letter for first mortgage/lien financing and the interim/bridge financing.
- Z. Other information, if requested.