

## Investment Application Guide

The Creston & District Community Investment Co-op (CDCI CO-OP) aims to direct investment capital from local residents into local ventures with high community impact. Projects which clearly show how they will positively enrich the economic, social, environmental and/or agriculture settings within Creston & District will be considered for investments. Creston & District refers to communities between Yahk and Riondel.

We understand that new ventures are vital to a healthy local economy, but can face difficulty securing financing to get off the ground or grow. The CDCI CO-OP bridges the gap between traditional financial institution lending and venture capitalists. We do this by pooling investment capital from local residents and lending it directly to new, or growing, local ventures. Unlike traditional loans that are based on business history and collateral, these investments are based on the experience and character of the owners, the strength of the business plan and the opportunity for economic, social and environmental impact in Creston & District.

This CDCI CO-OP Investment Guide is the first step in the investment application process. Completing it will help you assemble the required documents and prepare you for an interview with the Investment Committee, who will gauge your business readiness.

Please review this eligibility checklist to determine if your venture is a strong fit prior to applying:

- All owners/applicants must be Canadian citizens or landed immigrants
- At least one owner/applicant is a resident of Creston & District
- At least one owner/applicant can demonstrate experience or schooling in the sector in which you are working, or seeking start-up investment
- If an existing venture, able to provide a comprehensive business plan with most recent financial statement and 2 year financial projections
- If a start-up venture, able to provide a well-researched and well-developed business plan with 2 year financial projections
- Clearly demonstrate business case and economic viability, achieving profitability within 3 years
- Business or guarantor able to show the ability to repay the full loan within the maximum term (60 months) and willing to provide a personal guarantee
- Appropriate permits and insurance are researched or in place
- Full disclosure of any issues that could impact eligibility
- The venture must clearly show how it will:
  - Encourage economic development in Creston & District; and/or
  - Improve a social issue faced in Creston & District; and/or
  - Advance environmental sustainability in Creston & District; and/or
  - Enhance local agri-food sector in Creston & District.

Completing this application does not approve you for a loan, but will determine your venture's suitability for community investment from the CDCI CO-OP. Applicants that do not meet our criteria will be directed to suitable business development organizations and resources, to assist in strengthening their business concept.

## CDCI CO-OP – Community Investment Terms

Amount	<ul style="list-style-type: none"> <li>• minimum loans are \$10,000</li> <li>• loans greater than \$100,000 will be discussed on a case by case basis</li> </ul>
Type of loan	<ul style="list-style-type: none"> <li>• <b>term loan:</b> loans are repaid over a specific period of time by making payments on both the principal and interest (monthly blended payments). Flexible repayment terms can be negotiated on a case by case basis.</li> </ul>
Interest rate	<ul style="list-style-type: none"> <li>• Interest rates start at prime plus 3.5%, locked in at the time of funding</li> <li>• Higher interest rates may be charged at the discretion of the board</li> </ul>
Amortization	<ul style="list-style-type: none"> <li>• term loans will range from 12 to 60 months</li> <li>• your loan must be reviewed after two years</li> </ul>
Personal equity investment	<ul style="list-style-type: none"> <li>• you must have 10% of the loan amount invested in your business in cash or in-kind assets on a loan up to \$40,000 (for example, a \$20,000 loan requires proof of \$2,000 of owner’s equity invested in the business)</li> <li>• you must have 20% of the loan amount invested in your business in cash or in-kind assets on a loan over \$40,000 (for example, a \$50,000 loan requires proof of \$10,000 of owner’s equity invested in the business)</li> <li>• <i>in-kind assets</i> are items which will be actively used in your business and that you fully own (for example, a computer or a car or equipment - as long as these items are fully paid for)</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>• work with a mentor from the CDCI CO-OP</li> <li>• provide quarterly updates on your venture to the CDCI CO-OP</li> <li>• submit annual financial statements to the CDCI CO-OP</li> </ul>
Other terms	<ul style="list-style-type: none"> <li>• loan payments are due each month, based on your personalized payment schedule</li> <li>• term loans are “open,” which means you can make an additional payment at any time without a pre-payment penalty</li> <li>• you are eligible for two payment postponements on your term loan per borrowing year: <ul style="list-style-type: none"> <li>○ you must request a postponement at least five business days before the payment date</li> <li>○ there is an administrative fee of 10% of the postponed payment</li> <li>○ a personal guarantee is required for all borrowers; this means that you will be personally liable for the outstanding loan amount should you choose to end your business operations</li> </ul> </li> </ul>
Mentorship	<ul style="list-style-type: none"> <li>• CDCI CO-OP will facilitate mentoring by appropriate directors, advisors or other specialists to help assure success in your venture</li> <li>• a mentor provides you with business advice and resources, as well as support and encouragement, to help you remain focused on what is important for the success of your venture</li> </ul>

## CDCI CO-OP Investment Application – Part 1/2

Are you ready to apply? Then it’s time to complete the CDCI CO-OP Investment Application!

This application consists of a series of questions about you and your business. The answers you provide will be reviewed by our Investment Committee to help understand your vision and assess your business readiness.

**Please submit this application by email to [info@communityinvestmentcoop.ca](mailto:info@communityinvestmentcoop.ca) or by mail to Box 548, Creston BC, V0B 1G0.**

CONTACT INFORMATION	
Legal business name:	Business location and mailing address:
Contact name(s):	Names of those in management roles:
Phone:	Cell:
Fax:	Website:
ABOUT YOUR VENTURE	
Describe your venture and value proposition in 3-4 sentences (your ‘elevator pitch’)	
What is your ventures status and years in business? (start-up, expansion, transition, succession)	
What is your anticipated launch date for this new venture?	
Legal structure of your business? (partnership, corporation, sole proprietor, co-operative, non-profit)	
Do you have a business plan prepared for this new venture?	
ABOUT YOU & YOUR TEAM	
Tell us why you think this project is important to you personally and to Creston & District	
What experience or education do you have relevant to this venture? (your qualifications)	
Who is on your management team, what roles do they play, and what experience do they bring?	
Please provide the names and contact information of two business references and one character reference:	

*All information in this application will be kept confidential*



FINANCING NEEDS	
What is the total amount of financing you will need for the venture? \$ _____	
What personal assets or resources have you already committed to this project? (money, time, equipment, land, etc.)	
Has financing been sought from a Bank, Credit Union or Community Futures? What was the outcome?	
Will you be receiving money from other sources? If so, from where? (list names and amounts)	
What is the money going to be used for? Please be specific (your funding pitch):	
What type of financing would best suit your venture? (debt or equity)	
When do you need the financing? (month, year)	How long will you require financing? (1-5 years)
When do you expect to receive a positive cash flow in this venture?	
Are you able to personally guarantee a loan, or do you have collateral to secure a loan? Please explain	
If your financial projections are not met, how will the loan payments be made?	
COMMUNITY IMPACT	
How will your venture encourage other economic development in Creston & District?	
How will your venture improve a social issue(s) in Creston & District?	
How will your venture advance environmental sustainability in Creston & District?	
How will your venture enhance the local agri-food sector in Creston & District?	
How many jobs will be created after your new plans are in effect? (direct and indirect jobs)	
How will you make use of local suppliers for your venture?	

## CDCI CO-OP - Due-Diligence & Next Steps

After review of your CDCI CO-OP Investment Application, our Investment Committee will provide feedback on your application.

If your venture is aligned with the goals of the CDCI CO-OP, you will be invited to submit the following information for further due-diligence on your venture:

- Business plan
- 2 year financial projections (including CDCI CO-OP loan payments)
- If you are an existing venture, previous financials (up to 2 years)
- Resumes for each of the owners
- Statement of personal financial affairs
- A copy of your full personal credit bureau report from Equifax ([www.equifax.ca](http://www.equifax.ca))
- Appropriate permits and insurance are researched or in place
- Full disclosure of any issues that could impact loan repayments
- Other relevant support documentation requested by the Investment Committee

When the CDCI CO-OP Investment Committee has completed proper due-diligence, the next steps are:

- Formal notification by the CDCI CO-OP Board of your suitability for community investment;
- Loan amount and loan terms are negotiated;
- Loan agreement is signed, and money is disbursed;
- Ongoing reporting and mentorship is scheduled.





## Business Consent Form

The Creston & District Community Investment Co-op (CDCI CO-OP) is accepting applications from local ventures with community impact. The CDCI CO-OP will harness the power of local capital by redirecting our residents' investment dollars to stay within Creston & District. This local investment mechanism will provide short term capital (1-5 years) to ventures looking to launch or expand, and assist them in establishing a supportive customer base and a sustainable operation for their concept.

The CDCI CO-OP Investment Committee acknowledges the information you share, written or verbally, is private information and will be kept confidential as outlined in the CDCI CO-OP Confidentiality Agreement. All committee members and partner lending institutions with access to business information have signed a Confidentiality Agreement.

In order to best meet your needs, and to assist our Investment Committee to undergo an investment analysis of your business, we ask for your cooperation and consent in the following areas:

- A) Reviewing company's proprietary information**
- B) Reviewing company's financials**
- C) Evaluating investment suitability for the CDCI CO-OP**
- D) When appropriate, sharing information with partner lending organizations to collaborate on financial commitments.**

I consent to all information provided in the Investment Application process to be shared and reviewed with the CDCI CO-OP Investment Committee, and if appropriate, with partner lending organizations. If my business is eligible for financing, I agree to share a general business summary with the CDCI CO-OP for publication purposes.

\_\_\_\_\_  
Signature – Authorized Company Contact

\_\_\_\_\_  
Print Name – Authorized Company Contact

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date