

Investment Co-op Loan Application

Are you ready to apply for support from the Investment Co-op? Then it is time to complete our application! The 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 us understand your vision and assess your business readiness.

There are three ways to submit your application:

1. Online at: <http://www.communityinvestmentcoop.ca/apply-for-a-loan/>
2. Email to info@communityinvestmentcoop.ca
3. Mail to Box 548, Creston BC, V0B 1G0.

IMPORTANT NOTES:

- Please do read carefully through the Application Guide that accompanies the form. It outlines the process ahead, and explains the terms of our lending.
- While we do not need your complete business plan at this point, we do need enough detail to make an informed decision as to whether or not your proposal warrants the thorough assessment of Phase II of the application process. Please answer thoughtfully. The better we understand what you want to do, the more able we will be to invest in you and your business dream.
- Our questions fit nicely into two pages. Your answers may not, so please use additional sheets as needed, and number your answers to correspond with the question. Alternatively, you may download the form as a fillable Word document from our website at www.communityinvestmentcoop.ca .

Investment Co-op – Loan Application Guide

The Community Investment Co-op (CIC) aims to direct investment capital from local residents into local ventures with community impact. Projects which clearly show how they will positively contribute to the enrichment of the economy, social issues, environmental goals and/or the agriculture sector 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 CIC 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 CIC Application Form 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 education 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
- 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 CIC. Applicants that do not meet our criteria will be directed to suitable business development organizations and resources, to assist in strengthening their business concept.

INVESTMENT CO-OP – Loan Terms

Amount	<ul style="list-style-type: none"> • minimum loans are \$2,000 • loans greater than \$100,000 will be discussed on a case by case basis
Type of loan	<ul style="list-style-type: none"> • term loan: 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.
Interest rate	<ul style="list-style-type: none"> • interest rates start at prime plus 3.5%, locked in at the time of funding • higher interest rates may be charged based on the risk of the venture
Amortization	<ul style="list-style-type: none"> • term loans will range from 12 to 60 months • your loan will be reviewed after two years
Personal equity investment	<ul style="list-style-type: none"> • 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) • 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) • <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)
Reporting	<ul style="list-style-type: none"> • work with a mentor from the CIC • provide quarterly updates on your venture to the CIC • submit annual financial statements to the CIC
Other terms	<ul style="list-style-type: none"> • loan payments are due each month, based on your personalized payment schedule • term loans are “open,” which means you can make an additional payment at any time without a pre-payment penalty • you are eligible for two payment postponements on your term loan per borrowing year: <ul style="list-style-type: none"> ○ you must request a postponement at least five business days before the payment date ○ there is an administrative fee of 10% of the postponed payment ○ 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
Mentorship	<ul style="list-style-type: none"> • CIC will facilitate mentoring by appropriate directors, advisors or other specialists to help assure success in your venture • 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

INVESTMENT CO-OP – Loan Application Form

CONTACT INFORMATION	
Legal business name:	Business location and mailing address:
Contact name(s):	Names of those in management roles:
Phone/Cell:	How did you hear about us?
Fax:	Website:
ABOUT YOUR VENTURE	
Concisely describe your venture, and tell us what will set your business apart so it will be valued by or attractive to customers.	
What is your venture's 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 this project is important to you personally.	
What experience and/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:	

FINANCING NEEDS

What is the total amount 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).

When do you need the financing? (month, year)

How long will you require financing? (1-5 yrs)

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

As you know, the Co-op hopes to have positive impact in the community through the dollars it invests, and has identified some key areas. Tell us how your venture can have impact in any of the following, and/or in other ways:

- contributing to the economic health of Creston & District
- improving a social issue(s) in Creston & District
- advancing environmental sustainability in Creston & District, and/or
- enhancing the local agri-food sector in Creston & District.

1. How many jobs will be created after your new plans are in effect? (direct and indirect jobs)

Business Consent Form

The Community Investment Co-op (CIC, or the CO-OP) is accepting applications from local ventures with community impact. The 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 CIC Investment Committee acknowledges the information you share, written or verbally, is private information and will be kept confidential as outlined in the CIC 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 CIC**
- 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 Community Investment Co-op's 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 CIC for publication purposes.

Signature – Authorized Company Contact

Print Name – Authorized Company Contact

Company Name

Date

CDCI CO-OP – Due Diligence & Next Steps

After review of your CIC Loan Application, our Investment Committee will provide feedback on your application.

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

- Business plan
- 2 year financial projections (including CIC 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)
- 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 CIC's Investment Committee has completed proper due-diligence, the next steps are:

- Formal notification by the CIC 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.

