SUBCHAPTER 3 – GUIDELINES

This program provides loans to nonprofit local and regional development corporations (LDC) for the purchase of land for industrial parks, industrial park planning and development, and the construction or improvement of speculative buildings or small business incubator facilities. Loan terms vary depending on the purpose of the loan and the Authority requires a first mortgage on the project assets. Industrial park loans cannot exceed 80% of the appraised fair market property value.

Applications for financing must be received by VEDA at least three weeks prior to the next scheduled monthly meeting of the Authority in order to be heard at that meeting. Applicants are advised to discuss their proposed project with the VEDA Staff prior to submitting an application, which must include written commitments from all other lenders involved in the project.

1 SUMMARY PAGE

a. Name of LDC applicant, address and telephone number
b. Project costs:
   1. Land
   2. Land improvements
   3. Building
   4. Machinery and equipment
   5. Professional fees (lawyers, accountants, architects, etc.)
   6. Other (contingency, construction interest, etc.)
   7. Total
c. Amount and source of funds (include terms and interest rates of loans):
   1. Bank
   2. VEDA
   3. Public agency (SBA, Municipality, etc.)
   4. LDC
   5. Tenant
   6. Total
d. Brief project description (See Section 2)
e. Available collateral other than project assets
f. Name, title and telephone number of individuals who prepared this application
g. Name, title and telephone number of individual who prepared this application
h. Name and address of individual who will be the primary contact with VEDA (if different than f.)
i. Name and address of registered agent (legal representative for notification purposes) in Vermont
j. Signature and title of applicant; date of application

2 PROJECT DESCRIPTION

Described what is to be purchased or built with funds borrowed from VEDA. This exhibit should include, but need not be limited to:

a. Legal description of land and building, physical description with diagrams and/or blueprints. Include purchase and sales agreement for land and/or building to be acquired (if applicable) and/or construction estimates.
b. Appraisal of real property to be purchased or constructed performed by an appraiser acceptable to the Authority.
c. Appraisals of any other assets offered as collateral, performed by an appraiser as above.
d. Provisions for all utilities.

3 TENANT INFORMATION

If the project funds will be used to construct or improve a facility for specific tenant(s) or end-user(s), supply the following information about each tenant:

a. A lease or letter of intent between the LDC and each tenant
b. Narrative of business or corporate history
c. Business plan including discussion of:
   1. Size and character of past, present and future markets for the business’ products
   2. Principal competitors and their market shares
   3. Competitive advantage (e.g., price, performance, delivery, service, etc.)
   4. Marketing plan
   5. Production plan
   6. Management structure including key personnel
d. Financial information, including:
   1. CPA prepared financial statements for the past three years including income statements, balance sheets and statements of sources and uses of funds with associated footnotes.
2. If the tenant is a subsidiary of, or affiliated with another corporation, supply financial statements for the parent corporation or affiliate for the last three years.

3. Projected income and cash flow statements and balance sheets for the present fiscal year and three years forward. Start-up or development stage businesses should also provide a monthly cash flow statement for the first year or until the business is projected to reach breakeven. List all material assumptions included in the projections.

4. Personal financial statements for all principals with ownership equal to or greater than 20% of the business.

e. Sources and terms of funds to be borrowed for other than VEDA-financed assets, including working capital financing

f. Banking relationships
   1. Loan officers
   2. Types and terms of loans

g. Details of any bankruptcy, receivership, compromises with creditors, any pending litigation, criminal charges or criminal convictions other than minor motor vehicle violations, against the company, officers, directors or principal stockholders. If none, include a statement to that effect.

4 MARKETING PLAN

If project funds are to be used to develop an industrial park, supply the following:

a. Assessment of the need for the park in the area, including the existence of competitive properties and the demand for new industrial sites.

b. Evidence that the proposed site is feasible as a location for business in terms of the adequacy of labor supply, transportation access and the project’s compatibility with local and state environmental, planning and zoning regulations.

c. Strategy for marketing the park property, including a discussion of prospective tenants and projected land sale prices.

d. Plan for meeting projected expenses and debt service during the development/marketing phases.

If the project involves development of a small business incubator facility, supply the following:

a. Assessment of the need for the incubator facility in the area, including a comparison of proposed lease rates with prevailing local occupancy costs.

b. Evidence of LDC’s ability to operate a successful incubator facility, including plans for marketing and managing the property and meeting projected expenses and debt service during the construction/marketing phases.

5 PROJECT TIMETABLE

Timetable for completion of project.

6 LOCAL APPROVAL FORM

VEDA Form 4A

Findings of Planning Commission, Board of Selectmen or other appropriate body (required only if this project includes the construction or renovation of real property).

7 PROJECT PLANS COMPLY CONFIRMATION

VEDA’s enabling legislation limits financing for real estate projects to those which are able to establish compliance with applicable local and state environmental, zoning, planning and sanitary laws and regulations. The submission of an application for VEDA financing constitutes a representation that, to the best of the borrower’s knowledge, the project and its plans will comply with all such laws and regulations. Prior to or contemporaneous with closing of a transaction, evidence such as an opinion of legal counsel or an engineer’s or architect’s certificate, as appropriate, shall be submitted establishing final project plan compliance with applicable laws and regulations.

8 EMPLOYEE COMPENSATION AND BENEFITS

In an attempt to gather more in-depth and accurate information on job creation, we request that the borrower provide certain information for each tenant to assist VEDA in ascertaining its impact on and value to the Vermont economy. We understand that projected employment data is difficult to predict and that future employment data may not meet projections, but request that the borrower make a reasonable estimate of tenants’ future employment that corresponds to their current financial projections. (Please account for part-time employees on a full-time equivalent basis.)
Please complete the attached Employee Compensation and Benefits table for each tenant.

9 LENDER COMMITMENTS

Letters of commitment for funding from all other participating lenders, including banks and other institutions, the LDC and public agencies. Include copies of relevant resolutions of boards or committees, certified by the appropriate individuals.

10 LDC INFORMATION

a. Names and addresses of all officers and directors of the corporation, their occupations, background and experience with projects of this kind.
b. Balance sheets, income statements and sources and uses of funds statements of the corporation for the past three years.
c. Statement of the financial resources of the corporation, including its ability to raise money in the community and to borrow money.
d. Copy of articles of association certified to by the Secretary of State.
e. Copy of by-laws certified to by the secretary of the corporation.
f. Description of involvement in any previous VEDA Subchapter 3 projects.
g. Please provide DUNS Number and e-mail address.
   http://fedgov.dnb.com/webform

   Exhibit 10 may be omitted if this information has been submitted to the Authority within the past 12 months and there have been no changes in the interim.

11 CERTIFICATE OF AUTHORITY TO DO BUSINESS IN VERMONT

If the tenant or tenants are domiciled out-of-state, include a certificate of authority to do business in Vermont for each.
# Employee Compensation and Benefits

<table>
<thead>
<tr>
<th></th>
<th>Before Project (at time of application)</th>
<th>Within 3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td># of full-time hourly employees</td>
<td>_______________</td>
<td>_______________</td>
</tr>
<tr>
<td>Average hourly wage <em>without</em> benefits:</td>
<td>$__________/hr</td>
<td>$__________/hr</td>
</tr>
<tr>
<td>Average hourly wage <em>with</em> benefits:</td>
<td>$__________/hr</td>
<td>$__________/hr</td>
</tr>
<tr>
<td># of salaried employees:</td>
<td>_______________</td>
<td>_______________</td>
</tr>
<tr>
<td>Average annual salary <em>without</em> benefits:</td>
<td>$__________/yr</td>
<td>$__________/yr</td>
</tr>
<tr>
<td>Average annual salary <em>with</em> benefits:</td>
<td>$__________/yr</td>
<td>$__________/yr</td>
</tr>
<tr>
<td>Employee benefits as % of total payroll:</td>
<td>____________%</td>
<td>____________%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY_____</th>
<th>FY_____</th>
<th>FY_____</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total payroll last three years:</td>
<td>$_________</td>
<td>$_________</td>
</tr>
</tbody>
</table>

Please describe benefits offered to employees:

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

__________________________________________________________________________
(To be completed by Municipal Planning Commission, Town Board of Selectmen or other appropriate municipal entity.)

Name of Board or Commission ____________________________

Description of Proposed Project or Industrial Park ____________________________

Municipality in which Proposed Project or Industrial Park is to be located ______________

_________________________________________________________________________

_________________________________________________________________________

The undersigned ________________________________________________________

of the City / Town of __________________________, Vermont, after a study of the proposed project site, a review of municipal ordinances and applicable land use plans and a general study of the effects of the Proposed Project or Industrial Park upon the municipality and region in which it is to be located, herewith submit the following findings at the request of the Vermont Economic Development Authority:

1. That the Proposed Project or Industrial Park (will) (will not) violate existing zoning ordinances, regulations or local land use plans, and will be located in a district zoned ____________________________.

2. That the Proposed Project or Industrial Park (is) (is not) in accord with a duly adopted municipal land use plan.

3. That the Proposed Project or Industrial Park (will) (will not) involve unusual costs to the community.

   If affirmative – estimate costs:

   Water Mains $__________________ Street Extension $__________________
   Sewer Mains $__________________ Other costs (itemized) $__________________

4. That the Proposed Project or Industrial Park (is) (is not) in the best interests of the community for the following reasons and (is) (is not) supported/approved by the above Board/Commission:

_________________________________________________________________________

_________________________________________________________________________

Date: ____________________ Signatures: ________________________________

_________________________________________________________________________

_________________________________________________________________________
APPLICANT CERTIFICATION

I / We hereby certify that the information contained in our application for funding from the Vermont Economic Development Authority or any of its component units dated __________________________ is complete and accurate to the best of my/our knowledge, and authorize all inquiries deemed necessary to verify the accuracy of the information I/we have and will provide in connection therewith.

______________________________________________  ________________________
Applicant        Date

______________________________________________  ________________________
Applicant        Date

______________________________________________  ________________________
Applicant        Date
<table>
<thead>
<tr>
<th>Section A: Financial Condition as of Date</th>
<th>Asset</th>
<th>Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Net Worth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent Liabilities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Section B: Statement of Financial Condition of | | |
|------------------------------------------------|---|
| Date                                           |   |

| Section C: Personal Information | | |
|---------------------------------|---|
| Name                             |   |
| Address                          |   |

| Section D: Verification | | |
|-------------------------|---|
| Date                   |   |

Important: Read these directions before completing this form. If you are applying for individual credit in your own name and are relying on income from children, child support, or separate maintenance, or the income or assets of another person, complete Sections 3, 4, and 5 only if the income or assets of the other person are included in the income or assets of your original household. Separate information in Section 2 about the income or assets of the other person, whose income or assets were not included in the original household, must be provided here. If you are not applying for individual credit in your own name or if you are not relying on income from children, child support, or separate maintenance, you need not complete Sections 3, 4, and 5.
SCHEDULE A - CASH, CHECKING AND SAVINGS ACCOUNTS, CERTIFICATES OF DEPOSIT, MONEY MARKET FUNDS, ETC.

<table>
<thead>
<tr>
<th>Name of Financial Institution</th>
<th>Type of Account</th>
<th>Owner (J)</th>
<th>If Pledged, to Whom?</th>
<th>Balance</th>
</tr>
</thead>
</table>

SCHEDULE B - U.S. GOVERNMENT & MARKETABLE SECURITIES (Use additional sheet if necessary)

<table>
<thead>
<tr>
<th>Number of Shares or Face Value of Bonds</th>
<th>Description</th>
<th>In Name of</th>
<th>Are these Registered, Pledged, or Held by Others?</th>
<th>Market Value</th>
<th>Exchanges Where Traded</th>
</tr>
</thead>
</table>

SCHEDULE C - NON-MARKETABLE SECURITIES (Use additional sheet if necessary)

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Description</th>
<th>In Name of</th>
<th>Are these Registered, Pledged, or Held by Others?</th>
<th>Value</th>
<th>Method of Valuation</th>
</tr>
</thead>
</table>

SCHEDULE D - INVESTMENTS IN REAL ESTATE (Use additional sheet if necessary)

<table>
<thead>
<tr>
<th>Description/Location of Real Estate Investment</th>
<th>(J)</th>
<th>Date of Original Investment/Amount</th>
<th>% Owned By You</th>
<th>Market Value of Your % of Investment</th>
<th>Present Balance</th>
<th>Monthly Payment</th>
<th>Mortgage Maturity Date</th>
<th>Mortgage Owed To</th>
</tr>
</thead>
</table>

SCHEDULE E - LIFE INSURANCE CARRIED, INCLUDING GROUP INSURANCE

<table>
<thead>
<tr>
<th>Name of Insurance Company</th>
<th>Owner of Policy</th>
<th>Beneficiary and Relationship</th>
<th>Face Amount</th>
<th>Policy Loans</th>
<th>Cash Surrender Value</th>
</tr>
</thead>
</table>

SCHEDULE F - VESTED INTEREST IN DEFERRED COMPENSATION/PROFIT-SHARING PLANS

<table>
<thead>
<tr>
<th>% Vested</th>
<th>Company Name</th>
<th>Account Number</th>
<th>Manner of Payout (Annuity, Lump Sum, etc.)</th>
<th>Distribution Date</th>
<th>Beneficiary</th>
<th>Amount</th>
</tr>
</thead>
</table>

SCHEDULE G - BUSINESS VENTURES (Use additional sheets if necessary)

<table>
<thead>
<tr>
<th>List Name and Address of Any Business Venture In Which You Are a Principal or Partner</th>
<th>Your Position/Title in the Business</th>
<th>Line of Business</th>
<th>Years in Business</th>
<th>Total Assets Listed in Section 3</th>
<th>Your % of Ownership</th>
<th>Net Worth of Business</th>
<th>Present Net Value of Your Investment</th>
</tr>
</thead>
</table>

SCHEDULE H - LOANS OWING BANKS, BROKERS, FINANCE COMPANIES, AND OTHERS (MASTERCARD, VISA, ETC.)

<table>
<thead>
<tr>
<th>Owing to (Acct. No.)</th>
<th>(J)</th>
<th>Date of Original Borrowing/Amount</th>
<th>Present Balance</th>
<th>Due</th>
<th>Monthly Payment</th>
<th>Date of Final Pay't</th>
<th>Secured by</th>
</tr>
</thead>
</table>

The information contained in this statement is provided to induce you to extend or to continue the extension of credit to the undersigned or to others upon the guaranty of the undersigned. The undersigned acknowledges and understands that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guaranty thereof. Each of the undersigned represents, warrants, and certifies that (1) the information provided herein is true, correct and complete and gives a correct and complete showing of the financial condition of the undersigned, (2) the undersigned has no liabilities direct, indirect or contingent except as set forth in this statement, and (3) legal and equitable title to all assets listed herein is in the undersigned's sole name, except as may be herein otherwise noted. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this statement should be considered as a continuing statement and substantially correct. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein, and to determine the credit-worthiness of the undersigned and the undersigned hereby authorizes all persons of whom you make such inquiries to respond thereto in full. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned.

Date signed __________________________ Signature (individual) __________________________

Date signed __________________________ Signature (other party) __________________________

RMA C-100-T 1991

Bankers Systems, Inc., St. Cloud, MN. Form C-100-T 9/19/97