



Loan Fund Application

Powder River Energy Economic Development Program

The primary purpose of "Powder River Energy's Economic Development Program" is to provide a conduit for economic development funds for projects at the local level in northeastern Wyoming.

General Guidelines

A. Authority

The Board of Directors of Powder River Energy has sole authority for approval or denial of loans for economic development projects.

B. Fund Sources

Sources of funds may be Federal in the form of loans and grants. Sources of funds may be non-Federal in the form of subsequent loans from the Revolving Loan Fund, or sources such as the Basin Electric Power Economic Development Fund. Lending parameters and application processes will comply with applicable regulations.

C. Eligible Projects Non-Federal Funds

Eligible projects for non Federal funds can include any business venture, governmental public body, or nonprofit entity involved in a community or economic development project that promotes job creation and/or provides needed community services that benefit rural areas.

D. Loans will not be used:

1. To fund or assist privately owned projects of which any Powder River Energy director, Chief Executive Officer, Chief Financial Officer, or Vice President, or close relative thereof, is an owner, stockholder, partner or director, or which would in the judgment of the Powder River Energy board, create a conflict of interest or the appearance of a conflict of interest.
2. For the purposes of refinancing or paying off an existing debt.
3. For projects without supplemental financing of at least 20%. Greater leveraging of outside resources enhances the chances for approval of loan requests.
4. For activities which, in the opinion of the Powder River Energy Board of Directors, adversely affect the program interests.
5. For general improvement loans related to normal replacement needs of a business and unrelated to business expansion/job creation.

E. Collateral

Necessary collateral will be determined by the Powder River Energy Board which may include an acceptable irrevocable letter of credit, or equivalent guarantees that extends to the term of the loan.

F. Loan Monitoring

1. Loan monitoring will be conducted in order to ensure that loan proceeds are utilized as identified in the application and that the benefits of the project are accomplished.
2. The successful applicant will submit income statements and balance sheets to Powder River Energy upon request. Powder River Energy reserves the right to require submission of annual financial reports as audited by a CPA.
3. Company progress reports may also be required by Powder River Energy. These reports may include information concerning the number of jobs created, accomplishments since the last report, summary of problems, delays, or adverse conditions which would materially affect the attainment of planned project objectives.
4. Powder River Energy or its agents will conduct onsite visits during the construction process and as needed.

G. Application Instructions

1. An application for funds under this program must be completed on the official application form and mailed to Powder River Energy's CEO at the address on the application. The application can be downloaded at the same location where you linked to this page.
2. Incomplete applications will be rejected.

Agreement

I. Basic Information

Name of Business/Project: _____ Year Started: _____

Address: _____

City/State: _____ Zip code: _____

Business Contact Person: _____ Phone: _____

Email: _____

Other contact(s)/application assistance providers:

Name: _____ Phone: _____

Name: _____ Phone: _____

Name: _____ Phone: _____

Type of Business:

Sole Proprietorship

Corporation

Partnership

Government Entity

Non-Profit

Other

(specify) _____

Has the proposed borrower or key personnel of the proposed borrower ever filed personal or corporate bankruptcy?

Yes No

If yes, please provide an explanation on a separate sheet.

Are there any pending or final disciplinary or legal actions against the proposed borrower, key personnel or proposed borrower or guarantors, of the proposed borrower? Yes No

If yes, please provide an explanation on a separate sheet.

SUNDANCE – CORPORATE HEADQUARTERS

221 Main Street • P.O. Box 930 • Sundance, WY 82729
(800) 442-3630 Phone • (307) 283-3527 Fax

GILLETTE

200 S. Garner Lake Road • Gillette, WY 82718
(800) 442-3630 Phone • (307) 682-0733 Fax

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1095 E. Brundage Lane • Sheridan, WY 82801
(800) 442-3630 Phone • (307) 674-9018 Fax

www.precorp.coop

Powder River Energy Corporation is an equal opportunity provider and employer.

II. Nature of the Loan Request

Amount of loan request \$ _____ Total project cost \$ _____

Number of existing jobs _____ Number of jobs created _____

*Term (yrs) of Loan Requested _____ Number of jobs retained _____

*Maximum loan term guidelines: 10 years for buildings and real estate, 5-7 years or depreciable life for equipment

III. Sources and uses of proposed financing

Purposes for which funds are to be used:

	PREC	Bank #1	Bank #2	Other #1 (Specify)	Other #2 (Specify)	New Equity
Property Acquisition	_____	_____	_____	_____	_____	_____
Site Improvements	_____	_____	_____	_____	_____	_____
Building Renovation	_____	_____	_____	_____	_____	_____
New Construction	_____	_____	_____	_____	_____	_____
Machinery & Equipment	_____	_____	_____	_____	_____	_____
Working Capital	_____	_____	_____	_____	_____	_____
Inventory	_____	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____

IV. Financing Terms and Conditions

	PREC	Bank #1	Bank #2	Other #1 (Specify)	Other #2 (Specify)	New Equity	Total
Amount	_____	_____	_____	_____	_____	_____	_____
% of Project Costs	_____	_____	_____	_____	_____	_____	_____
Terms (years)	N/A	_____	_____	_____	_____	_____	_____
Interest Rates	N/A	_____	_____	_____	_____	_____	_____
Debt Service Mo. Prin. & Int.	N/A	_____	_____	_____	_____	_____	_____

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Collateral offered and Lien Position: Please attach separate sheet

Participating Bank 1: _____

Contact Person: _____ Phone: _____

Participating Bank 2: _____

Contact Person: _____ Phone: _____

Other Source 1: _____

Contact Person: _____ Phone: _____

Other Source 2: _____

Contact Person: _____ Phone: _____

V. Business Plan Outline

A. History and Description of Business

1. Description of the creation of the company and its historical operation.

B. Market Analysis and Strategy

1. Description of current customers and target markets (provide verification of purchase orders, contracts, etc., which relate to reasons for the loan request)
2. Description of competitors
3. Description of suppliers
4. Analysis of product pricing
5. Description of distribution
6. Description of advertising and sales

C. Products

1. Description of product line
2. Proprietary position of patents, copyrights, legal and technical considerations
3. Comparison to competition

D. Manufacturing Process

1. Materials
2. Production Methods

E. Financial Projections

1. Monthly Cash Flow Analysis for Next 12 Months
2. Profit and Loss Statement: last three years and current quarter, plus two-year projection
3. Balance Sheet: last three years and current quarter, plus two-year projection

F. Schedule of Existing Business Debt

Including to whom owed, original amount, outstanding balance, interest rate, term, maturity date, statement of whether the loan is current, and all collateral pledged on the existing debt.

G. Statement of Proposed Collateral

A detailed list of all collateral offered for non-PRECorp funding sources, including its value, and security position by funding source.

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H. Resumes and Personal Financial Statements

Include resumes of all principals as well as current, dated, and signed personal financial statements on all principals defined as 15% or more financial interest in the business.

I. Commitment Letters

Include commitment letters from banks or other financing resources that state the amount and terms and conditions of their participation. Also, commitment letters for irrevocable letter of credit or equivalent guarantee in the amount of proposed financing from PRECorp.

J. Affiliates

Description of any facilities or subsidiaries of the business or the principals requesting assistance and balance sheets and income statements for the past two fiscal years on such affiliates or subsidiaries.

K. Appraisals, Proposed Leases, Purchase Options, or Agreements

An independent appraisal will be required for any real estate which is a subject of the proposed financing or which is offered as a major source of collateral to secure the loan. Also include copies of existing or proposed leases; purchase options, or agreements; and any other financial arrangements.

L. Partnership Certificate of Authorization or Corporate Certificate of Authority and Incumbency

Include minutes of the corporate meeting adopting this certification, where applicable.

VI. Other Required Documents

1. Copy of business income tax statement for previous three years.
2. Copy of personal income tax statement from principals for prior year.
3. Evidence of payment of most recent quarterly payroll tax.
4. Evidence of Worker's Compensation insurance coverage.

VII. Applicant Certification

I have willfully furnished this confidential information to PRECorp for the purpose of applying for a loan. I understand that PRECorp's board of directors and PRECorp staff will review this information. I further understand that this information will become available to the Loan Review Committee. I authorize PRECorp staff to be in contact with those individuals and institutions involved in the proposed project or listed on this application.

Applicant's Signature: _____ Date: _____

VIII. Submission

Submit original and two copies to:
Powder River Energy
CEO - Loan Fund Application.
PO Box 930
Sundance, WY 82729-0930