



BUSINESS PLAN COMPONENTS

Committed to the Future of Rural Communities

Biorefinery Assistance Program Guaranteed Loans – information from the application guide.

Submit a business plan that describes clearly presents the information requested. Any or all of the requirements in the business plan may be omitted if the information is included in the feasibility study.

Ownership Structure and Management

Describe the Borrower's ownership structure and management, Including experience and succession planning, Discuss, if applicable, the Borrower's parent, affiliates, and subsidiaries, including their names and a description of the relationship.

Operation of Proposed Project

Discuss how the Borrower will operate the proposed project. In this discussion, address each of the following elements:

- The business and its strategy;
- Possible vendors and models of major system components;
- The products and services to be provided;
- the availability of the resources (e.g., labor, raw materials, supplies) necessary to provide those products and services;
- site location and its relation to product distribution (e.g. rail lines or highways) and any land use or other permits necessary to operate the facility; and
- the market for the product and its competition, including any and all competitive threats and advantages.

Financial Statements

Pro forma financial statements, Including balance sheet and income and expense for a period of not less than 3 years of stabilized operation and cash flows for the life of the project.

Use of Funds

Describe the proposed use of funds.

Progress Reports

During construction, the Lender will:

- submit quarterly construction progress reports
- including a copy of the resident inspector's report, to the Agency.
- The quarterly construction reports will contain, at a minimum –
 - Construction milestone attainment
 - Loan advances, and
 - Personnel hiring, training, and retention.
- Each report will explain the reason(s) for any significant variance(s) during the quarter and likely impact on the project going forward.

At all times, from receipt by the Agency of an Application, until the Guaranteed Obligation is fully re-paid, the Lender will be obligated to inform the Agency expeditiously of any condition having, or potentially having, a material adverse effect on either the project or the ability of the parties to carry out their obligations.

The Agency reserves the right to require submission of additional information as it deems necessary.

From the definition in the NOFA published 11-20-08

Business Plan – a comprehensive document that:

- 1) Describes clearly the borrower's ownership structure and management, including experience and succession planning;
- 2) Discusses, if applicable, the borrower's parent, affiliates, and subsidiaries, including their names and a description of the relationship;
- 3) Discusses how the borrower will operate the proposed project, including, at a minimum, a description of:
 - (i) The business and its strategy;
 - (ii) Possible vendors and models of major system components;
 - (iii) The products and services to be provided;
 - (iv) the availability of the resources (e.g. labor, raw materials, supplies) necessary to provide those products and services;
 - (v) Site location and its relation to product distribution (e.g., rail lines or highways) and any land use or other permits necessary to operate the facility; and
 - (vi) The market for the product and its competition, including any and all competitive threats and advantages;
- 4) Presents pro forma financial statements, including:
 - (i) Balance sheet and income and expense for a period of not less than 3 years of stabilized operation, and
 - (ii) Cash flows for the life of the project; and
- 5) Describes the proposed use of funds.