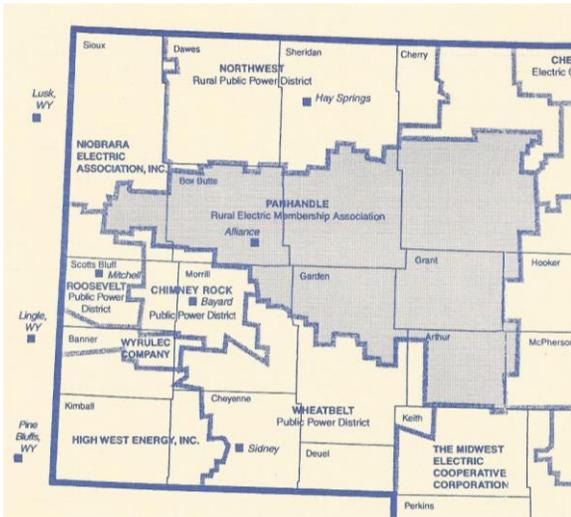


PREMA Territory Map for Funding



Panhandle Rural Electric Membership Association (PREMA) actively participates in the development of rural communities in its area. By establishing a Revolving Loan Fund (RLF), PREMA plans to further enhance the economic climate of the area by helping finance projects that lead to the creation of jobs and long-term employment for rural residents, and sustained economic growth in the area.

PREMA Revolving Loan Fund

Economic Development
Financial Assistance



Box Butte Development Corp.

305 Box Butte Ave
Alliance, NE 69301
Phone: 308.762.1800
Fax: 308.762.4919
Chelsie.Herian@bbc.net



RLF Eligibilities

Types of Projects to be funded:

- Medical or other emergency facilities
- Training and educational facilities
- Community infrastructure
- Small business startup projects
- Small business expansion projects
- Business incubators
- Commercial or Industrial Development

Applications for loans will be accepted for projects located within the PREMA service territory in Western Nebraska. The approval of any loan, however, will not be conditioned upon a requirement that the prospective loan recipient purchase electric service from PREMA.

Loan Criteria

Loans may fund:

- The purchase of real estate or equipment
- Speculative buildings
- Industrial park development
- Working capital
- Community based projects
- Expansion of existing businesses and industry
- Attraction of new businesses

Loans from the RLF shall not be used to pay for project costs that have incurred prior to approval of the loan; for projects that primarily involve the purchase of an established business; or general improvements including normal replacements for an existing business, whereby the projects do not create new economic development and job opportunities in rural areas.

Loan Guidelines

PREMA's RLF will not be used to compete with local lending agencies, but rather the RLF will work in partnership with other public and private lenders to compile the financial package necessary for projects that create jobs and wealth in rural areas.

The minimum RLF loan will be **\$20,000.00** and the maximum RLF loan will be **\$150,000.00**, based upon the available balance in the revolving loan fund account. The amount of the loan will not exceed 70% of a project's debt structure.

Method of Disposition

RLF funds will be disbursed to successful applicants after all terms and conditions of the loan agreement have been met. This includes execution of all loan and security agreements, proof that supplemental financing has been received or committed, and submission of all other documents required by the RLF.

Loan Monitoring Procedures

All RLF loans will be monitored to confirm that projects are complying with the terms and conditions of the RLF loan requirements, and that loan proceeds are being used as identified in the application. Periodically certain financial documents may be requested from the borrower, such as audited financial statements.

APPLICATION PROCESS

1. Request a meeting with BBDC Staff to determine eligibility.
2. Applications will be accepted at BBDC's office during normal business hours. BBDC staff will review applications for eligibility and completeness and will inform applicants if a project is not eligible for an RLF loan or if more information is needed to complete the application.
3. The LRC will analyze each project and submit a written recommendation to PREMA's board of directors.
4. PREMA's board of directors will review the RLF loan application and LRC recommendation at their regularly scheduled board meeting.
5. The applicant will be notified of the decision made on the loan application by PREMA's board of directors.
6. For approved loans, a loan agreement that addresses all of the terms and conditions of the loan will be prepared and a time for the Closing will be arranged.

***Return Application to 305 Box Butte Ave, Alliance, NE 69301*