

**BUSINESS FINANCIAL NARRATIVE**  
 (Confidential – For Review by CalRecycle Loan Staff  
 and Loan Committee Members Only)

**Instructions:**

- Provide a response to each of the items below.
- OPTIONAL: CalRecycle loan staff may be able to spread your business financial statements, to assist you in your response to the questions below. To request this service, send an email to: [Loans@CalRecycle.ca.gov](mailto:Loans@CalRecycle.ca.gov)

**1. CHARACTER** (Borrower skills, knowledge, abilities, education, work experience)

Loan Request

Describe the loan request and the specific use of loan funds.

Enter text here:

Business Overview

Describe how and when the business started, the business purpose, and future direction and significant events; Changes in ownership and/or top management, etc.

Enter text here:

Related Business Entities

Describe the role and ownership of related entities, such as parent or subsidiary businesses, the reporting and ownership structure, intercompany transactions, etc.

Enter text here:

Ownership and Management Team

Complete the table below and describe the ownership structure and management team experience. Include resumes.

Enter text here:

<b>Ownership and Management Team</b>	<b>Ownership Percentage</b>	<b>Title</b>	<b>Guarantor (Yes/No)</b>	<b>Signer on the loan documents (Yes/No)</b>

Legal Counsel

Provide the contact information for your legal counsel.

Enter text here:

Loan Document Authorized Signors

List the names and titles of persons authorized to sign loan documents

Enter text here:

CalRecycle Loan/Grant History

Describe past CalRecycle loans and grants, if any.

Enter text here:

Business Credit Report

CalRecycle will obtain a Dun &Bradstreet report on the loan applicant and related business entities. Describe any concerns or information that might be on the report that you are aware of.

Enter text here:

Management Succession Plan

Describe the applicant's management succession plan, in the unlikely event that the owner(s) or a key management person will not be able to perform their function.

Enter text here:

Key Man Life Insurance

CalRecycle typically requires key man life insurance on all owners of 20-percent or more, and may ask for life insurance on other key managers. Describe what life insurance will be offered.

Enter text here:

Exit Strategy

Describe the applicant's Exit Strategy.

Enter text here:

Business Credit Check Authorization and Questionnaire (CalRecycle 821)

The Business Credit Check Authorization and Questionnaire form has been prepared and is attached to this Financial Narrative.

Business Formation and Organizational Documents

The applicant's business formation and organizational documents are attached to this Financial Narrative, as listed in the GHG Application Checklist (CalRecycle 854-GHG).

**2. CAPACITY OF THE BUSINESS (1<sup>st</sup> Source of Repayment)**

Project Physical Address – Leased or Owned

- Project physical is leased from unrelated party/parties
- Project physical address is leased from related party
- Project physical address is owned by the borrower

Project Site Description

Describe the project site, the size of the land, what structures are on it, the distance from feedstock sources, distance from customers, and the manufacturing facility amenities.

Enter text here:

Leased Property

Describe the terms of the lease. State the lease maturity date, the term of the lease must equal or exceed the term of the proposed loan. State if the landlord is willing to sign a Landlord's Consent to grant permission for CalRecycle staff to enter the site to inspect the loan collateral. Provide a copy of the signed lease agreement with this Financial Narrative.

Enter text here:

Owned Property

If the project site is offered as collateral for the proposed loan, state the current owners name and provide a copy of the Grant Deed or Title Policy.

Enter text here:

Environmental Reports

Describe environmental reports on the project site, especially reports of past or present contamination. Provide a copy of the most recent environmental report.

Enter text here:

Project Sources and Uses of Funds

Describe each source of project funds and the specific use of each fund, if the funds have been or when they will be received, and the role of each fund source. Describe how the loan applicant will meet the 25-percent fund match requirement. Use form

Project Budget Sources and Uses of Funds (CalRecycle 824) to support your comments.

**Financial Contact**

Provide the contact name, phone number, and email that CalRecycle loan staff can discuss the financial statement analysis questions, listed below in *italic font*.

Enter text here:

**Present Debt Obligations (CalRecycle 840)**

The Present Debt Obligations form has been prepared and is attached to this Financial Narrative.

**3. CAPITAL OF THE GUARANTOR (2<sup>nd</sup> Source of Repayment)**

**Business Guarantor(s)**

Provide the name and contact information for the person(s) who prepare the financial statements and tax returns.

Enter text here:

**Personal Guarantor(s)**

Provide the name and contact information for the person(s) who prepare the financial statements and tax returns. Prepare and attach the Personal Guarantor Financial Statement (CalRecycle 822) to this Financial Narrative.

Enter text here:

**Guarantor Personal Financial Statement (CalRecycle 822)**

The Guarantor Personal Financial Statement form has been prepared for each personal guarantor and is attached to this Financial Narrative.

**Guarantor Personal Credit Check Authorization (CalRecycle 821)**

The Guarantor Personal Credit Check Authorization form has been prepared for each personal guarantor and is attached to this Financial Narrative.

**4. COLLATERAL (3<sup>rd</sup> Source of Repayment)**

Collateral Description and Valuation (CalRecycle 836)

The Collateral Description and Valuation form has been prepared and is attached to this Financial Narrative. Note any comments that you want to convey to CalRecycle here.

Enter text here:

**5. CONDITIONS**

Permits

The loan applicant must provide copies of all major permits (land, air, water, and fire) to CalRecycle, ideally at the time of loan application or before the application is presented to the Loan Committee for consideration. If permits will not be available within these time lines, comment here.

Enter text here:

Loan Closing

The Closing Date shall occur on or before that date which is ninety (90) days from the date of Lender's approval of the Loan. Lender, in its sole discretion, may extend the Closing Date beyond said 90-day period, and shall notify Borrower in writing, of any such extension prior to the expiration of the date. Comment here if your project will not be ready for funding within 90-days of loan approval.

Enter text here:

Escrow Company

Loan funds are required to be disbursed into an escrow account. The borrower selects the escrow company and pays all related fees. With CalRecycle approval, the escrow company will disburse loan funds directly to each vendor. If the applicant has concerns about the escrow company requirement, comment here.

Enter text here:

Loan Application Checklist (CalRecycle 854-GHG)

The Loan Application Checklist has been prepared, all CalRecycle forms and borrower documents are attached to the Loan Application. Explain missing forms and documents, and state the date they will be provided to CalRecycle.

Enter text here: