EXHIBIT "A"

LOAN FUND GUIDELINES AND PARAMETERS GUIDELINES

Loan Fund Guidelines and Parameters

Loan Fund Purpose:

- Permanent Working Capital – includes start up expenses and inventory
- Equipment Acquisition
- Business Acquisition or Expansion
- Bridge Loans, Performance Loans and Enterprise Loans

Eligible Businesses:

- Individual Businesses
    1. Business Entities – Corporations, Partnerships, for-profit companies, non profit companies
    2. Sole Proprietorships

Loan Amount:

- $50,000 - $1,000,000 and $50,000 - $500,000 for start-up businesses

Loan Term:

- Up to 7 year terms (provides flexibility), loans may have longer amortization

Interest Rate:

- Variable rate to be determined by NLPWF/LWCRA
- A blended rate will be calculated for each transaction. The NLPWF portion of the loan will be set at LIBOR plus 500 points at minimum. The LWCRA portion will be at a rate from 1% - 5% as approved by the LWCRA

Loan Fees:

- A 2-4% origination fee for all loans, plus out of pocket expenses including, but not limited to title insurance, legal and recording fees.
- Enrollment in ACH program (Automatic payment withdrawal from checking account)

Collateral:

- Required for all loans
- UCC filing on all business assets, at a minimum
- Machinery, vehicles, real estate, inventory, etc.

Credit Parameters:

- No bankruptcies, repossessions in past 3 years
- No outstanding collections, charge offs

Credit Limits:

- Minimum FICO score of 600 is required and 640 on start-up businesses

Closing Requirements:

Loan Closing Checklist consists of the following:

- Signed Loan Recommendation approved by four committee members
- Signed Commitment Letter by borrower
- Loan Documentation (minimum)
    1. Promissory Note
    2. Security Agreement
    3. Personal Guaranty
    4. Loan Agreement
    5. Landlord's Waiver
    6. Lease Assignment
    7. Subordination Agreement

- Collateral Perfection
    1. Mortgage and Assignment of Rents Recorded at County Recorders office along with verification that prior positions are current. Title insurance required on all loans with real estate collateral
    2. UCC filed with the Secretary of State along with a detailed quipment list
    3. Title is taken to Department of Motor Vehicles where NLPWF is added as lien holder. A spare key is placed in the clients files along with a copy of current registration and insurance
    4. Other collateral to be secured as appropriate on a case by case basis
- Copy of Business lease
- NLPWF as loss payee on all insurance policies.

EXHIBIT "B"

LOAN REVIEW, SCREENING AND ORIGINATING

Loan Review, Screening and Originating

Loan Origination:

- NLPWF will screen potential borrowers to verify program eligibility

Underwriting: NLPWF shall underwrite applications for financing under the guidelines and parameters set forth in Exhibit "A" and under the following process

- Receive complete Loan package which should at them minimum include:

  For Businesses:

  I. Application – including corporate documentation (Articles of Corporation, Bylaws, Fictitious Business Name filing)
  II. Business Tax Returns – 2 years
  III. Business Financial Statements (Profit & Loss statement and Balance Sheet) – 2 years
  IV. Copy of Business lease
  V. On-year income and expense statement projections
  VI. Business/marketing plan

  For Personal:

  I. Personal Tax Returns, including K-1 and K-2 reconciliations – 2 years
  II. Personal Financial Statement
  III. Credit Authorization
  IV. Copy of Driver's License
  V. Verification of Incomes

- Review and analyze cash flow based on the financial information for both business and personal. Determine ability to service debt and compute DSC based on a combined business/personal available cash flow at a minimum of 1.2x and 1.25x for start-up businesses.

- Review and analyze the proposed security for a Loan, including an analysis of the proposed assets, both business and personal. Collateral will be based on real estate, automobiles that are less than 10 years old (without debt), inventory, equipment and machinery and other applicable personal property. A 1:1 coverage based on liquidation values will be required. Liquidation value, based upon book value of the asset, for collateral is listed below:

I. Real Estate – 80% of available residential real estate equity and 75% of available commercial real estate equity (if owner occupied).
II. Equipment and Machinery – 50%
III. Inventory – 20%
IV. Furniture and fixtures – 10%
V. Automobiles – trade-in value as found in Kelly Blue Book

- Type of Business/Length of time in business

- Job Creation

- Credit will be based on the pre-screening of the applicant
  I. No major negative events such as: bankruptcy, repossession or foreclosures
  II. No liens, outstanding collections (except in ordinary course of business), or judgments
  III. Satisfactory FICO (see guidelines and parameters).

- Personal Liquidity

- Perform due diligence for all applicants by conducting background checks and verifying all certifications, licenses and or permits required for the business.

- Complete feasibility analysis on each Loan package with shall include financial, market and credit analysis and determination of consistency with program objectives

- Provide a written funding recommendation in format approved by Loan Committee

Turn-around time for Loan applications: Loan applications will be processed on average, within two weeks of receipt of a completed Loan package. However, neither NLPWF nor LWCRA will be responsible for delays resulting from any lack of responsiveness of applicants when additional information is requested in reviewing their Loan request.

Loan Approval:

- All Loans will be reviewed and given initial approval by the NLPWF Chief Credit Officer and confirmed by the LWCRA representative. Subsequently, all loans will be approved by a Loan Committee consisting of at least two LWCRA members, the Director and a Board member, and other members as agreed to by NLPWF and LWCRA.

Marginally Qualified Applicants:

- NLPWF will refer marginally qualified applicants to Community Development Service Providers

Loan Closing:

- NLPWF will close and prepare closing documentation, including mortgages, UCC-1's vehicle registrations, and other required documentation, naming NLPWF as Lender.

- NLPWF will open required escrows and arrange for title insurance as needed

- NLPWF will provide LWCRA copies of all executed closing documents

- NLPWF will record all documents as necessary and perfect, as appropriate, all collateral after execution. NLPWF will, thereafter, maintain all original documents for their safekeeping either in a fire proof filing cabinet or a bank safety deposit box.

- NLPWF will book all Loans as per the loan approval; NLPWF will disburse funds in the form of controlled disbursements to the borrower as per Loan approval.

Loan Servicing:

- NLPWF will service all loans through mutually agreed upon loan servicing software and will provide LWCRA reports on a monthly basis

- NLPWF will distribute received funds received from borrower within 30 days of such receipt as set forth in this Agreement

- NLPWF will initiate collection action according to NLPWF's Risk and Compliance Policy, including phone call, site visits, late notices and default letters.