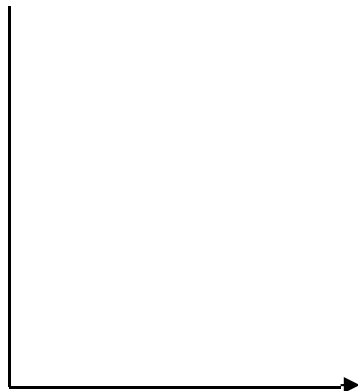


Making a Difference for Maine Communities

FINANCIAL APPLICATION

for Private Borrowers

Low-Interest Loans for



Drinking Water

Improvement

Projects

Kelley Wheeler, Program Officer

e-mail: kpw@mmbb.com

127 Community Drive, P.O. Box 2268, Augusta, Maine 04338-2268
1-800-821-1113 207-622-9386 Fax: 207-623-5359

MAINE MUNICIPAL BOND BANK

SRF - DRINKING WATER PROGRAM APPLICATION

FOR PRIVATE BORROWERS

Borrower Type: This application is designed for the purpose of obtaining financial information from private for-profit and non-profit entities including private water companies, associations, and other non-governmental entities.

Refinance: The Maine Bond Bank is significantly limited in its ability to refinance the debt of a private water system through the State Drinking Water Revolving Loan Program. Please call us immediately if you are, or think you may be, requesting funds to refinance existing debt so that we may discuss any available options.

Repayment Source: Loan applications and supporting financial information will be reviewed for evidence of a dedicated source of revenue that is sufficient to cover repayment of the proposed loan, plus all existing indebtedness and operating costs of the borrower. Where the dedicated source of repayment is anticipated to be an increase in existing user charges, please note that the approval of rates by the PUC must be in place prior to the execution of a binding loan agreement. **IT IS RECOMMENDED THAT RATE CASES BE FILED WITH THE MPUC AS SOON AS PRACTICABLE IN ORDER TO FACILITATE THE CLOSING OF THE LOAN IN ACCORDANCE WITH THE BORROWER'S TIMING NEEDS.**

DHHS Approval: Attached to the back page of this Application is a Project Authorization form to be signed by the Department of Health and Human Services. This Authorization must be completed and signed by DHHS before the Bond Bank can provide financing to the applicant. Before completing the application, please contact the SRF Project Manager at the DHHS --telephone number 207-287-5295-- to determine tentative project eligibility.

If DHHS determines the project is eligible, the applicant will complete the SRF - Drinking Water Program application and

- 1) Mail a copy and the blank Project Authorization form to: SRF Project Manager, Department of Health and Human Services, Division of Health and Engineering at 11 State House Station, Augusta, Maine 04333-0011.
- 2) Mail the original application and supporting documentation listed on the "Statement of Default" page of the Application to: Kelley Wheeler, SRF – Drinking Water Program Officer, Maine Municipal Bond Bank, 127 Community Drive, P.O. 2268, Augusta, Maine 04338-2268.

Once the project is approved, DHHS will forward the signed Project Authorization form to the Bond Bank. The Bond Bank will begin its review of the financing request once the Authorization is received.

Application Instructions: Line-by-line instructions to help you fill out the SRF - Drinking Water application are available. To obtain the most current version of the SRF - Drinking Water application and line-by-line instructions, please visit our website: www.mmbb.com. The application and instructions can be downloaded to your PC by using the Adobe Acrobat Reader. There is also an Excel fillable application on the website.

Careful completion of the application will contribute to quick processing of your loan request. Please bring to our attention any additional information that is not disclosed in the Application or the supporting documentation provided. If you have any questions or need help completing the application form, please call Kelley Wheeler at 1-800-821-1113 or 207-622-9386 (Augusta).

The undersigned water system hereby requests the Maine Municipal Bond Bank to purchase the following described obligation. This application shall not constitute a contract or commitment to enter into a contract.

GENERAL INFORMATION

Name of Applicant: _____

Mailing Address: _____

Physical Address: _____

Type of Unit: Water Company Association Other

	Chief Administrative Officer	Contact Person (<i>if different</i>)	Project Engineer
Name:	_____	_____	_____
Title:	_____	_____	_____
Telephone:	_____	_____	_____
Fax:	_____	_____	_____
Email:	_____	_____	_____
Mailing Address:	_____	_____	_____

Purpose of Borrowing: _____

Status of the Project:

Are the engineering specifications completed? Yes No

If no, what date will they be completed? _____ / _____ / _____

Have construction bids been awarded? Yes No

If no, what is the projected bid date? _____ / _____ / _____

Note: Attached to this application is a blank Project Authorization form. Please mail the form and a copy of the completed application to your SRF Project Manager at the Department of Health and Human Services.

Have you obtained all permits and authorizations required for this project? NOTE: DHHS technical staff will provide you with a list of the permits and authorizations needed for your project.

	Yes	No	N/A	Date Obtained	Date Expected
DHHS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____/_____/_____	_____/_____/_____
DEP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____/_____/_____	_____/_____/_____
U.S. Corp of Engineers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____/_____/_____	_____/_____/_____
Local Planning Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____/_____/_____	_____/_____/_____
Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____/_____/_____	_____/_____/_____
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____/_____/_____	_____/_____/_____

Are you applying as a disadvantaged community system? Yes No

Are there additional state or local approvals required? Yes No

What is the expected project completion date? _____ / _____ / _____

Do you have interim financing? Yes No

If no, do you need interim financing? Yes No

If you have interim financing, please provide the following information:

Amount	Maturity	Rate	Lender
\$ _____	_____/_____/_____	%	_____

GENERAL INFORMATION *(continued)*

Are any of the costs to be included in the loan for the refinance of an existing obligation? Yes No

* Private borrowers are not eligible to receive funding to refinance existing debt. If you checked yes on the question above, please contact the bank immediately to discuss possible options.

Has the water system's governing body approved this borrowing? Yes No

Authorized Amount: \$ -

Date Authorized: ___/___/___

NOTE: SRF Program issuance costs, from the table below, must be factored into the authorization amount, in addition to the other costs of construction.

A current listing of approved Bond Counsel can be found on our website under program information.

Bond Counsel: _____
 Telephone: _____ Fax: _____
 Mailing Address: _____

SOURCE OF FUNDS/COST BREAKDOWN FOR PROJECT

Source of Funds	
Amount Requested from Bond Bank (this application)	\$ A
Federal grant or loan- <i>Specify</i>	\$
State grant or loan- <i>Specify</i>	\$
Applicant's share	\$
Other: <i>Specify</i>	\$
Other: <i>Specify</i>	\$
Other: <i>Specify</i>	\$
Other: <i>Specify</i>	\$
Total Source of Funds	\$ B -

Project Cost Breakdown	
Land	\$
Design	\$
Engineering	\$
Contractors	\$
Contingency	\$
Other: <i>Specify</i>	\$
Other: <i>Specify</i>	\$
Other: <i>Specify</i>	\$
Sub-Total of Project Costs	\$ C -

Issuance Costs and Origination Fees

Cost of Bond Issuance	Bond Bank Loan Amount	N/A	x 2%*	N/A
Origination Fees	Bond Bank Loan Amount		x 1%*	\$ -
Other- <i>Specify</i>				\$ -
Other- <i>Specify</i>				\$ -
Total Issuance Costs/Fees				\$ D -

Sub-Total of Project Costs (C)	\$ -
Plus Total Issuance Costs/Fees (D)	\$ -
Total Project and Issuance Costs (B)	\$ -

*NOTE: The costs of issuance and origination fee are estimates only and they may not apply in all cases. Upon review of your application, the DW-SRF Program Officer will contact you with a more accurate cost estimate associated with your borrowing.

ISSUANCE INFORMATION

How many years do you wish to have to repay this loan?

Payments should commence in what year?

NOTE: The maximum repayment term is twenty (20) years, unless approved for a disadvantaged loan, in which case the term may be up to thirty (30) years..

Maturity Schedule of Applicant's Proposed Bond Issue*

Year	Principal	Year	Principal	Year	Principal

** The Bond Bank can provide assistance in completing this.*

State the dedicated source(s) of revenue for repayment of this loan (*user charges, association fees, lot rentals, etc.*) and any plans for adjustments to that revenue source to assist in the repayment of the loan:

Is there any reason that the Bond Bank could not take a first or parity mortgage of the system assets or a first lien pledge of the general revenue of the system?

Yes No

If yes, please explain:

Do you want to capitalize interest?

Yes No

If yes, for how long?

a maximum of 12 months

Please provide details of limitations, by corporate or other authority, governing the amount of debt which the system may incur:

Since the date of your last Audited Financials

Check off any factors that have occurred since the date of your last Audited Financial Statement or Annual Report that would significantly affect your revenue, expenditures or overall financial condition, such as:

- Pending litigation in excess of \$10,000. *If checked, we will need a statement from your local legal counsel about any such lawsuit.*
- New long-term debt has been issued or has been authorized by the governing body.
- Company assets have been sold or are likely to be sold.
- In place or pending before the governing body, a limitation on the ability of the system to raise, through rates or other revenue sources, or expend from revenues, funds necessary to pay the costs incurred if you issue the debt called for in this application. If checked, please provide a copy of the ordinance or proposed action explaining the possible limitation.
- Other: *please explain*

Have you issued any Bond Anticipation Notes or other Short-Term notes, including lines of credit?

Yes No

If yes, Amount: \$ -

Date of Maturity

Date of Issue

REVENUE INFORMATION

Fiscal Year End: _____ / _____ / _____

When are the charges for service due and payable?

- Monthly Quarterly Semi-Annually Annually

What is the interest rate penalty for late payments? _____ %

Is your company restricted by corporate indenture, contract or other authority with respect to the following?

- | | |
|---|--|
| <input type="checkbox"/> Cash Flow Restrictions | <input type="checkbox"/> Ratio of bonds/debt to assets |
| <input type="checkbox"/> Loan Covenants | <input type="checkbox"/> Capitalization Ratios |
| <input type="checkbox"/> Dividend Payouts | <input type="checkbox"/> Sale or mortgage of assets |
| <input type="checkbox"/> Financial Reporting Requirements | <input type="checkbox"/> Other (please attach explanation) |

Please provide detail for each item checked, including precise nature of the limitation or restriction, the implications of violating it, and the process of changing the indenture or other governing authority. Attach to this page relevant sections of any document creating a limitation or restriction indicated above.

COMPANY STRUCTURE & ORGANIZATION

Form of Organization: _____

Is the applicant a parent and/or subsidiary of any other companies? Yes No

If yes, please provide name and relation of parent companies and/or other subsidiaries. Additional financial information pertaining to such companies may be requested.

Year of Inception of business: _____

Number of years under current management: _____

COMPANY STRUCTURE & ORGANIZATION *(continued)*

Please provide name and years of service for all officers/directors of the company. Attach a separate sheet if necessary.

Name

Years

Provide a general description of your company's service, including service area. List all cities and towns the system serves, competition and other relevant information. For trailer parks, a brief history of the park should be included here.

List any significant users or potential users who utilize more than 5% of the system, with approximate percentage of capacity attributed to each user.

Name of Individual Business	Annual User Charge	Percentage of Capacity
		%
		%
		%
		%
		%
		%
		%

Facility and Rate information for the Current and Past 5 years

	Previous Year	Previous Year	Previous Year	Previous Year	Previous Year	Current Year
<i>Enter Year ==></i>						
# of Facility Customers <i>(hook-ups)</i>						
# of Employees <i>(operating the facility)</i>						
Rate Schedule <i>(may attach PUC approved schedule for current year)</i>	c.f.	c.f.	c.f.	c.f.	c.f.	c.f.
Planned Rate Increases <i>(during the next 2 years)</i>						

*** If user rates do not apply to your water system, please provide a similar history with respect to the revenue source that will be dedicated to the repayment of this loan.**

DEBT INFORMATION

Debt Statement - Most current as of: / /

GENERAL OBLIGATION BONDS		Principal Amount Outstanding
	Issued Through the Bond Bank	
		\$ -
		\$ -
	Other Issuances, outside the Bond Bank <i>(list principal & interest on next page)</i>	
		\$ -
		\$ -
LOAN REQUESTS		Principal Amount Outstanding
	Loan amount being requested through the Bond Bank <i>(this application)</i>	
		\$ -
		\$ -
	Loan amount being requested through other sources <i>(e.g., USDA)</i>	
		\$ -
		\$ -
Total Direct Debt		\$ -

Please indicate the total amount of direct debt secured by the business assets of the system.

Bonds \$ - Other Debt \$ - Total \$ -

Lines Of Credit Payment Information

Line of Availability	Current Balance	Fixed/Variable Rate	Maturity Date
	\$ -		/ /
	\$ -		/ /
	\$ -		/ /
	\$ -		/ /
	\$ -		/ /

Please describe any reasons why the Bond Bank could not take a first or parity position mortgage/lien on the business assets of the system?

If the Bond Bank can not take a first or parity position mortgage/lien on all business assets of the system, what additional collateral and/or guaranties will the system provide as security for the proposed borrowing?

FINANCIAL INFORMATION

Summary of Balance Sheet for Last Three Fiscal Years and Two Years Projected

ASSETS

	Enter Year	Enter Year	Enter Year	Enter Year	Enter Year
<i>Enter Year==></i>					
Cash and Cash Equivalents					
Investments					
Accounts Receivable (<i>Net</i>)					
Property, Plant & Equipment					
Other Fixed Assets					
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -

LIABILITIES

Short Term Notes/LOC					
Accounts Payable					
Long Term Notes Payable					
Other- <i>Explain</i>					
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -

FUND BALANCE

Preferred Stock					
Common Stock					
Paid-In-Capital					
Treasury Stock					
Retained Earnings					
TOTAL NET WORTH	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES AND NET WORTH	\$ -	\$ -	\$ -	\$ -	\$ -

FINANCIAL INFORMATION *(continued)*

Summary Statement of Revenue and Expenditures For Last Three Years and for Two Years Projected

REVENUES

	Enter Year	Enter Year	Enter Year	Enter Year	Enter Year
<i>Enter Year==></i>					
User Charge Revenue					
Other: <i>Explain</i>					

TOTAL REVENUES \$ - \$ - \$ - \$ - \$ -

EXPENDITURES

All Department Operations					
Depreciation					
Interest					
Other: <i>Explain</i>					

TOTAL EXPENDITURES \$ - \$ - \$ - \$ - \$ -

TOTAL OPERATING PROFIT \$ - \$ - \$ - \$ - \$ -

Income Taxes					
Dividends					
Other: <i>Explain</i>					

NET PROFIT AFTER TAXES & DIVIDEND \$ - \$ - \$ - \$ - \$ -

BEGINNING RETAINED EARNINGS \$ - \$ - \$ - \$ - \$ -

ENDING RETAINED EARNINGS \$ - \$ - \$ - \$ - \$ -

STATEMENT OF DEFAULT

We hereby certify that (*applicant's name*) _____ has not defaulted on any payment of matured Principal and/or Interest. If default has occurred, please provide details on a separate page.

Is the system under any regulatory or court compliance order? Yes No

If yes, please describe on a separate page, including issuance and compliance requirement date.

The applicant must enclose the following documentation with the completed application. *Please indicate whether it is enclosed or not applicable.*

- | Enclosed | N/A | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | One copy of corporate indenture, by-laws, or other governing authority for the system. |
| <input type="checkbox"/> | <input type="checkbox"/> | One copy of each of the last three annual Audited Financial Statements. If there is no operational history, please submit an analysis demonstrating financial feasibility. |
| <input type="checkbox"/> | <input type="checkbox"/> | If the latest Audited Financial Statement is more than 12 months old, please submit the most recent unaudited financial statement (<i>i.e.</i> ; <i>trial balance, balance sheets, statement of revenue and expenditures</i>). |
| <input type="checkbox"/> | <input type="checkbox"/> | One copy of the latest Budget. |
| <input type="checkbox"/> | <input type="checkbox"/> | Schedule of current and/or proposed rates required for financing the project under consideration, or a schedule for adopting those rates, if they are not in place. |
| <input type="checkbox"/> | <input type="checkbox"/> | Most recent copy of proposed construction drawdown schedule. |

For Land Acquisition Projects – Please also include the following documentation for the property being purchased:

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | A copy of the purchase and sale agreement. |
| <input type="checkbox"/> | <input type="checkbox"/> | A copy of the appraisal. |

Any material facts that amplify the financial effect on the system not requested in this application should be noted here:

The facts and representations in this application form are from the official records of this unit and are correct in all material respects to the best of our knowledge.

Chief Administrative Officer: _____
Name Printed

Title

Signature: _____

Date

PROJECT AUTHORIZATION

Attach this Project Authorization form to a copy of the completed Drinking Water Loan Application and mail to:

DWSRF - Project Manager
State of Maine Department of Health and Human Services
Division of Health and Engineering
11 State House Station
Augusta, Maine 04333-0011

The State of Maine Department of Health and Human Services hereby certifies the following:

- That the applicant is entitled to immediate financing or assistance through the State Revolving Fund – Drinking Water Program for the amount requested; and
- That the project to be financed is listed on the most current Department of Health and Human Services Project Priority List; and

FOR DESIGN/CONSTRUCTION PROJECTS

- That the applicant has addressed the capitalization grant requirements and review, as outlined on the Department of Health and Human Services checklist.

Applicant's Name	Project Number	Total Eligible Costs
		\$ -

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Authorized Signature

TITLE

DATE