

Big Sky EDA-RLF Loan Request

I. Big Sky EDC Finance Department is requesting approval for the following EDA-RLF request. The Big Sky EDA-RLF Loan Committee has reviewed the request and recommends approval to the full EDC Board. The request meets all the underwriting and eligibility requirements of the program.

1. **Billings Window & Door (Ryan & Sarah Henderson)** – Request is for \$140,500 for the purchase of an existing business, Billings Window & Door, located in Billings. Billings Window & Door has been operating in Billings since 2005. Ryan and Sarah Henderson currently own and operate Henderson Construction. The Henderson’s view this acquisition as a natural extension of their current business.

Big Sky EDC will utilize the EDA-RLF funds in partnership with Western Security Bank who will be financing a portion of the purchase. Borrowers are coming in with 10% equity. Financing terms will be 7 years at 7.25% fixed. Big Sky EDC will be taking a 2nd lien position on all business assets behind Western Security Bank. 5 jobs will be retained as a result of this project as new owners plan on retaining existing staff. Loan Committee has reviewed and approved the request.

2. **The Design Hair & Tanning Studio.** This request consists of two separate loans, both for the purchase of an existing business, totaling \$145,000. The overall purchase is for the business assets of The Design Hair & Tanning Studio located in Laurel, MT. This existing business was established in the 1970’s, and the current owner has operated since 1990. Current owner has recently retired, and Elle Edwards is purchasing the business. Elle has been a booth renter at the studio for four years.

The two loans are structured as follows: (1) \$115,000 for the purchase of the commercial real estate building located at 209 West 6th Street, Laurel, MT. Terms are 20 years at 8.0% fixed. (2) \$30,000 for the purchase of goodwill and business assets. Terms are 5 years at 8.0% fixed. Big Sky EDC will be in a 1st lien position on the commercial real estate and all business assets (both loans will be cross collateralized with the commercial real estate).

Borrower was unable to obtain traditional financing for this purchase. Borrower and Big Sky Finance have worked with the SBDC to obtain this financing. 4 jobs will be retained as a result of this project. Loan Committee has reviewed and approved the request.