

REVOLVING LOAN FUND - APPLICATION

I. Application Information:

Name of Business: Cast Technologies, Inc. <hr/> Address: 1100 SW Washington St <hr/> City/State/Zip: Peoria, IL 61602 <hr/> Owner/President: James Mehlenbeck <hr/> Telephone: 309-676-2157 <hr/> Email: jimm@casttechnologies.net <hr/> Applicant is organized as: Corporation Date Business Established: 1887 <hr/> Loan Amount Requested: \$250,000 <hr/>	Name of Applicant (if different): <hr/> Address of Project (if different): <hr/> City/State/Zip: <hr/> Relationship of Applicant to Business: <hr/> Telephone: <hr/> Email: <hr/>
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II. Project Description: (please write or attach a summary)

Responding to the demands of this new growth opportunity, Cast Technologies, Inc (Cast) is seeking investment funds to upgrade one of the basic core competencies of their metal casting business, the melting and pouring of metal. The manual pouring of all aluminum casting alloys with hand ladles is a competitive disadvantage due to higher operations costs for melting and pouring. With the volumes of metal required to satisfy the production contracts such as with Oshkosh Defense on the JLTV program these investments are critical to fulfilling customer demands. Oshkosh Defense has secured a D.O.D. contract for 17,000 JLTV's through 2023. Total program is forecast for 55,000 vehicles over the next 20 years. Currently in low rate initial production (LRIP), this business will continue to increase in volume until a production rate of 3,400 vehicles per year is attained in late 2018 -2019. Cast Technologies content per vehicle is approximately \$3,200 in 2016 dollars. This resultant revenue increase for the company will be \$10.9 million when peak production is achieved.

III. History of Business /Applicant: (please write or attach a summary)

Cast began its long history in 1887 as The Brass Foundry and Heating Company in Peoria, Illinois. The company has a rich history of supplying parts to several area companies. Most notable are, they made the first engines for the Duryea Automobile, supplied parts to The Holt Manufacturing Company, one of the companies which combined to become Caterpillar, to which it continues to be a major supplier. In 1923, the business became the sole ownership of E. B. Hazen and his son George Hazen. Today the company continues to have an heir to the founder in its management. The Brass Foundry continued to expand the customer base to over one hundred customers with an ever-increasing production of aluminum castings and machined complete product lines. This diversification inspired the company to change its name in January 1998 to Cast Technologies Inc.

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IV. Project Financing:						
Sources and Uses of Funds						
Uses of Funds						
Uses of Funds (Project Costs)	Total Amount	%	Total Amount - Breakout			
			Owner's Equity	Bank	City RLF	County RLF
Acquire Real Estate	\$ -	0%				
Construction/Renovation	\$ 336,515	19%				
Infrastructure Improvements	\$ -	0%				
Machinery and Equipment	\$ 1,436,922	80%	\$ 140,000	\$ 860,000	\$ 250,000	\$ 150,000
Furniture & Fixtures	\$ -	0%				
Inventory		0%				
Working Capital	\$ 26,563	1%				
TOTAL PROJECT COST	\$ 1,800,000	100%	\$ 140,000	\$ 860,000	\$ 250,000	\$ 150,000
Sources of Funds						
Sources of Funds	Total Amount	%	Interest Rate	Term (years)	Collateral & Lien Position	
Equity	\$ 180,000	10%				
Bank	\$ 1,370,000	76%	6%	1st yr int only	UCC - 1st	
Bank		0%	6%	7 yr princ. pay	UCC - 1st	
City RLF	\$ 250,000		4%	10yrT/20Am	Mortgage - 1st on 2 bldgs.	
County RLF		0%				
Other		0%				
Bank LOC		0%				
TOTAL SOURCES OF FUNDS	\$ 1,800,000	100%				
<p>Documents Required (please provide after completing application and meeting with staff):</p> <ol style="list-style-type: none"> 1 Income/Cash Flow Statements - Business Actual/Projected/Year-to-Date (3 years past/forward) 2 Balance Sheet - Business Actual/Projected/Year-to-Date (3 years past/forward) 3 Sources and Uses of Funds - Finance Commitment Letters from Lenders or Equity Investors 4 Personal Financial & History Statement - Current SBA Form 413, and Personal History Statement 5 Federal Tax Returns - Business and Owners (of 20% or more) for 3 years past, IRS-Form 4506-T 6 Schedule of Debt - Mortgages, Loan Agreements, Promissory Notes, Liens 7 Schedule of Collateral - Valuation/Description of Assets, Appraisals, Titles, Environmental Studies 8 Legal Documents - Corporate By Laws, Partnership Agreements, Leases 9 Startup Business - Above docs plus: Business Plan, and monthly income/cash flow statement in year 1 						

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V. JOB RETENTION & CREATION:

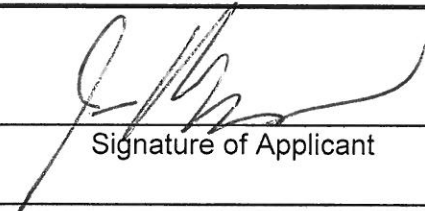
Employment characteristics of the company and project should be described below.
Employee Certification Form (EIC) must be submitted with the application for existing employees.
PLEASE NOTE: Job Projections should be based upon full-time equivalent positions (2080 hours = 1 FTE) after two years.

	Total Jobs	Sales Tax	Property Tax
Current	90		
To Be Retained	0		
To Be Created	10		
TOTAL IMPACT	10	0	0

VI. APPLICANT ASSURANCES

The applicant provides the following assurances of compliance according to the City's RLF Program guidelines.

1. The applicant is an Equal Employment Opportunity Employer, pursuant to Federal guidelines
2. The applicant agrees to provide additional documentation, if necessary part of loan.
3. The applicant agrees to a personal credit check and business check as a condition of the loan.
4. The applicant agrees to sign a personal guarantee on the loan, if necessary.
5. The applicant agrees to provide project and financing information on a periodic basis to the City of Peoria.



 Signature of Applicant

02-05-18

 Date

The space below is reserved for the City of Peoria

Findings

<u>No. of Retained Jobs</u> (F.T.E)	<u>No. of New Jobs</u> (F.T.E)	<u>Total Jobs</u> (F.T.E)		<u>Factor</u>	<u>Maximum Loan</u>
<u>0</u>	<u>10</u>	<u>10</u>	times	\$25,000	<u>\$250,000</u>
				\$35,000	<u>\$350,000</u> job basis
Total Private Investment		<u>\$ 1,550,000</u>	times	50%	<u>\$775,000</u> PI basis
Total Project Cost		<u>\$ 1,800,000</u>	times	33%	<u>\$600,000</u> PC basis
MAXIMUM LOAN AMOUNT					\$ 250,000