

KAPLAN COOPERATIVE DEVELOPMENT FUND

SPONSOR GUIDELINES

Matching Funds. Sponsor must demonstrate to CDF that the sponsor has received matching funds either as cash grants or irrevocable commitments from sources other than CDF. Such matching funds must be specifically earmarked for project predevelopment activities. Unless otherwise agreed to in writing by CDF, in-kind donations of goods and services shall not qualify as matching funds.

CDF reserves the right to review documentation submitted by the sponsor to substantiate the receipt of the matching funds and to reject the qualification of any contribution as a match if, in the opinion of CDF, the conditions attached to the commitment are inconsistent with the purpose of the advance agreement or if the funds will not substantially benefit the project or ensure its completion on a timely basis.

Disbursement. Advance will be disbursed to the sponsor in accordance with the terms of the advance agreement with CDF. Generally, funds will be disbursed as needed. Need will be substantiated by a work schedule mutually determined by CDF and the sponsor.

Reporting. Sponsor shall furnish CDF with reports, in form satisfactory to CDF, confirming the progress of the project and the status of the expenditure of funds thereon. Reports shall be made available on a quarterly basis or as requested by CDF.

Reimbursement, Interest. If project proves feasible, sponsor shall be required to repay CDF advance with interest and fees in accordance with the terms of the advance agreement. Interest rate and fees will be determined by the economics of the project – generally, interest rates will be based on prime.

Success Fee. If a project is successful, the sponsor shall pay a success fee to the Kaplan Cooperative Development Fund in recognition of the high-risk nature of predevelopment financing. These amounts shall directly assist future projects and shall be recycled for permanent use. Amounts shall be determined by the economics of the project.

Consulting Services. CDF shall be permitted to review any sponsor contracts for technical assistance, architectural services, and other predevelopment services necessary to the development of the project. Copies of such agreements shall become a part CDF records. CDF shall be prepared to assist the sponsor in identifying experienced contractors and shall be available to provide direct technical assistance if needed.

Cooperative Education. The sponsor shall require the cooperative project to establish and maintain programs of cooperative education, directed to membership generally, new members, and directors. The educational plan shall be submitted to CDF.

CDF Representation. CDF may send a representative to attend or address the cooperative project's annual membership meeting and meetings of its board of directors.

Information. The cooperative project shall provide CDF with minutes of its annual membership meeting, copies of newsletters, and significant informational communications to its membership and, to the extent requested by CDF and subject to applicable statutes, demographic and income information on its membership.