

BEDC SPORTS CLUB LOAN PROGRAMME SCOPE, PROCESS, & PRODUCT DETAILS

The BEDC defines a sports club as a group of people formed for the purpose of playing sports. However, BEDC also recognizes sports clubs as meeting places where we find the company of like-minded people. We make friends, we share experiences. Valuable social networks develop through shared sporting aspirations and experiences. Clubs enable members of a community to be linked by a common bond - their participation in that club and sport. For many, forming friendships and a sense of belonging are powerful reasons to become involved and remain active in sports. Clubs strengthen communities. They are an investment, the social capital that helps build and shape our society.

Incorporated Sports Club Loan

BEDC has allocated \$150,000 in funds to be used to facilitate small loans in amounts up to \$25,000. The BEDC will facilitate unsecured loans to qualified applicants for small projects within a larger plan.

The Sports Club Loan is a product that was created in line with BEDC's dialogue with sports clubs recently. Many clubs communicated that, due to the recent recession, such a product would be helpful to improve the venues of the sports clubs, reduce their carrying costs, and thereby increase business cashflows.

What is the purpose of the BEDC Sports Club Loan?

The Sports Club Loan is designed to assist existing incorporated LLC sports clubs with value added improvements through funding with a borrowing range in the amount of \$2,500 to \$25,000. Sports Clubs will have the opportunity to access funding to create revenue generating opportunities, but not limited to, in line with below.

- **Clubhouse/field rental system design i.e. Part-time administrator, computer system, marketing**
- **Clubhouse renovations i.e. Bar/kitchen equipment, profitability improvements**
- **Member donor public relations i.e. Creating special donor appeals for financial gift giving**
- **Public/member communications i.e. Website/webmaster fees, social media, member dues collection processes**
- **Special revenue generating events creation i.e. Club project management, business plan development**
- **New equipment purchases and/or public rentals**
- **Legal fees for creation of new Club structure i.e. Incorporation of new profit entity**
- **Skills development training for coaches, administration staff and management committee members**
- **Parking, security system, bathroom, changing room, interior/exterior lighting upgrades**
- **Match facility upgrades (pitches, courts, swimming pools, rings, etc)**
- **Public seating improvements**
- **Uniforms**

The details of the Sports Club Loan are as follows:

- Approved loans are unsecured, in other words, without the need for collateral.
- As BEDC will be providing an unsecured credit facility, all loans will be thoroughly vetted and if granted, will be structured in ways to enable approved applicants to successfully fulfill their loan obligations.
- **Repayment terms start between 9 and 36 months.**
- Applications are processed by the BEDC Officers and all funds are loaned from BEDC to the client directly. BEDC processing, approval and disbursement takes place within 20 business days from receipt of full application with all required documentation.
- **2.5% interest rate.**

BEDC SPORTS CLUB LOAN PROGRAMME SCOPE, PROCESS, & PRODUCT DETAILS

- Application fee – \$200 or 2% of loan whichever is greater; payable at application submission
- Credit check fee - \$50 payable at application submission

Economic Empowerment Zone Sports Clubs

- 2% interest rate
- Application Fee – \$150 or 1.5% of loan whichever is greater; payable at application submission

Who can apply?

The Sports Club Loan product is available to all incorporated LLC sports clubs island wide, including those located in a designated Economic Empowerment Zones.

Application Process

Any club that applies for a Sports Club Loan must be an incorporated LLC sports club and will be required to provide BEDC with relevant information (i.e. business plan/profile, financial statements, cash flow projections, etc.).

The following Loan Checklist will be able to guide applicants on the specific documentation required.

Checklist:

1st step:

Complete a Sports Club Loan Application Form and provide a copy of the club's incorporation document. Provide the required application fee at the time the application is submitted. Register the club with BEDC.

2nd step:

Provide BEDC with a complete business plan/business profile providing information about the history and future of the club, as well as management accounts (i.e. income statement, balance sheet and 12-month forward cash flow statement with assumptions). BEDC has templates of most of these items and can email the template requirements package for your completion. Provide any signed business contracts and/or revenue generating agreements to support application.

3rd step:

Provide Bank Statements for the last 6 months.

4th step:

Submit documentation to attest to the location of the club (i.e. lease, etc.) and where any permissions or licenses are required, please submit copies. If you are an executive, please provide some documentation of where the club is located.

5th step:

An Officer will meet with executives from the club to discuss the details of the application and gain further insight into the club.

BEDC SPORTS CLUB LOAN PROGRAMME SCOPE, PROCESS, & PRODUCT DETAILS

6th step:

Should the club be approved, an executive will be required to sign a BEDC Loan Agreement as well as a Standing Order Agreement with the club's bank to ensure payments to BEDC are automatically deducted.

7th step:

Upon approval, the loan funds will be dispersed into the club's supplied bank account. The loan proceeds **will be disbursed within 2 days after the approval.**

8th step:

After payment of all loans, BEDC then schedules the first follow up meeting with executives from the club to take place within 2 weeks of the date of dispersed funds. The Officer will check in bi-monthly with the club by phone and meet with executives every month for the first 6 months and then quarterly for the life of the loan.

Further Details

Additional information can be obtained by contacting the BEDC directly at 292-5570 or by email at info@bedc.bm. Further details are also available on the BEDC website, www.bedc.bm.

BEDC SPORTS CLUB LOAN PROGRAMME SCOPE, PROCESS, & PRODUCT DETAILS

Application Info	Sports Clubs	EEZ
Application Scope	Island-wide incorporated LLC sports club clients including EEZs	
Type of Applicant	<ul style="list-style-type: none"> Any incorporated LLC sports clubs except those located in an EEZ 	<ul style="list-style-type: none"> EEZ sports clubs that are incorporated LLCs
Purpose	<ul style="list-style-type: none"> Loan for Incorporated LLC Sports Clubs 	Same
Minimum Loan	<ul style="list-style-type: none"> \$2,500 	Same
Maximum Loan	<ul style="list-style-type: none"> \$25,000 	Same
Loan Interest Rate	<ul style="list-style-type: none"> 2.5% 	<ul style="list-style-type: none"> 2%
Application Form	<ul style="list-style-type: none"> Must be filled out completely, accurately and signed by the secretary and president of the club. 	Same
Application and Processing fee	<ul style="list-style-type: none"> Application Fee - \$200 or 2% of loan whichever is greater to be paid when application submitted 	<ul style="list-style-type: none"> Application Fee - \$150 or 1.5% of loan whichever is greater to be paid when application submitted
Monthly Repayment Terms:	<ul style="list-style-type: none"> 9 to 36 months 	Same
Security	<ul style="list-style-type: none"> None / unsecured 	Same
Approval Processing Times	<ul style="list-style-type: none"> 20 business days for BEDC approval from receipt of full application 2 business days for funds disbursements once approved 	Same
Maximum # of applications	<ul style="list-style-type: none"> \$150,000 has been allocated to this program on a first start basis; the maximum number of applicants will be determined within this aggregate amount of program funding. Unlimited once prior loan has been paid off successfully. 	Same

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Application Info	Sports Clubs	EEZ
Restrictions	<ul style="list-style-type: none"> Sports Club Loan product is a needs-based product It is not to be used by those clubs that have access to liquid assets 	Same
Early Relocation Penalty	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Early relocation from an EEZ prior to repayment of the loan results in an increase in the loan payment to account for the 0.5% interest differential.
Default Penalty	<ul style="list-style-type: none"> Default of payment of the loan as per the terms and conditions will incur an increase in the interest rate of the loan to double the loan interest rate. 	Same
Approval Process	<ul style="list-style-type: none"> The BEDC loan officer will work with the club to ensure all documents and plans are in order and then make a recommendation to the BEDC Microloan Committee 	Same
Loan Contract	<ul style="list-style-type: none"> Signed by the secretary, president, and BEDC once the loan is approved and the application fee is paid. 	Same
Loan Agreement	<ul style="list-style-type: none"> BEDC will prepare and execute the loan agreement A bank standing order for direct payments to BEDC will also be set up 	Same
Location of Business	<ul style="list-style-type: none"> Must submit documentation to attest to location of club and where permission/licenses are required, they are received. 	Same

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Application Info	Sports Club	EEZ
Identification	<ul style="list-style-type: none"> • Demonstrates that the club is a sports club • Incorporation document or proof that shows the club is local is preferred • If non-Bermudian club is a partner, the Bermudian club must hold the controlling interest and a copy of the partnership agreement must be submitted 	Same
Credit Check	<ul style="list-style-type: none"> • Credit check to be conducted 	Same
Business Plan / Business Profile	<ul style="list-style-type: none"> • Providing information about the history and future of the club on a prepared template • Provide any signed contracts and/or agreements to support loan amount 	Same
Estimates/Quotes	Detailed listing of goods to be purchased by client for business through the loan	Same
Financial Statement	<ul style="list-style-type: none"> • Financial details of the club. 	Same
Business and Personal References	<ul style="list-style-type: none"> • 1 business reference from a sports governing organization • The person who writes the reference must not be related to an executive from the club 	Same
Bank Statements	<ul style="list-style-type: none"> • 6 months of club's bank statements required 	Same
Financial Information/Cash Flow Statement	<ul style="list-style-type: none"> • Required to submit at least the last 6 months of management accounts (Profit & Loss / Balance Sheet) • Required to submit forward Cash Flow Schedule (12 months) 	Same
Processing	<ul style="list-style-type: none"> • BEDC Officers check in with the club weekly and meet with executives twice per month 	Same