

Financial assistance guidelines have been approved by the Aureon board of directors for the Ripple Effect program which includes loan financing tools for business development projects. The purpose of this summary is to provide an overview of the terms of the Ripple Effect matching<sup>1</sup> loan program, which includes *business opportunity* loans, *micro-enterprise* loans, and loans made in connection with *USDA revolving loan funds* (RLF) administered by telcos of which there are currently 12. IADG will pre-qualify all loan applicants prior to application review by the Ripple Effect board.

### ***Terms of Business Opportunity Loans***

- Eligible applicants: for profit entities for business creation, expansion and/or retention.
- Loan amounts - \$25,000 to \$75,000;
- Aureon will loan directly to the borrower with separate loan documentation, however, Aureon will require the independent telecommunication company (ITC) to collect borrower repayments and submit to Aureon;
- Security/collateralization (shared by ITC and Aureon) required for all loans – negotiated on a case-by-case basis;
- Aureon or Telco can initiate a default process;
- Interest rate – 4 to 7% (agreed to by Aureon and ITC), and
- Term – five to seven years

### ***Terms of Matching Loans Initiated by RLF Activity***

- Eligible applicants: for profit and not-for-profit entities;
- Loan amounts – up to \$20,000;
- Aureon will loan directly to borrower with separate loan documentation, however, Aureon will require the ITC to collect borrower repayments and submit to Aureon;
- Security/collateralization required and negotiated on a case-by-case basis;
- Schedule for repayment to Aureon will be on same basis as repayment of the RLF loan to the ITC, and
- Interest rate and term to be negotiated (agreed to by Aureon and ITC)

### ***Terms of Micro-Enterprise Loans***

- Eligible applicants: for profit small business enterprises including PCs, LLCs, and sole proprietorships;
- Loan amounts – up to \$10,000;
- Aureon will loan directly to borrower with separate loan documentation, however, Aureon will require the ITC to collect borrower repayments and submit to Aureon;
- Security/collateralization (shared by ITC and Aureon) required and negotiated on a case-by-case basis;
- Interest rate to be set by ITC, and
- Term – no longer than three years

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<sup>1</sup>All loans made by Aureon are on 1-to-1 matching basis with ITC.