

## reel Commercial Credit Process

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Please reference the following information as general “best practices” and guidelines. **reel** recommends qualifying clients (lessees) for viable finance opportunities early in dealer/client relationships. The prequalifying process enables the dealer to either include or not include the finance component in the client (lessee) proposal. It will also help determine an alternative approach if the finance option is not a viable solution, while preserving valuable time and resources otherwise wasted.

Providing **reel** with preliminary information referenced below, allows for initial review and dealer advisement within an expedient timeframe.

1. The dealer discloses the client (lessee) to **reel** along with the following information:

- Full Corporate Legal Name and Structure
- Location (address) of Equipment
- Technology
- Equipment List
- Cost (including shipping, freight, tax, etc.)

**reel** also substantiates any additional qualifying credits the client (lessee) may benefit from in order to determine a possible financing structure. Any additional information the dealer can provide is helpful including knowledge of whether or not the client (lessee) is taking the equipment depreciation.

2. **reel** responds to the dealer with an initial assessment of the client (lessee).

3. Providing the client (lessee) is qualified as a viable finance opportunity, **reel** will request submission of a complete financial package for credit review.

Requested information includes and is not limited to the following items:

- Submitted Application or Project Form
- Last 2 year end Corporate Tax Returns with Schedules
- Last 2 year end Audited Statements with Notes
- Last 2 year Personal Tax Return for each Principal owning 10% interest
- Personal Financial Statement for each Principal owning 10% + interest
- Latest Interim Operating Statement
- Signed project estimate/contract

4. This is the final process of the underwriting and credit review process.

- Our **reel** team performs a thorough analysis upon receipt of all requested items.

- The dealer's cash flow is verified
- **reel** builds a financial model "structure"
- **reel** forwards the completed financial package to either a lender or investor

#### 5. Formal approval process

- **reel** informs all parties of the approved structure and provisions of the lease agreement
- Client approval of the above is required prior to **reel** executing a formal LOI (Letter of Intent) agreement
- Client review, endorsement, and return of LOI (letter of Intent) agreement to **reel** along with "good faith deposit" (equal to or between 2 to 3% of the overall equipment cost) which is applied to the client (lessee) contract.

Once the above steps are completed, the client (lessee) is formally approved and **reel** issues the client (lessee) the final lease documents for further execution.

6. Documentation (contracts) sent to client (lessee) for endorsement and return.

7. The lender or **reel** issues a purchase order upon receipt of documentation (contracts).

8. "The final step is the "funding" process.

As a prerequisite to "funding," the client (lessee) is required to verbally verify the installation and endorse the "Delivery and Acceptance" document.

Upon completion of the "funding" prerequisite, the dealer receives full and final payment disbursement.