



WOW vs. Bank

WOW COMMODITY PURCHASE PROGRAM®

		WOW	Bank ABL
Inventory Level Required		\$10,000,000	\$10,000,000
DEBT			
Advance Rate		100%	60%
Line of Credit Provided		\$10,000,000	\$6,000,000
Annual Base Interest Rate (Including LIBOR)	(a)	9.00%	5.00%
Miscellaneous Costs & Fees			
Loan Origination Fee		NONE	0.50%
Term of Loan (Years)	(b)	NONE	3
Annualized Loan Arrangement Fee (rate/#years)		NONE	0.17%
% of Unused Line of Credit		NONE	15%
\$ of Unused Line of Credit		NONE	\$900,000
Unused Line of Credit Fee		NONE	0.50%
Annualized Unused Fee	(c)	NONE	0.075%
Annualized Service Fee, Termination Fee, Agent Fee, and Compounded Interest	(d)	NONE	0.45%
Cost of Debt	(a+b+c+d)	9.00%	5.69%
Line of Credit Utilized		\$10,000,000	\$5,100,000
Line of Credit as % of Inventory Required		100%	51%
EQUITY			
Owner's Equity Required (Down Payment)		NONE	\$4,900,000
Owner's Equity as % of Inventory Required		NONE	49%
Cost of Equity		NONE	15.00%
Cost of Debt		\$900,000	\$290,251
Cost of Equity		\$0	\$735,000
Total Cost of Debt and Equity		\$900,000	\$1,025,251
% Total Cost of Debt and Equity		9.00%	10.25%
Tax		40%	40%
After Tax % Total Cost of Debt and Equity		5.40%	9.09%