GrowthFund

MADISON AREA DEVELOPMENT CORP

Loan Fund Application

Application Information

The Lake Area Improvement Corporation Loan Fund is to assist in economic development efforts, purchase electrical equipment, and make electric system upgrades and other infrastructure improvements.

The Loan Fund works closely with local banks, federal, state and local agencies, and other loan funds when financing projects. A completed application form is necessary for the Fund to evaluate the proposed project and make recommendations to the loan review committee.

The Loan Fund cannot finance more than 50% of total project costs and generally requires a minimum of 10% equity contribution from an applicant and participation (depending on the loan type) of a commercial lender.

If Loan Funds are committed, they must be used within 60 days. If funds are not used within 60 days, interest will accrue at the rate specified for your loan or the funds will be returned to the LAIC Fund.

The Loan Fund encourages applicants to apply for financing through local financial institutions and other loan funds—local, regional, state and federal programs—and may require documentation from the financial institution(s) stating that it cannot finance the entire project, thus creating the need for a partner (the fund) to participate in a loan to make the project successful.

In addition to this application, the applicant is also asked for additional information, which includes business and financial information and supporting documents. A nonrefundable application fee of $250 is payable at the time an application is submitted. After the initial review, the LAIC Loan Fund Review Board will review the project and make the final decision. The applicant will be responsible for all closing costs associated with their loan.

You and your business are assured privacy. Financial information and any trade secrets that you may have will be held in confidence and considered as needed in executive session or at meetings that are closed to the public and deemed confidential pursuant to state law.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language,

etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

For new construction or remodel/expansion projects, the application must have full approval by LAIC Loan Fund Review Board prior to beginning the project. Failure to do so will jeopardize loan fund eligibility.

For assistance when completing this application package, please contact the LAIC at 605-256-0797. Submit completed application with attachments to:

Lake Area Improvement Corporation
PO BOX 32
Madison, SD 57042

The Lake Area Improvement Corporation is an equal opportunity employer, lender and provider.

Application Checklist

Copies of all items marked below must be submitted to the LACI Loan Fund **before final action** can be taken on your loan request.

Business Financial Data (necessary to make loan recommendation)
_____ Business Plan
_____ Balance Sheet, Income Statements, and Cash Flow Statement of business – past three (3) years
_____ Projected Balance Sheet, Income Statement, and Cash Flow Statement for next three (3) years (Preferably use the SBDC Proforma Template)
_____ Interim financial statements (current within 60 days)
_____ Business tax returns for past three (3) years
_____ Personal tax returns of principal owners (over 20%) for past three (3) years
_____ Personal Financial Statement(s) of the principal owners (over 20%), current and signed
_____ Cost estimates on real estate, construction, and equipment purchases
_____ Preliminary building plans and specifications
_____ Lease Agreement
_____ Summary of Collateral
_____ Collateral Position(s) of all lenders identified in the application
_____ Bank Denial Letter – establishing need for additional funds, if applicable
_____ Bank Commitment Letter and/or letter identifying other funding sources
_____ Corporate Resolution giving authority to borrow funds and execute loan documents, if applicable
_____ Verification of corporation status
_____ $250.00 Non-refundable application fee payable to LAIC

Supporting Documents (necessary to process loan)
_____ Resume of Principal(s) (normally those with 20% ownership or more)
_____ Articles of Incorporation/By-Laws, if corporation
_____ Partnership Agreement, if partnership
_____ Franchise Agreement
_____ Certificate of Good Standing
_____ Purchase Agreement
_____ Buy-0ut Arrangement
_____ Project or real estate appraisal
_____ Proof of Insurance on business/premises
_____ Site map or photo of the project
_____ Environmental Information (Form 1940-20)
_____ Assurance Agreement (Form 400-04)
_____ Certificate (Re: Debarment, suspension, and other responsibility matters [Form ad-1047])
_____ Certificate (Re: Drug-free workplace [Form ad-1049])
_____ Certificate (Re: Lobbying)

Application Form

Please type or print clearly. Be sure to fill in each blank and answer each question. If not applicable, mark N/A and explain. If there is not enough room, attach additional sheets. Financial data and supplemental information as noted on the Applicant Checklist is required prior to loan review.

Applicant Name(s):_____

BusinessName: _____

Address: _____

Phone: _____Fax: _____

City: _____ State: _____Zip: _____

Legal Description of Project: _____

_____

Veteran Status: _____

Family Military or Veteran Status: _ _____
Project Classification:

_____ Infrastructure	____ Community	____ Home-Based Business
_____ Retail	____ Manufacturing (light)	____ Manufacturing (heavy)
_____ Back Office	____ Wholesale Distributor	

Other: _____

Date Business Established: _____

Employer ID#: _____ Owner Soc. Sec. No. _____

Amount Requested: _____ Purpose: _____

Collateral Offered: _____

1. DESCRIBE YOUR BUSINESS: (legal structure, ownership, primary business activity, management experience and any subsidiaries, divisions of major outside investment by company or owners.) Attach additional pages as necessary.

2. DESCRIBE THE PROPOSED PROJECT: (include previous experience that supports successful achievement) Attach additional pages as necessary.

3. SOURCES AND USES OF FUNDS

Proposed Sources of Funds

Amount applied for from the Fund _____

Amount applied for from Bank _____

Amount applied for from regional/local loan funds _____

Amount applied for from other _____

Owner's Equity (existing equity) _____

TOTAL SOURCE OF FUNDS
_____

Proposed Uses of Funds (include all costs associated with project)

Land _____

Land Improvements _____

Building _____

Remodeling _____

New Construction _____

Machinery & Equipment (attach list and cost) _____

Furniture & Fixtures (attach list and cost) _____

Working Capital _____

Inventory _____

Accounts Receivable _____

Other ( ) _____

TOTAL USES OF FUNDS

_____

Please specify the source of the borrower's equity injection:

4. PARTICIPATING, SERVICING OR SPONSORING LENDER: Continue on back if necessary.
Lender Name: _____

Address: _____

City: _____ Phone: _____ Fax: _____

Business Account Number: _____

Amount of Loan requested for this project: _____

Term: _____ Interest Rate: _____

Contact Person: _____

Participating Lending Comments: _____
_____
_____

The Primary objective of the LAIC Loan Fund is to assist projects that contribute to rural development, job retention and/or creation, improve rural infrastructure and meet unmet needs in rural areas resulting in the creation of new wealth. In this objective, the Fund participates with financial institutions and other lenders to maximize the available capital for development projects. The LAIC Loan Fund may require that the applicant have a commitment from a lender prior to applying for funds. Approval of a loan may be contingent upon this agreement.

5. CURRENT EMPLOYMENT INFORMATION: (do not include owners)

	Full Time	Part Time
Present number of employees	_____	_____
Present total annual payroll	_____	_____

6. JOBS CREATED AS A RESULT OF THE LOAN (do not include owners unless start-up company and owners are to be principally engaged in daily business activity)

	Full Time	Part Time
Number of jobs to be created	_____	_____
Date by which jobs will be established	_____	_____
Projected total annual payroll	_____	_____

TOTAL NUMBER OF EMPLOYEES IN VARIOUS JOB CATEGORIES

	Present	Projected		Present	Projected
Managers	_____	_____	Office	_____	_____
Professional	_____	_____	Agriculture	_____	_____
Sales	_____	_____	Other	_____	_____

BENEFITS: Please list benefits provided to employees

		Full Time		Part Time	
		Yes	No	Yes	No
Health Insurance					
Payment in lieu of health insurance					
Pension or Saving plan other than Social Security					
If Yes, did the company contribute to the plan?					
Dental or optical benefits					
Short-term or Long-term disability insurance					
Profit Sharing					
Bonuses based on profit or achievement					
Opportunity for employee ownership in company					
On-site child care					
Transportation assistance					
Total company expenditure for all above listed benefits					

7. COMMUNITY IMPACT: (Explain the benefits to the community/area and the effects on the local tax base. If there is a tax abatement or TIF, please explain.) Attach additional pages as necessary.

8. MANAGEMENT: (Proprietor, partners, and stockholders with 20% or more ownership)

Name Address % Owned SS#

_____

_____

_____

Is this business a: _____ "C" Corporation _____ "S" Corporation

_____ L.L.C. _____ Partnership _____ Proprietorship

_____ Municipality _____ Cooperative _____ Non-profit, tax exempt

Who is borrowing in this project? ___ Corporation ___ Partnership ___ Individual

Corporate Officers: _____ _____
President Vice President

_____ _____
Secretary Treasurer

Has the company or any officers of the company ever been involved in bankruptcy proceedings? _____ Yes _____ No

If Yes, explain_____
_____

Is the company or any officer of the company involved in any pending lawsuits?
_____ Yes _____No
If Yes, explain_____
_____

9. INFORMATION FOR GOVERNMENT MONITORING PURPOSES
The following information is requested by the Federal Government for certain types of loans in order to monitor the Lender's compliance with equal credit opportunity. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may neither discriminate on the basis of this information,

nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this Lender is required to note race and sex on the basis of visual observation or surname. If you do not wish to furnish the above information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the Lender is subject under applicable state law for the particular type of loan applied for.)

Applicant #1

___ I do not wish to furnish this information

Race/National Origin
(Select one or more)

___ American Indian or Alaska Native (Not Alaskan)
___ Black or African American
___ Asian
___ Hispanic or Latino
___ Native Hawaiian/Pacific Islander
___ White
___ Other (specify) _____

Sex:
___ Male ___ Female

Applicant #2

___ I do not wish to furnish this information

Race/National Origin
(Select one or more)

___ American Indian or Alaska Native (Not Alaskan)
___ Black or African American
___ Asian
___ Hispanic or Latino
___ Native Hawaiian/Pacific Islander
___ White
Other (specify) _____

Sex:
___ Male ___ Female

10. ATTACHMENTS

1. Documents specified on the attached Application Checklist
2. Loan Application Fee. The application fee is $250. Please attach payment.
3. Loan Service Fee. The loan service fee is 1.5% of the loan amount.
4. Confidential Credit and Background Report Certification (attached)

The LAIC Board of Directors believes that business forecasting and planning is the key to operating a successful business enterprise. For this reason, the LAIC Loan Fund Review Board requires that applicants complete a business plan, including financial history and projections. If you have already completed a business plan for your operation, please submit it with a completed application form.

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The applicant recognizes that the LAIC Loan Fund Review Board cannot process an application that is not complete. Incomplete applications will be returned to the applicant for completion.

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Information sharing: The LAIC partners with other agencies including commercial banks, non-profit organizations and state/federal government programs to finance projects. I authorize the LAIC Loan Fund Review Board to share the information I have provided with other agencies working on project financing and authorize the LAIC Loan Fund to obtain information pertaining to t6hs application from other agencies involved with the project.

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All information provided in schedules attached hereto is true and complete to the best knowledge and belief to the applicant, and there is no intent to deceive or defraud the Fund or any potential participant in any loans to finance the project.

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NAME OF APPLICANT COMPANY: _____

NAME OF AUTHORIZED OFFICIAL: _____

TITLE OF AUTHORIZED OFFICIAL: _____

SIGNATURE: _____ DATE: _____

LAIC is an equal opportunity provider, lender, and employer.

Persons who require special accommodations under the Americans with Disability Act or persons who require translation services (free of charge) should contact Julie Gross at 605-256-0797 or julie@madisonworks.com at least two working days prior to the meeting date.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_ filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

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Confidential Credit and Personal Background Report

The Loan Fund will obtain, at its own expense, a credit report and personal background check on the applicant(s). The Loan Fund will comply with all provisions of the Fair Credit Reporting Act (15 USC 1681 et seq.). The Loan Fund will not disclose any part of any credit report or background check to anyone except authorized individuals, which may include the financial institution or lending agency (if any) agreeing to participate with the LAIC Loan Fund.

CERTIFICATION

I/We hereby certify that the information contained on this application and the attachments are correct to the best of my/our knowledge.

I/We hereby certify that I/we have read, understand and agree to the terms and conditions of the Loan Fund.

I/We grant The LAIC Loan Fund Review Board and staff the authorization to make all inquiries, including, but not limited to, credit, as deemed necessary to verify the accuracy of the statements made herein with this application.

_____	_____	_____
Name	Signature	Date
_____	_____	_____
Name	Signature	Date
_____	_____	_____
Name	Signature	Date

Submit Form to:
LAIC PO BOX 32
Madison, SD 57042

Or via email to: adam@madisonworks.com