

Lewis and Clark Development Group
Commercial Financing Application

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 in a section, use the additional page at the end of the form and indicate the section you are adding.

Submit Application to: Lewis and Clark Development Group Or brent@lcdgroup.org
200 1st Avenue NW—Suite 100
Mandan, ND 58554 Or matt@lcdgroup.org

SECTION 1. APPLICANT INFORMATION

Name of Applicant Business _____

Affiliated Businesses _____

Company Contact _____

Business Address _____

City/State/Zip Code _____

County _____

Business Telephone _____

Fax Number _____

Email Address _____

Website Address _____

Name of Individual Completing This Form _____

Company Affiliation _____

Telephone Number _____

Applicant Employer's ID Number: Federal _____ State _____

NAICS Codes _____ Fiscal Year End _____

DUNS Number _____

If the NAICS Code and/or employer's identification number for this project is **different from the numbers for the firm listed above**, please complete the following with the additional identification numbers:

Employer's ID Number: Federal _____ State _____

The company is a:

Sole Proprietorship

S-Corporation

Partnership

C-Corporation

LLC

Non-Profit Development Corporation

LLP

For-Profit Development Corporation

Other (Specify)_____

Date Applicant Business Established_____

Date Applicant Business Established in ND_____

State of Incorporation_____

Primary Business Activity:

Retail

Wholesale

Manufacturing

Service

Other (Specify)_____

Business Description:

Brief History of Company:

Plant/Office Location(s)

of Employees

Major Stockholders, Partners, or Proprietors:

Provide a current (less than 90 days old) financial statement on each principal owner (owning more than 10 percent) or guarantor, and the most recent personal Federal income tax returns (previous three years) for each principal. Please provide details of all existing personal debt. Attach resumes for each principal owner, guarantor, and all management personnel of company.

Name	% Ownership	Address & Phone Number	Social Security #

Total 100%

Identify personal and corporate guarantors and other collateral for this loan:

Management Information: List all the officers, directors, or general partners.

Name	Title	Address & Phone Number	Social Security #

Primary Lender Information

Name	City/State	Phone #	Type of Account	*Account #	90-Day Avg Balance

*Obtain this information from bank officer.

Working (Operating Line)

Limit	Based On	Current Balance
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION 2. PURPOSE OF THE LOAN

Description of the Project and Reason for the Loan:

Requested Sources of Financing: Please attach copies of letters of commitment for each source of financing. Letters should contain a description of items to be financed, credit analysis and work papers, the specific terms and conditions, and the proposed collateral position.

A. Sources of Financing

<u>Name of Lending Institution</u>	<u>Contact Person</u>	<u>Phone Number</u>	<u>Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

B. Project Financing Sources

<u>Financing Sources</u>	<u>Amount</u>
Applicant Equity	\$ _____
_____	\$ _____
_____	\$ _____
Lewis and Clark Development Group	\$ _____ *
TOTAL PROJECT FINANCE SOURCES	\$ _____

* Loan Amount Requested from the Lewis and Clark Development Group Cannot Exceed 50% of the Total Financing Sources.

C. Project Costs Eligible for Lewis and Clark Development Group Financing

<u>Uses of All Funds</u>	<u>Useful Life</u>	<u>Total Cost</u>	<u>Proposed Source</u>	<u>Proposed Collateral Position</u>
Inventory	_____ months	\$ _____	_____	_____
Trade Receivables	_____ months	\$ _____	_____	_____
Other Working Capital	_____ months	\$ _____	_____	_____
Financing Fees	_____ years	\$ _____	_____	_____
Building	_____ years	\$ _____	_____	_____
Real Estate	_____ years	\$ _____	_____	_____
Machinery & Equipment	_____ years	\$ _____	_____	_____
Furniture, Fixtures, & Equipment	_____ years	\$ _____	_____	_____
		TOTAL*: \$ _____		

*Must Equal B. Total Project Finance Sources on Previous Page.

SECTION 3. HISTORICAL FINANCIALS

Provide an annual balance sheet and income statement for the most recent three years. Audited financials are preferred, however, other statements may be acceptable. If applicant is a business newer than three years, provide all previous financials. *Unaudited financial statements must be signed and dated by an authorized financial officer of the applicant business and details (terms, maturity, and interest rate) must be provided on existing debt agreements.* If unaudited financial statements are provided, also include *federal tax returns* for the previous three years. Provide the current year's year-to-date profit and loss statements and balance sheet.

SECTION 4. PROJECTED FINANCIAL STATEMENTS

Submit projected financial statements reflecting the performance of the applicant under the conditions for the term of the loan for the next three years. Projected financial statements must include: balance sheet, income statement, cash flow, and *must be supported by notes and justifiable assumptions.*

If you need assistance completing projections, contact the Small Business Development Center nearest you or on the web at <http://ndsfdc.org/about/>.

SECTION 5. EMPLOYMENT SUMMARY

Please indicate the company representative who should be contacted to follow up on the employment information.

Name _____

Title _____

Telephone _____

Email Address _____

A. Current Employment Information

Please provide current employment levels as of the date of the application.

	<u>Total # of Employees (In & Out of ND)</u>	<u>Avg Annual Hours</u>	<u>Total # of Employees in ND</u>	<u>Avg Annual Hours (ND Employees)</u>
Full-Time	_____	_____	_____	_____
Part-Time*	_____	_____	_____	_____
Seasonal/ Temporary**	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

*Works Less Than 30 Hours Per Week.

**Works Only During Peak Season (Please Specify Length of Peak Season: _____ Months).

North Dakota Employees Only

PLEASE USE HOURLY WAGES

	<u>Wages Weighted</u>			<u>Number of Employees Receiving That Wage</u>						
	Low	Avg	High	Low	Avg	High				
Managers & Administrators	\$ _____	\$ _____	\$ _____	_____	+	_____	+	_____	=	_____
Professional & Technical	\$ _____	\$ _____	\$ _____	_____	+	_____	+	_____	=	_____
Sales	\$ _____	\$ _____	\$ _____	_____	+	_____	+	_____	=	_____
Clerical	\$ _____	\$ _____	\$ _____	_____	+	_____	+	_____	=	_____
Service	\$ _____	\$ _____	\$ _____	_____	+	_____	+	_____	=	_____
Agriculture, Forestry, Fishing	\$ _____	\$ _____	\$ _____	_____	+	_____	+	_____	=	_____
Production, Maintenance	\$ _____	\$ _____	\$ _____	_____	+	_____	+	_____	=	_____

NORTH DAKOTA TOTAL NUMER OF WORKERS: _____

CURRENT NORTH DAKOTA
TOTAL ANNUAL PAYROLL \$ _____

Current Employee Benefit Package: Please provide a detailed listing of employer-paid benefits.

B. Projected Employment Information

North Dakota-only employment projected to be created each year as a result of the proposed project.

Projected Annual Employment in North Dakota

Jobs to Be Created

	<u>Year1</u>	<u>Year2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Full-Time	_____	_____	_____	_____	_____	_____
Part-Time*	_____	_____	_____	_____	_____	_____
Seasonal/Temp**	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____

*Works Less Than 30 Hours Per Week.

**Works Only During Peak Season (Please Specify Length of Peak Season: _____ Months).

SECTION 6. LITIGATION

Provide summaries including descriptions of the current status of any legal proceeding, consent decrees, orders, investigations, or suits against the applicant, any affiliates, guarantors, and all principals with ten percent or more ownership; which are currently pending, threatened, or which concluded within the five years prior to the date of the application.

Application Checklist:

Please review your application to make sure all relevant information has been submitted.

	<u>ENCLOSED</u>	<u>N/A</u>
A. Completed Application Form	[]	[]
B. Schedules Attached:		
1. Three Years of Historical Financial Statements	[]	[]
2. Year-to-Date Financial Statements	[]	[]
3. Projected Financial Statements For Two Years	[]	[]
4. Personal Income Tax Returns for Last Three Years (10% or Greater Ownership)	[]	[]
5. Corporate Income Tax Returns for Last Three Years	[]	[]
6. Resumes of Management and Principals	[]	[]
7. Supporting Project Cost Documents	[]	[]
8. Business Plan (See website below)	[]	[]
9. Management and Organizational Chart	[]	[]
10. Employment Plan	[]	[]
11. Litigation	[]	[]
12. Letters of Commitment	[]	[]
13. Affiliate Statements	[]	[]
14. Community Impact	[]	[]
15. Business Organization Documents	[]	[]
16. Other Enclosures	[]	[]
17. Current Debt Schedule	[]	[]
18. Driver's License—Copy From Applicant	[]	[]
19. Environmental Assessment 1940-22	[]	[]

<http://www.ndsfdc.org/search/eseach.asp?start=0&perPage=10&summary=yes&sort=rank&search=Business+Plan&submit=SEARCH>

SECTION 7. Civil Rights Compliance

The following information is requested by the Federal Government in order to monitor compliance with applicable Federal Civil Rights laws. You are not required to furnish this information, but are encouraged to do so. The law states that a provider of services 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 the provider of services is required to note race, ethnicity, and sex on the basis of visual observation or surname.

Ethnicity (mark one)

- Not Hispanic or Latino
- Hispanic or Latino

Sex:

- Female
- Male

Race (mark one or more)

- White
- Black or African American
- American Indian/Alaskan Native
- Asian
- Native Hawaiian or Other Pacific Islander

Veteran Status:

- Veteran
- Non-Veteran

SECTION 8. CONFIDENTIALITY STATEMENT

North Dakota Century Code 44-04-18.4. Confidentiality of trade secret, proprietary, commercial, and financial information. Any documentary material, data made or received by the Lewis and Clark Development Group Loan Committee, for the purpose of furnishing assistance to a business to the extent that such material or data consists of trade secrets, commercial, or financial information regarding the operation of such business, may not be considered public record, and shall be exempt from disclosure. Any discussion, consideration of, or action upon such trade secrets, commercial, or financial information by the Lewis and Clark Development Group Loan Committee may be done in Executive Session closed to the public, notwithstanding the provisions of the Open Meeting Laws of this state.

SECTION 9a. APPLICANT COMPLETION CERTIFICATION

All information contained above and in schedules attached hereto is true and complete to the best knowledge and belief of the applicant. There is no intent to deceive or defraud the Loan Committee or any potential participant in any loans to finance this project.

The applicant recognizes that the Loan Committee may not process any application that is not complete. Incomplete applications will be returned to the applicant for completion.

The Applicant also recognizes that there shall be no commitment of any loan program without specific authorization of the Loan Committee. Only the Loan Committee may make an award from the loan program to an applicant.

Federal Law prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, marital or family status.

I declare and affirm under the penalties of perjury that the claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Applicant Business: _____

Officer's Signature: _____

Officer's Name/Title: _____

Telephone Number: _____ Date: _____

SECTION 9b. OPERATING COMPANY COMPLETION CERTIFICATION

All information contained above and in schedules attached hereto is true and complete to the best knowledge and belief of the applicant. There is no intent to deceive or defraud the Loan Committee or any potential participant in any loans to finance this project.

The Operating Company recognizes that the Loan Committee may not process any application that is not complete. Incomplete applications will be returned to the Operating Company for completion.

The Operating Company also recognizes that there shall be no commitment of any loan program without specific authorization of the Loan Committee. Only the Loan Committee may make an award from the loan program to an Operating Company.

The prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, marital or family status.

I declare and affirm under the penalties of perjury that the claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Operating Company Business: _____

Officer's Signature: _____

Officer's Name/Title: _____

Telephone Number: _____ Date: _____

SECTION 10. BORROWER CERTIFICATION (USE OF FUNDS)

Legal Name of Borrower

The borrower hereby certifies the following to the lender:

1. The loan or investment proceeds will be used for a “business purpose.”

Business purpose includes, but is limited to, start-up costs, working capital, business procurement, franchise fees, equipment, and inventory as well as the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes: activities that relate to acquiring or holding passive investments such as commercial real estate ownership, the purchase of securities, and lobbying activities as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

2. The loan proceeds will not be used to:

- a. repay delinquent federal or state income taxes unless the Borrower has a payment plan in place with the relevant taxing authority; or
- b. repay taxes held in trust or escrow; e.g., payroll or sales taxes; or
- c. reimburse funds owed to any owner, including any equity injection or injection of capital for the continuance of the business; or
- d. to purchase any portion of the ownership interest of any owner of the business.

3. The borrower is not:

- a. an executive officer, director, or principal shareholder of the lender; or
- b. a member of the immediate family of an executive officer, director, or principal shareholder of the lenders; or
- c. a related interest of such executive officer, director, principal shareholder, or member of the immediate family.

For the purposes of these three restrictions, the terms “executive officer,” “director,” “principal shareholder,” “immediate family,” and “related interest” refer to the same relationship to a lender as the relationship described in Part 215 of Title 12 of the code of Federal Regulation, or any successor to such part.

SECTION 10. Borrower Certification (Use of Funds)—Continued

- 4. The borrower is not:
 - a. a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business; or
 - b. a business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company Community Development Financial Institutions; or
 - c. a business engaged in pyramid sales, where a participants' primary incentive is based on the sales made by an ever-increasing number of participants; or
 - d. a business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
 - e. a business engaged in gambling enterprise, unless the business earns less than 33 percent of its annual net revenue from lottery sales.

Legal Name of Borrower _____

By _____

Authorized Signatory

Name _____

Title _____

Date _____

SECTION 11. OPERATING COMPANY CERTIFICATION (USE OF FUNDS)

Legal Name of Operating Company

The Operating Company hereby certifies the following to the lender:

1. The loan or investment proceeds will be used for a “business purpose.”

Business purpose includes, but is limited to, start-up costs, working capital, business procurement, franchise fees, equipment, and inventory as well as the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes: activities that relate to acquiring or holding passive investments such as commercial real estate ownership, the purchase of securities, and lobbying activities as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

2. The loan proceeds will not be used to:

- a. repay delinquent federal or state income taxes unless the Operating Company has a payment plan in place with the relevant taxing authority; or
- b. repay taxes held in trust or escrow; e.g., payroll or sales taxes; or
- c. reimburse funds owed to any owner, including any equity injection or injection of capital for the continuance of the business; or
- d. to purchase any portion of the ownership interest of any owner of the business.

3. The Operating Company is not:

- a. an executive officer, director, or principal shareholder of the lender; or
- b. a member of the immediate family of an executive officer, director, or principal shareholder of the lenders; or
- c. a related interest of such executive officer, director, principal shareholder, or member of the immediate family.

For the purposes of these three restrictions, the terms “executive officer,” “director,” “principal shareholder,” “immediate family,” and “related interest” refer to the same relationship to a lender as the relationship described in Part 215 of Title 12 of the code of Federal Regulation, or any successor to such part.

SECTION 11. Operating Company Certification (Use of Funds)—Continued

4. The Operating Company is not:

- a. a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business; or
- b. a business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company Community Development Financial Institutions; or
- c. a business engaged in pyramid sales, where a participants' primary incentive is based on the sales made by an ever-increasing number of participants; or
- d. a business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
- e. a business engaged in gambling enterprise, unless the business earns less than 33 percent of its annual net revenue from lottery sales.

Legal Name of Operating Company_____

By_____

Authorized Signatory

Name_____

Title_____

Date_____

SECTION 12. LENDER CERTIFICATION

Certification

Borrowers Name:

Legal name of Lender:

The Lender hereby certifies to Lewis and Clark Development Group the following:

1. The loan has not been made in order to place under the protection of the approved Lewis and Clark Development Group program prior debt that is not covered under the approved state program and that is or was owed by the borrower to the lender or to an affiliate of the lender.
2. The loan is not a refinancing of a loan previously made to that borrower by the lender or an affiliate of the lender.
3. The lender is not attempting to enroll the unguaranteed portions of SBA-guaranteed loans in this loan.
4. The lender is in compliance with the requirements of 31 C.F.R. § 103.121.
5. The lender will make available to the Treasury Inspector General all books and records related to the use of the Allocated Funds, subject to the Right to Financial Privacy Act (12 U.S.C. § 3401 et seq.), including detailed loan records, as applicable.

Legal Name: _____

By: _____

Tax ID # _____ FDIC # _____

Authorized Signatory

Name: _____

Title: _____

Date: _____