

Capital Access Program
Loan Enrollment Form

1. Name of Lender: _____
2. Address: _____
3. Contact Person: _____ Phone No: _____
4. Name and Address of Borrower: _____

5. Date loan closed / anticipated to be closed _____
6. Loan #: _____ 6a. NAICS #: _____ 6b. Year Business Organized _____
7. Loan Type:
 - a. Term Loan: Yes No If yes, # of months _____
 - b. Line of Credit: Yes No If yes, # of months _____
8. Covered Loan Amount: _____ 9. Current Annual Sales of Borrower: _____
10. Borrower's Current # of Employees: _____
Note: The number of employees includes parent company and all locations unless the applicant business is a completely independent subsidiary.
11. Borrower's Estimate of Jobs to be Created _____ Retained _____
12. Total Amount Paid into Reserve Fund by: Borrower _____ Lender _____
13. Description of use of loan proceeds **(Note: Lender's loan write-up must be submitted with this form)**

In filing this loan for enrollment, the Lender makes the representations and warranties specified for the Lender in Section 2.2 of the Agreement.

Authorized Signature: _____

Name and Title: _____ Date _____

Business and Community Development Division

1st National Bank Building ■ 332 Minnesota Street, Suite E200 ■ Saint Paul, MN 55101-2146 USA

www.positivelyminnesota.com

Toll Free: 800-657-3858 ■ Phone: 651-259-7424 ■ Fax: 651-296-5287 ■ TTY: 651-296-3900

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DATA PRIVACY ACKNOWLEDGEMENT:

Tennessee Warning Notice: per MN Statutes 13.04, Subd.2, this data is being requested from you to determine if you are eligible for assistance from the Minnesota Department of Employment and Economic Development. You are not required to provide the requested information, but failure to do so may result in the department's inability to determine your eligibility for assistance. The data you provide that is classified as private or non-public and will not be shared without your permission except as specified in state and federal laws.

Data Privacy Notice: per MN Statutes 13.591, Subdivision 1, certain data provided in this application is private or non public data; this includes financial information about the business, including credit reports, financial statements, net worth calculations, business plans; income and expense projections; balance sheets; customer lists; income tax returns; and design, market, and feasibility studies not paid for with public funds. Per MN Statutes 116J.401, Subd. 3., certain data provided in this application is private data; this includes data collected on individuals pursuant to the operation of business finance programs.

I have read the above statements and I agree to supply the information requested to the MN Department of Employment and Economic Development, Office of JOBZ and Business Finance with full knowledge of the information provided herein. I certify that all information provided herein is true and accurate and that the official signing this form has authorization to do so.

Typed Name of Business Official: _____

Signature of Business Official: _____

Date: _____

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**Sex Offender Certification
(To be used for Borrowers/Investees)**

This certification is required by Section 3011(c)(2) of the Small Business Jobs Act of 2010 from any private entity that receives a loan, a loan guarantee, or other financial assistance using funds received by a participating State under the State Small Business Credit Initiative.

Legal name of entity:

As required by Section 3011(c)(2) of the Small Business Jobs Act of 2010, the private entity hereby certifies to the participating State that the Principals of the private entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this Certification, Principal means the following: if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership; and if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.

Legal Name: _____

By: _____

Authorized Signatory

Name: _____

Title: _____

Date: _____

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Legal Name: _____

By: _____

Authorized Signatory

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Lender/Investor Certification for Use of Proceeds

This Assurance is referenced by Section 3005(e)(7) of the Small Business Jobs Act of 2010.

Legal name of lender or investor:

The Lender/Investor hereby certifies to the Participating State the following:

1. The loan or investment has not been made in order to place under the protection of the approved state 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 or investment is not a refinancing of a loan or investment previously made to that borrower by the lender or an affiliate of the lender.
3. The lender is not attempting to enroll any portion of an SBA-guaranteed loan.

Legal Name: _____

By: _____

Authorized Signatory

Name: _____

Title: _____

Date: _____

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Small Business Borrower/Investee Certification for Use of Proceeds

These assurances reference Section 3005(e)(7) and Section 3011(c)(2) of the Small Business Jobs Act of 2010.
Legal name of borrower or investee:

The borrower or investee hereby certifies the following to the lender or investor:

1. The loan or investment proceeds will be used for a “business purpose.” Business purpose includes, but is limited to, startup costs, working capital, business procurement, franchise fees, equipment, 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 and 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 or investment proceeds will not be used to:
 - a) repay a 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 business’ continuance; or
 - d) to purchase any portion of the ownership interest of any owner of the business.
3. The borrower or investee 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 an such executive officer, director, principal shareholder, or member of the immediate family.

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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 Regulations, or any successor to such part.

4. The borrower or investee is not:
- a) a business manufacturing, distributing, selling or related activities of sexually explicit materials; or
 - b) 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
 - c) 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
 - d) a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants; or
 - e) 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
 - f) a business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

Legal Name: _____

By: _____

Authorized Signatory

Name: _____

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Exhibit 1

Borrower's Representations Regarding Reserve Fund Account

The undersigned borrower (the "Borrower") acknowledges and understands:

- a. That the loan to be made by _____ (the "Lender") to the Borrower will be filed for enrollment by the Lender in the Capital Access Program (the "Program"), a program established by the State of Minnesota (the "State");
- b. That the purpose of the Program is to assist the Lender in making loans that might otherwise not qualify for a loan from the Lender;
- c. That as a condition of having the loan filed for enrollment in the Program, the Borrower is required to pay or contribute a non-refundable premium charge to an administrative account called the Reserve Fund Account (the "Account"), which is established by the State to help cover losses that the Lender may sustain on loans enrolled in the Program; and
- d. That the Borrower's payments of its non-refundable premium charge will be collected by the Lender for transmittal to the Account, and that other payments or transfers will be made to the Account by the Lender and the State.

The Borrower acknowledges the foregoing and hereby represents and warrants that it has no, and has not been promised or told by anyone that it has any legal, beneficial, or equitable interest in the aforementioned non-refundable premium charges or any other funds credited to the Account, and hereby waives any right, claim, or interest to any and all such funds paid or credited to the Account from time to time.

Borrower Signature _____

Date Signed _____

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Exhibit 2

Notice to Borrower

This notice is provided to the borrowers who may receive a loan from a lender under the Capital Access Program of the State of Minnesota.

The purpose of this program is to assist lenders to make loans that might otherwise not qualify for a loan from a participating lender. The program utilizes a special loss reserve to assist the lender in covering losses from a portfolio of loans that a lender makes under the program. The borrower pays a premium charge to the reserve, which is matched by a lender premium payment to the reserve. The State will then match the combined total of the borrower's payment and the lender's payment.

It is important to emphasize that the loan is a private transaction between the lender and the borrower. While the program may assist a lender in being able to take more risk than normal, it is important to understand that it is still the lender that is bearing the risk of the loan. The State is not a party to the loan and plays no role at all in the lender's decision regarding whether or not to make the loan, or in the setting of the interest rate, fees, duration, or any other terms or conditions of the loan. The lender's rights and remedies are delineated in the loan contract and in law applicable to any lender financing. The State plays no role in any decisions by the lender with respect to enforcing its rights under the loan contract.

While the program is intended to assist the lender in providing you with access to lender financing, you should understand that it is likely to be more expensive for the borrower than would be the case with a loan that is not enrolled in the program. Not only does the borrower make a payment to the reserve, but it is expected that the lender may, in some manner, recover from the borrower the cost of the lender's payment into the reserve.

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