

Growth Loan Fund Program
Business Enrollment Application

Program Requirements

Applicant must be either certified as a Qualified Business through the Minnesota Angel Tax Credit Program (ATC) or working with a venture capital or angel fund as defined in 17 C.F.R. § 275.203(l)-1 or an accredited investor as defined by the U.S. Securities and Exchange Commission under Rule 501 of Regulation D.

Approval of this enrollment request does not guarantee a loan will be made. All loans are subject to the following provisions which must be satisfied prior to loan issuance:

1. Loan Amount: Approved loans will range from \$100,000 to \$400,000. The maximum loan amount is based upon the information provided in this Growth Loan Fund (GLF) Business Enrollment Application. Loan amounts are tied to the amount of equity the applicant intends to raise during the GLF funding round period. Failure to reach the estimated equity investment during the GLF funding round period will result in a reduction to the loan amount or possible termination of GLF loan eligibility.
 - a. The maximum loan amount is set at 20% of the intended raise, not to exceed \$400,000.
 - b. If a business does not attain at least 70% of the estimated amount of equity investment to be raised (as indicated on this application) during the GLF funding round period, the business will no longer be eligible for a loan. The minimum loan requires an equity investment of \$500,000.
 - c. If the business raises more equity investment than estimated in this application, they are eligible to apply for an increase in the GLF loan amount. Increase approvals will be contingent upon program funds availability.
 - d. If the businesses raises in excess of \$20 million in equity, including the GLF loan amount, the business will no longer be eligible for the loan.
 - e. All equity investments taken into consideration when determining the loan amount must be made during the GLF funding round period as indicated in the GLF Acceptance Letter, and all proof of investment must be received.
2. At least one equity investment must be made by an investor that is 1) qualified as an Accredited Investor per the U.S. Securities and Exchange Commission under Rule 501 of Regulation D or 2) a venture capital or angel fund as defined in 17 C.F.R. § 275.203(l)-1.
3. The funding round period is limited to the 12-month period indicated in the GLF Acceptance Letter. All equity investments must be made during this period to be eligible.
4. Loan terms are non-recourse at 1% interest for 7 years. Principal payments are deferred until year 4. Starting in year 4, principal and interest payment are due such that 50% of principal will be repaid by the maturity date. A balloon payment for the remaining balance is due at maturity.

5. If the business is sold during the loan term, the outstanding loan balance, plus a 10% risk mitigation fee based upon the original loan amount, is due within 30 days of the date of sale.
6. A business may receive up to two loans from the GLF program. If the business received a loan through the Angel Loan Fund program, the business may receive no more than \$400,000 from both programs.

SSBCI Compliance

The GLF program is funded by the U.S. Department of the Treasury's State Small Business Credit Initiative (SSBCI). The program is subject to SSBCI rules and regulations of, including use of loan proceeds, prohibitions on use of proceeds and business types, conflicts of interest, and reporting requirements. See Small Business Borrower Use of Proceeds and Conflict of Interest Certification for details about prohibited business types and uses of loan proceeds.

Applicant Information

Business Legal Name: _____

Business Address: _____

Contact Person & Title: _____ Phone: _____

E-mail: _____ Company Website: _____

Business Description: _____

Business Legal Organization (e.g., S Corp): _____ Industry (6-digit NAICS Code): _____

Year Business Organized: _____ DUNS Number (if available): _____

Number of Employees (Full-Time Equivalent): _____ Most Recent Annual Revenues: _____

NOTE: The number of employees includes parent company and all locations.

Is there any pending or current litigation against the company or delinquent taxes? Yes No

Amount of equity investment to be raised during this 12-month funding round: \$_____

(Please see Program Requirements above for more detail about loan amounts and estimated equity investment. If this application is approved, the applicant will receive a GLF Acceptance Letter outlining the 12-month funding round period. All investments must be made during the defined funding period to be considered.)

Describe the use of funds for both the equity investments raised during the funding round and the anticipated Growth Loan Fund program loan:

Required Documents

To establish that the business is investment ready, applicant must submit the following attachments to this GLF Business Enrollment Application form:

1. Business plan and with detailed management background information for each principal of the company and any Board of Directors positions
2. Three years historical financial information (if available): balance sheets, profit and loss statements and cash flow statements (audited or reviewed if available). At least one year of financials is required.
3. Investment plan for securing follow-on capital to sustain firm
4. Proof of patent, license, or other intellectual property (IP) protection as appropriate. If no IP protection has occurred, describe the preliminary patent search as well as the impact of IP on the marketplace. If IP is licensed, provide details about the license agreement.
5. Strategy demonstrating a strong sustainable competitive advantage in growing market
6. Exit strategy for State investment and/or debt repayment
7. Description of collaborations or experience needed to commercialize technology and accelerate the growth of high-tech start-up company
8. Articles of Incorporation or Organization
9. Minnesota Secretary of State business filing details
10. If certified as an Angel Tax Credit (ATC) business, a copy of the ATC acceptance email is required
11. If not, ATC certified, provide a Letter of Interest from an accredited investor or fund that has identified the business for potential investment
12. Current capitalization table
13. If applicable, please include a term sheet/subscription agreement sample as support for your capitalization table

INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED AND WILL BE RETURNED TO THE APPLICANT.

The undersigned:

- a. Certifies that all representations made in this GLF Business Enrollment Application or information provided herein are true and complete to the best of his or her knowledge,
- b. Grants the State of Minnesota and its agents the right to contact individuals and organizations as the State may deem necessary to verify the accuracy and completeness of any and all applicant data,
- c. Agrees to execute and deliver written authorizations for the release of data or for any data privacy waivers reasonably required for the State to verify the accuracy or completeness of applicant data,
- d. Acknowledges that it is aware that the act of providing false applicant data may subject it to penalties provided by State and Federal laws, and
- e. Authorizes DEED to disclose my application name to SSBCI Insiders for the purposes of complying with DEED's Insider Venture Capital Conflicts of Interest Policy and Procedures and the SSBCI Capital Program National Compliance Standards.

Signature of Authorized Representative: _____

Printed Name: _____

Title: _____ Date: _____

DATA PRIVACY ACKNOWLEDGEMENT:

Tennessee Warning Notice: Per Minnesota Statutes, section 13.04, subdivision 2, this data is being requested from you for the purpose of determining if you are eligible for assistance from the Minnesota Department of Employment and Economic Development (DEED). You are not required to provide the requested information, but failure to do so may result in DEED's inability to determine your eligibility for assistance. The data you provide may be classified as private or non-public. DEED may share your application name with SSBCI insiders to comply with DEED's Insider Venture Capital Conflicts of Interest Policy and Procedures, the SSBCI Capital Program National Compliance Standards, and other applicable state and federal laws.

Data Privacy Notice: Per Minnesota Statutes, section 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 Minnesota Statutes, section 116J.401, subdivision 3, certain data on individuals 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 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.

Signature of Authorized Representative: _____

Printed Name: _____

Title: _____ Date: _____