

Investing in Woodbury County – Secured Loans (Preliminary Application)

Maximum Amounts:	Secured Loan: Up to \$100,000 or Up to \$200,000 if Borrower Matches Amount
Use of Proceeds:	To start or expand an existing business physically located in rural Woodbury County (all areas of the county other than the City of Sioux City). Qualifying business purpose would be for land, building, equipment, or working capital only in connection with land, building and equipment. No money may be used to cover payroll.
Interest Rate:	2%
Down Payment:	Negotiable
Collateral:	Lien on project assets or other assets as negotiated. Subordinate only to primary lender in packaged loans if collateral is insufficient.
Term & Maturity Date:	Term negotiable based upon collateral, project feasibility/business plan, and security position. Variable maturity date based upon project and business plan.
Typical Package:	Stand-alone loan or packaged with other loan programs.

Name of Borrower(s):	Mark Sorlie and Laura Sorlie dba Ultimate Fitness, Inc.
Address:	406 Hiddenwood Hollow Jefferson, SD 57038
Phone Number:	(712) 943-8663
Cell Phone Number:	(605) 321-6279
Location and Description of Project:	Sergeant Square Dr. (200 Block), Sgt. Bluff, IA 51054, Parcel ID: 884731176007 Purchase of land and construction of new building to house an existing 24-hr fitness center and tanning salon business.
Amount of Loan Requested:	\$60,000
Jobs Created by Project:	3-4 PT
Collateral:	3 rd Mortgage on Project Property and Personal Guarantees
Application of Loan Proceeds:	Purchase of land, construction of new building, construction contingency.

*****PROVIDE A BUSINESS PLAN WITH APPLICATION*****

By signing below, you consent to allow Woodbury County and the Siouxland Economic Development Corporation to obtain a credit report in connection with this Preliminary Application.

Applicant(s) Signature & Date:

MS 3/20/15 *Laura Sorlie* 3/20/15

How Long Does It Take: This Preliminary Application will be reviewed by Woodbury County to make an initial determination of the viability of the application request. This initial determination will take approximately 2 weeks from the submission of a fully completed Preliminary Loan Application. If viability of the project is determined, the Preliminary Loan Application will be forwarded to the Siouxland Economic Development Corporation (SEDC). Applicant will be charged a loan review fee (\$350 non-refundable) required by SEDC. The SEDC Board meets on the third Wednesday of each month, at which time the SEDC will provide its recommendation to Woodbury County. The loan review fee is non-refundable.

Loans will not be available under this program for residential structure, or solely for the purpose of rehabilitation of existing business structures, or merely to refinance an existing loan, or for purely passive business ventures. Loans could, however, be provided to a developer who plans to build or improve a commercial structure if the developer has solid commitments from otherwise qualifying businesses to lease space in the facility.

Loan Criteria: Will consider number of jobs created, whether the business will add tax base to the county, adequacy of loan security (when applicable), credit risk of applicant, and general business plan. Business may include on-farm or off-farm agricultural businesses, service related businesses as opposed to strictly non-food related retail businesses (unless retail business serves existing activity in community), and general need for the business in community (example: grocery store, gas stations, and the like).

Fees: No fee for submission of Preliminary Loan Application. If Woodbury County deems viable application, then the SEDC review fee will be set at \$350 and is non-refundable.

Processing Fee: Variable, depending upon security offered.

Servicing Fee: Annual fee of 0.5% of declining balance charged by SEDC.

Closing Costs: Closing costs are responsibility of the borrower.

Contact:

David Gleiser, Director
Rural Economic Development – Woodbury County
620 Douglas Street, 6th Floor
Sioux City, IA 51101
Phone: (712) 279-6609
dgleiser@sioux-city.org

Siouxland Economic Development Corporation (SEDC)
617 Pierce Street, Suite 202
Sioux City, IA 51101
Phone: (712) 279-6430
sedc@siouxlandedc.com
This institution is an Equal Opportunity Provider

BORROWER SUMMARY

BORROWER: Ultimate Fitness, Inc.
 TBD Sergeant Square Dr. (200 Block)
 Sergeant Bluff, IA 51054

FYE: 12/31
 EIN:
 NAICS: 713940

CONTACT: Jeff Eaton or Mark Sorlie

PHONE: 293-2265 / (605) 321-6279

BUSINESS ACTIVITY: 24 Hour Fitness Facility

PROJECT DESCRIPTION: Construction of new building to house an existing fitness center

INVESTING IN WOODBURY COUNTY LOAN AMT: \$60,000
 INTEREST RATE: 2.0%
 TERM: 5 yrs

PRIVATE LENDER/AMT: Central Bank: \$186,513
 INTEREST RATE: 4.75% variable, Fixed for 5 years
 TERM: 20 yr amortization
 CONTACT: Jeff Eaton, Vice President

SEDC LOAN/AMT: SEDC RLF: \$60,000
 INTEREST RATE: 3.5%
 TERM: 15 year term / 5 year balloon

SOURCE OF EQUITY INJECTION: The borrower will be covering the contingency amount with business cash, The borrower owns the equipment that will go into the facility as well as the three tanning beds they will be incorporating into the new facility

COLLATERAL:

- 3rd Mortgage on Project Property
- Personal guarantees: Mark Sorlie and Laura Sorlie

INSURANCE TYPE: Hazard

PROPOSED FUNDING/PROJECT:

<u>Sources</u>			<u>Uses</u>	
Central Bank	\$186,513	56%	Purchase Land	\$35,000
SEDC RLF	60,000	18%	Construct Building	\$271,513
Woodbury County RLF	60,000	18%	Construction Contingency	<u>\$27,151</u>
Borrowed from Family	<u>27,151</u>	8%	TOTAL	\$333,664
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JOBS @ application: 3 PT (Sgt Bluff Location only)

PROJECTED JOBS: 3-4 Additional PT in Sgt Bluff Location