

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION
MICHIGAN STRATEGIC FUND
300 NORTH WASHINGTON SQUARE
ATTN: PRIVATE ACTIVITY BOND PROGRAM
LANSING, MICHIGAN 48913
Phone: (517) 241-6750
Email: privateactivitybonds@michigan.org

APPLICATION FOR A LOAN
FUNDED BY PRIVATE ACTIVITY BONDS
TAXABALE BOND PROGRAM

Please download this document to your computer, fill in the appropriate information, and then submit one copy by email to privateactivitybonds@michigan.org and one original mailed to the address listed above:

Applicant:	City:
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Michigan, requests that an Inducement Resolution be adopted by Michigan Strategic Fund (MSF) for \$. under 1984 P.A. 270. Internal Revenue Service regulations determine whether your project qualifies for taxable bond financing. An inducement resolution from a legally authorized governmental body, such as the MSF, is recommended before you begin the construction, reconstruction or acquisition of the project. An inducement resolution provides for the inclusion of certain costs in a taxable bond financing inclusion some which have been incurred recently, and otherwise only evidences the MSF's willingness to consider a request to issue bonds. It does not obligate the MSF to issue bonds. Ultimately eligible costs must be determined by you, your advisors and your counsel.

Applicant's name and address:	Name and title of Principal Contact:
Applicant's email address:	Telephone number:
	Fax number:

The Applicant certifies that all information contained in this Application and in the documents attached, including financial statements when required, is true and accurate to the best of the applicant's knowledge. The signature on this form must be that of a duly authorized official of the Applicant. The Applicant certifies that it will update any information that changes prior to the closing of any financing.

Authorized Signature	Title	Date
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INSTRUCTIONS FOR COMPLETING THE APPLICATION

This application consists of ten parts and requires the payment of the appropriate application fee.¹ All ten application parts are listed below and contain a brief description of what information should be included. Upon completion, the applicant should save this document and submit one copy by email to privateactivitybonds@michigan.org and one original mailed to the following address:

Mailing Address: Michigan Economic Development Corporation
Michigan Strategic Fund
Attn: Private Activity Bond Department
300 North Washington Square
Lansing, Michigan 48913
Email: privateactivitybonds@michigan.org

- 1. Description of Applicant:** Provide a brief history of the applicant including type of business, date established, state of incorporation and ownership composition. Has the project received a previous inducement or been offered any additional incentives from either a local or state economic development corporation (i.e. CDBG, PA 198, etc.)?² If so, please provide a brief description. (If additional space is needed, attach as Exhibit A.)

¹ The non-refundable application fee should accompany the Evaluation Request. The fee is \$500 for projects of \$1,000,000 or less, and \$1,000 for projects of more than \$1,000,000. (See MSF Fee Schedule for refundings.)

² If the applicant has received any previous inducements for this project by a local economic development corporation, then the MSF will need a letter from said economic development corporation indicating consent to transfer jurisdiction in order to induce the project.

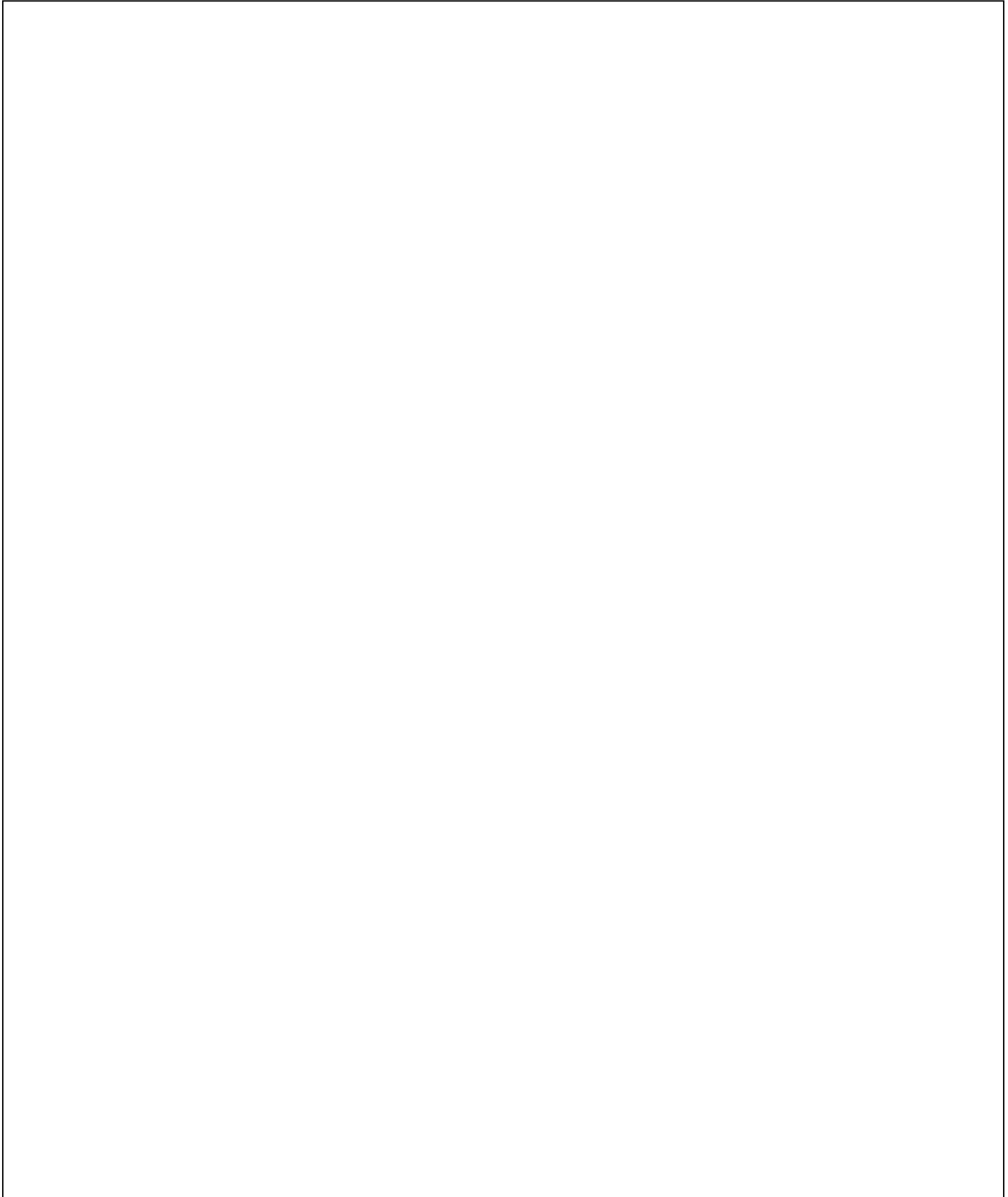
2. Description of Projected Job Creation: Provide the current number of employees, as well as any anticipated new hires, broken down by general job type. What is the average hourly wage of all of the existing jobs at the company (site specific)? Will there be a transfer of employment of 20 or more employees from one municipality to another? If so, how many employees will be transferred and where will they be transferred from? (If additional space is needed, attach as Exhibit B.)

- 3. Description of Product:** If applicable, provide a detailed description of your product(s) and how your customers use it. Include the Standard Industrial Classification (SIC) code or the North American Industry Classification System Code (NAIC). What percentage of your customers/sales are out-of-state? What percentage of your product is exported? (If additional space is needed, attach as Exhibit C.)

- 4. Description of the Project:** Provide a detailed description of the project(s) location (including City, Township, or Charter Township and County information), the estimated cost of land, machinery and equipment, the approximate square footage of the proposed/existing building. Whether costs have been incurred relating to the project (i.e. purchase of land, broken ground, etc.); if so, at what date were the costs incurred? What are the expected dates of project start-up and project completion? (If additional space is needed, attach as Exhibit D.) *NOTE: the MSF expects all firms aided by the fund to follow a competitive bid process open to Michigan firms and residents and that it will not discriminate against any contractor; make a good faith effort to employ or contract Michigan residents and firms to construct the facility; and make a good faith effort to employ qualified Michigan residents at the facility (Resolution 1995-178).*

A large, empty rectangular box with a thin black border, occupying the lower two-thirds of the page. It is intended for the user to provide the detailed description of the project as requested in the text above.

5. Description of Borrower Benefit: Will the bond issuance be used to refund an outstanding issue? A brief description of the overall savings borrower expects to see as a result of the bond financing. (*NOTE: The MSF acknowledges that this information may change throughout the application process, but requests an estimate accompany the application.*) (If additional space is needed, attach as Exhibit E.)

A large, empty rectangular box with a thin black border, occupying most of the page below the question. It is intended for the applicant to provide a brief description of the overall savings they expect to see as a result of the bond financing.

6. Description of Public Benefit: Provide a brief description of how this project will benefit the local community and state. Is this project in a community with a high unemployment rate? Is this project in a community with a poverty level equal to or greater than the statewide average? Is this project located in a Michigan designated Renaissance Zone? Will the facility have an energy efficient design and construction? Will this project reduce emissions? (Attach as Exhibit F).

7. Proposed Plan of Marketing the Bond Issue: Provide a brief description of how the bond issue will be marketed, i.e., private placement, or public offering by an investment banking firm. Furnish a soft letter of intent from a third party (bank or underwriter) which indicates their interest in assisting the applicant in the marketing of the bond issue. A list of all service providers and their contact information, including but not limited to, Bond Counsel, Financial Consultant, Bond Underwriter, Private Placement Agency (if applicable), Private Placement Bond Purchaser (if applicable), Credit Enhancement Provider, and Other Participants. (Attach as Exhibit G.) Bond counsel must be from one of the MSF's current list of approved firms.

- 8. Financial Statements:** Financial statements are not required in the event the bonds will be secured by a letter of credit or insured by a bond insurer. In all other instances the MSF will notify the applicant if Financial Statements are required. Consider requesting financial statements anyway, so MSF and MEDC can review for any solvency concerns.
- 9. Guarantee from Parent Company:** In the event of a Parent Company Guarantee, a brief history of the parent company, in the same format as above, is required. (Attach as Exhibit H.) Additionally, upon the determination of the MEDC the applicant may need to submit:
 - a. Financial statements covering the last year. If statements are not audited, the applicant shall submit a signed statement from the chief financial officer certifying that the financial statements are true and correct.
 - b. Letter from the parent company indicated the intent to guarantee.
- 10. Background Check:** In addition to completing this application, Applicant (business entity), Applicant's CEO or the similarly situated position in charge of the applicant's executive operations, Applicant's CFO or similarly situated position in charge of the applicant's daily affairs; and the person(s) responsible for managing the incentive for the Applicant must complete the [Key Individual Certification Form](#).
- 11. Reporting Requirements:** For approximately one year after the bonds are issued, the MEDC may from time to time request information related to cost savings of the financing, the jobs created and their corresponding wages.

MEDIA RELEASE

The Michigan Economic Development Corporation (“MEDC”) and the Access to Capital Team are interested in promoting the Private Activity Bonds through general marketing tools as well as possible press releases. In order to create these marketing materials, the MEDC is requesting support from both parties, including photos of the company that accurately represent the business and that would be suitable to be used in marketing material, a copy of the company logo (.jpeg or .eps), and with permission to use the information provided in the lender underwriting for marketing purposes.

The photo should be at a resolution of 300dpi or higher. This resolution is typically seen in any newer model digital camera. Photos obtained from websites or .pdf documents are not acceptable.

I agree to provide the information requested and grant permission for use in media profiles and promotional material as created by MEDC, including the right to copy, distribute, transmit and publicly display the information. I warrant and represent that I own or otherwise control all of the rights to the information provided.

YES ____ NO ____

Company Name: _____

Borrower Signature: _____ DATE: _____

Lender Signature: _____ DATE: _____

Note: Please include photos and logos as a separate attachment when this intake form is submitted. Questions regarding the media release may be directed to Diane Cranmer at (517) 241-6750.

Signatures are required in order to move forward with the Private Activity Bond Application.

WHAT IS THE APPLICATION PROCESS?

The following steps summarize the actions necessary to obtain taxable bond financing through the MSF:

1. Applicant prepares background check disclosure forms and submits to MSF staff 60 days ahead of their desired MSF Board meeting for inducement. Also, please note if the project is not finalized with the Board inducement resolution and Board authorizing resolution within six months, a new background check will be required. Applicant prepares an application for the loan and submits it to MSF staff 45 days ahead of their desired MSF Board meeting for inducement. *(Please note: MSF Board meetings are generally held the fourth Tuesday of the month in Lansing. The applicant or a representative may be asked to make a brief presentation to the MSF Board describing the project.)*
2. MSF Board considers an inducement resolution at its public meeting recognizing the public purpose of the project.
3. Applicant structures the financing and bond counsel begins to prepare documents.
4. Financing documents are prepared by counsel and reviewed and accepted by all parties to the transaction.
5. MSF Board adopts bond resolution authorizing the issuance of the bonds.
6. MSF, borrower, purchaser and counsel close on the project financing.

MSF FEE SCHEDULE

Application Fee		Issuance Fee*	
(Non-refundable fee required when the evaluation request is filed)		(Required on or before the closing of the project financing)	
\$10 million or less	\$ 500	\$10 million or less	1/8 of 1%
Over \$10 million	\$1,000	Over \$10 million	\$12,500 + 1/16 of 1%

NOTE: Payment may be made by check to the Michigan Strategic Fund or by wire transfer

*The maximum issuance fees chargeable to not-for-profit corporations is \$40,000.
Issuance fees for all refunding issues are 1/8 of 1% of the bond issue with a minimum of \$2,000 and a maximum of \$40,000.

WHO DO I CONTACT?

Requests for more information and application materials should be directed to:

Michigan Economic Development Corporation
Michigan Strategic Fund
ATTN: Private Activity Bond Department
300 North Washington Square, 4th Floor
Lansing, Michigan 48913
517.241.6750
privateactivitybonds@michigan.org