

Minnesota Investment Fund (MIF) Program Application

State Funds

Please consult with your DEED Loan Officer before completing this application.

APPLICATION PROCEDURES

The Minnesota Investment Fund (MIF) Program provides loans to businesses that create or retain high-paying, full-time permanent jobs, and invest in machinery or real property acquisition or improvements. The program is available statewide for manufacturing, distribution, warehousing, and other eligible business activities that would not occur but for the MIF assistance. Applications are accepted on a year-round basis as funds are available.

To receive funds, a business must work in conjunction with the city or county government (Local Government) where the business will be located. In consultation with the Department of Employment and Economic Development (DEED), the Local Government will make a preliminary determination about whether a business meets the minimum program requirements. See the MIF eligibility information on the program [website](#) for guidance.

If a business is potentially eligible, the following steps are completed:

1. The business and Local Government work together to complete the MIF Application. The Local Government will submit the completed application to the designated DEED Loan Officer.
2. DEED evaluates the application and notifies the Local Government and business of approval or denial. If approved, DEED will determine a maximum funding amount and job creation requirements.
3. **Jobs created and capital investment expenditures may only be counted after the Grant Contract has been fully executed. The project should not commence prior to execution of the Grant Contract without prior authorization from the MIF Loan Officer.**

POST AWARD PROCESS

4. DEED and the Local Government will enter into a Grant Contract specifying the details of the award and job creation requirements.
5. After the Grant Contract is fully executed, the Local Government will enter into a Loan Agreement with the business.
6. The Local Government will submit the required executed agreements, payment request documentation, annual progress reports, and other information requested by DEED.
7. MIF funds will be paid on a **reimbursement** basis after required documentation verifying expenditures is submitted and approved.

SECTION 1 – Local Government Applicant Information

Local Government Applicant	Local Government Contact Name and Title
Stacy Marquardt	Community Development Planner
Email: smarquardt@princetonmn.org	Telephone: 763-389-2040
Address: 705 Second Street North	City/State/Zip: Princeton, MN 55371

PART A – Local Resources & Financing Request

- Does the Local Government have Revolving Loan Funds? Yes No
**Attach a copy of the Local Government's Revolving Loan fund Policies*
- What is the balance of the local revolving loan funds? \$219,332
- What is the Local Government committing to this project? (e.g. TIF, RLF dollars, reduced price land, etc.)
MIF Application
- Is the applicant up to date filing Minnesota Business Assistance Forms? Yes No
- Is the applicant up to date with the filing of MIF Revolving Loan Fund annual reports? Yes No N/A
- What is the requested MIF loan amount? \$350,000 Rate (0-3%)? 0% Term? 7 years
- Is Applicant proposing any loan forgiveness? Yes No
- If yes, what is the proposed amount to be forgiven? N/A
- Explain the rationale for forgivable funding: N/A
- What will the MIF funds be used for? (attach estimates) New Equipment
- When was the Local Government's latest financial audit? (attach a copy of the audit results) 2021

Part 1A attachments:

- RLF Policies Estimates for Item 10 Audit Results

PART B – Community Needs & Capacity

The project will be scored, in part, on the following community and economic development conditions. Include a project narrative which addresses the following areas as appropriate:

- Economic vulnerability of the community (e.g., need to diversify industrial base, underemployment of labor pool, labor pool needs);
- Unique factors demonstrating effective inducement of economic development (e.g., recent loss of large employer, labor pool dependent upon one sector or industry, seasonality of employment, natural disaster, filling long vacant space, long-term member of business community, contributes to cluster industry, tax base increase);
- Lack of local jobs (e.g., recent population decline due to lack of employment, significant outmigration, or population working outside the community);
- Project will support the economic viability of underserved businesses (i.e., veteran, minority, disabled, or women owned). If applicable, business must complete self-certification on page 17;
- Describe the Local Government's experience and ability to manage the grant, revolving loan fund, state and local compliance requirements, and the implementation of the project.
- Describe how the MIF project will strengthen and/or diversify the local or Minnesota economy.

Part 1B attachments:

- Narrative Items 1-6



REVOLVING LOAN FUND POLICY

Updated July 13, 2023

INTRODUCTION

This document provides written guidelines for the award and processing of loans under the City of Princeton's Revolving Loan Fund (RLF) Program, and is intended to be used as the procedure for staff and the City Council to follow in the administration of the RLF.

The RLF was capitalized through funds made available by the City of Princeton's Urban Development Action Grant, the Minnesota Department of Employment and Economic Development, to include the State Minnesota Investment Fund, or other sources as identified and provided by the City.

The RLF Program will be operated within the city limits of the City of Princeton, whose boundaries may change as growth and annexations of new properties take place naturally over time. The RLF will be used primarily to provide fixed asset financing to businesses.

This loan fund will be administered by staff and the Council. Staff will handle applicants, review applications for loan funds, and provide reports and recommendations to the City Council, comprised of a Mayor and four (4) Councilors duly elected by City residents.

BACKGROUND

A locally operated RLF Program allows a community to leverage public and private dollars through a fairly simple operation. RLFs can provide local businesses with direct loans, participation loans with banks and other lenders, loan guaranties, interest subsidies, and other financial assistance. It is a goal of the City's RLF Program to leverage its funds to the greatest extent possible to achieve the maximum impact with a scarce resource – loan funds for businesses.

If at a future time the City's RLF Program receives additional capitalization, this RLF Plan will be amended to add any additional requirements of the granting agency or institutions. Due to the relatively small initial capitalization of the City's RLF, it is the intention to pursue additional capitalization through a variety of sources, such as lending institutions, private foundations, state funds and programs, federal funds and programs, investors, etc. This will enable the RLF Program to continue to provide needed financing for a healthy local economy.

The City's RLF Program also may, at its option and if the need arises, sell its loans on the secondary market (within legal and prudent guidelines) to raise additional capital to continue to provide loan funds to businesses.

The City's RLF Program is designed to help firms start up, expand, develop, and remain in the community. It will be the policy of the RLF Program to assist in financing local businesses first rather than using the RLF dollars in a "smoke-stack chasing" manner, which has been proven to be a sometimes unrealistic, competitive, and expensive economic development endeavor.

OPERATING GOALS

The following are key factors in operating the RLF Program:

1. Simplify the RLF loan terms and conditions, as well as the review process so that they do not seem complicated, time consuming, or cumbersome to applicants.
2. Design loan terms and conditions that allow the City to assume greater risks than those that private lending institutions traditionally or regularly take, but do not make them so risky that the City assumes bad debts.
3. Allow for flexibility in establishing loan terms and conditions to tailor loans to the needs of individual firms and their cash flow needs.
4. Establish clear goals, objectives, and require tangible and measurable results for the RLF Program.
5. Establish and maintain a good working relationship with local private financial institutions.
6. Operate the RLF Program in a businesslike and professional manner.
7. Market the RLF Program effectively to local businesses, media, local lending institutions, private foundations, other economic development lenders, and others as deemed appropriate by the EDA Board and City Council.
8. Staff the RLF Program with competent and experienced professionals in the field of economic development, banking, credit analysis, planning, etc. in order to preserve RLF capital, secure integrity of the fund, and achieve maximum positive results for the Princeton community. Engage City staff and/or consultants that are experienced and trained in economic development, finance and encourage ongoing training and professional development.
9. Eliminate or reduce federal and/or state requirements with which clients must comply.
10. Encourage the participation of other economic development sources in local projects, such as local banks and credit unions, the Central Minnesota Initiative Fund, local utility companies, the East Central Regional Development Commission, the U.S. Small Business Administration, Minnesota Business Finance Inc., (504 SBA Program), the Minnesota Department of Trade and Economic Development, the Federal Economic Development Administration, the Federal Rural Development Board (f.k.a. Farmers Home Administration), venture capitalist firms, Minnesota Technology, and others.

MEASURABLE GOALS

The following are important and measurable quantifiable goals of the RLF Program:

1. Create and/or retain jobs in the city limits of Princeton through utilization of the RLF.

2. Increase the tax base in both Mille Lacs and Sherburne Counties, as well as the City of Princeton.
3. Create and/or retain a majority of jobs that are full-time and not seasonal in nature.
4. Create and/or retain jobs that pay higher than minimum wage.
5. The City's RLF Program is an Equal Opportunity Lender and employer and will not discriminate based on gender, race, religion, sexual preference, age, etc., in its loan decisions or employment practices.

TARGETING CRITERIA

Since it is necessary to achieve the RLF goals and objectives, this limited amount of funds must be targeted in order to meet the financial gaps/constraints mentioned previously. The following table outlines the objectives and methods of targeting RLF funds.

Goals/Objectives/Needs	Methods to Meet the Stated Goals/Objectives/Needs
Job creation for the unemployed.	State Job and Training Department to be used for employment resource <u>or referral</u> to RLF Program.
Increase the tax base.	Projects that increase the tax base will receive priority over those that do not.
Increase income levels of employees.	Projects that create jobs that offer higher than minimum wage will receive priority over those that do not.
Increase diversity in the employment base.	Promote the program to include opportunities for minorities, women, and low income workers; include a non-discrimination clause in all applications and marketing materials.
Diversify the economy	Projects for agricultural processing, manufacturing, forestry, energy, technologically innovative and value added products for import/export will receive priority.
Improve obsolete manufacturing facilities.	Increase availability of loans to groups or employers which demonstrate this need and qualify for RLF funds.
Occupy vacant or substandard areas in need of redevelopment.	Increase availability of loans to businesses who demonstrate location qualifications and meet eligibility requirements.
Attract Private investment in local businesses.	Projects that leverage at least a 3:1 public/private ratio to RLF funds will receive priority over those that do not.
Industries or firms that create jobs appropriate for the local labor force.	Projects that fill a need for the qualified local labor force will receive priority over those that do not.
Collaborate with other funding agencies to leverage maximum funding sources.	Coordinate and promote the RLF Program with other agencies. Prioritize projects utilizing multiple funding sources.

ELIGIBLE ACTIVITIES

The following types of activities are eligible for the RLF Program:

1. Property acquisition
2. Site improvements
3. Building construction
4. Building renovation
5. Purchase and repair of machinery and equipment
6. Working capital
7. Infrastructure improvements necessary to support new or expanding businesses

The following are examples of financial assistance that can be given to encourage economic development:

1. Make loans in participation with banks and encourage their involvement in a project by providing second position/subordinate financing that is at a lower interest rate, longer term than conventional financing.
2. Give direct and/or participation loans at favorable interest rates and terms when needed.
3. Guarantee loans made by private lenders.
4. Arrange interest subsidies together with private lenders.

TYPES OF ASSISTANCE

Existing business expansion – defined as industrial/commercial related expansion and costs related thereto, including land and building acquisition and construction, remodeling, relocation, equipment acquisition, public facilities improvements.

Business equipment acquisition – defined as the purchase of additional depreciable assets for the purpose of expanding industrial commercial activities.

Development of new business – defined as the establishment of new industrial and commercial business in all phases, including land and building acquisition and construction, remodeling, equipment acquisition.

FINANCING POLICIES

It is the goal of the RLF for dollars to be used in the most efficient manner. In order to fulfill its role, the Fund must offer funds to healthy, growing businesses or start-ups that have a high degree of equity invested by borrowers, in accordance with their net worth.

To fulfill its role, the Fund may use one or more of the following financing techniques in a package: a longer term, a lower down payment, a lower interest rate, or a subordinate position. Loan guarantees may also be used.

Start-ups

The percentage of start-ups loans in the RLF loan portfolio will be approximately 20%. While 80% of the RLF capital will be invested into businesses operating for more than one year, the Loan Committee will selectively work with entrepreneurs who have shorter track records. Such entrepreneurs will be selected based upon three primary criteria.

- a. First, the *entrepreneur must incur risk*; i.e., they must have personal capital invested into their enterprise.
- b. Second, the entrepreneur must demonstrate *adequate management capability*, including the ability to manage both human and financial resources.
- c. Finally, the entrepreneur must demonstrate *intimate knowledge of the industry* in which he/she will operate a business. Such knowledge must include knowledge of pricing, production, suppliers, potential customers, billing practices, competition, environmental/legal issues, marketing, advertising, etc. A business plan is a first good step. Each start-up will receive technical assistance through the Pine Technical College's Small Business Development Center in Pine City or in St. Cloud as appropriate.

Fixed Assets and Working Capital

- a. *Fixed Assets* – The Financing of machinery and equipment with useful lives of one to ten years, and real estate (land or building) of up to 30 years are eligible. In projects involving fixed asset loans, the RLF normally will obtain collateral on the asset or assets to be financed, as well as other assets of the company, as appropriate. Seventy percent (70%) of the RLF portfolio will be used for fixed asset financing.
- b. *Working Capital* – No more than thirty percent (30%) of the RLF portfolio will be used for working capital loans. Manufacturing projects will be given priority in considering working capital loans. The RLF Loan Committee will encourage working capital loans to be made in conjunction with fixed asset financing, rather than providing direct working capital loans.
- c. *Loan Repayment Terms* – The term of the loans will vary according to the type of project, use of funds, cash flow needs, etc. In all cases, the term will not exceed the useful life of the assets. Working capital, however, will have a maximum term of three (3) years. Fixed assets will have a term, within the discretion of the THE CITY Board, up to a maximum of 15 years. Possible reasons for deviating from these standards are:
 - Lengthening term instances where cash flow needs require it. This will only be considered when the project offers significant job creation/retention or other economic benefits.
 - Shortening term in instances where cash flow needs allow it. This may be considered when the project may not demonstrate a high degree of need for RLF financing or the project does not offer a high number of jobs created/retained.

General Provisions

1. *Interest Rates* – Rates to be charged on RLF loans shall be not less than 4 points below the highest prime rate as quoted in the Wall Street Journal at the time of loan approval by the Loan Committee or the maximum interest rate allowed under State law, whichever is lower, but in no event shall it be less than 2%. Interest rates will generally be negotiated with the borrower and will be reflected by the term of the project and the financial projections. However, interest rates will generally be below local financial institutions' short-term rates.
2. *Special Financing Techniques* – The RLF Loan Committee will reserve the ability to utilize certain financing techniques, as determined and appropriate by the Loan Committee in cases where it is necessary to meet the credit needs of borrowers.
 - a. Subordinate position with projects that include private lending institutions.
 - b. Deferred principal payments.
 - c. Balloon payments.
3. *Equity and Collateral Requirements* – A minimum of 10% borrower equity will be required of the total project cost. However, projects that possess higher than the minimum equity requirement will be viewed more favorably, all else being equal. Absolutely no loans will be allowed that are unsecured. Working capital will have assets pledged as collateral, including any security positions seen appropriate by the RLF Loan Committee. The forms of security include, but are not limited to, land, buildings, machinery, equipment, inventory, accounts receivable, general intangibles, personal guarantees, contracts for deed, etc.
4. *General Policies for Restructuring or Modifying Terms* – The RLF Loan Committee may extend the terms of a loan through a deferment of principal payments upon borrower request if circumstances warrant such action. In addition, the RLF Loan Committee may choose to include a call clause that would enable the Fund to withdraw its funds ahead of schedule from successful firms that have the called-for repayment ability. The calling of a loan under such circumstances will not take place until a review has been made by the RLF Loan Committee of the ability of the borrower to repay only the amount of the outstanding loan. Said reviews may be stipulated in the loan agreement and may take place periodically, or at the discretion of the Committee. In addition, if a business receives financing through the RLF Program and decides to leave the City of Princeton, there will be a calling of the entire unpaid balance of the loan.

The RLF Loan Committee will not begin an unscheduled review without the prior knowledge of the borrower. This mechanism gives the Fund added flexibility in managing its portfolio to achieve the most wide-spread and rapid impact over time, by shifting its resources from borrowers that no longer require them to firms that have a greater need and qualify for RLF dollars.

5. *Loan Guarantees* – Loan guarantees may be made using RLF funds. No guarantees may exceed 50% of the underlying loan. The lender may secure the entire loan and will establish the amount of borrower equity required. The lender will also set the terms and the interest rate. The RLF Loan Committee will consult with the lender and borrower to help create the best loan scenario. The RLF Loan Committee may reduce or “buy down” the interest rate through an adjusted deposit returned on the guarantee as negotiated

with the lender. The Fund will place in escrow 50% of the face value of the loan in case of default. The RLF Loan Committee will only take default action after all reasonable financial and legal remedies have been pursued by the lender.

6. *Methods for Verifying Borrowers Certifications* – The RLF will require documentation from outside sources to support the claim that the RLF is not substituting for private capital. Such documentation includes bank turn-down letters or letters from other lenders stating that credit is not available on terms and conditions proposed and the project could not be completed unless RLF funding is included in the overall package.
7. *RLF Funds in Conjunction with Other Loan Programs* – The RLF will make every effort to make its resources available to projects that include other loan programs (i.e. State Minnesota Investment Fund, State Department of Trade and Economic Development's Revolving Loan Program, Central Minnesota Initiative Fund Business Loan Program, United Power Association's Business Loan Program, Minnesota Power's Business Loan Program, SBA's 504 and 7a loan program, CDC loan programs, local revolving loan funds, etc.)

RELATED ACTIVITIES

In addition to making loans, the RLF program is expected to provide other forms of assistance and services to aid business development and benefit unemployed workers in the area.

Technical and Management Assistance

Debt financing is only one tool provided by an RLF for business development. In addition to needing capital, many businesses suffer from problems related to marketing and management. For those firms, technical and management assistance is as important as access to capital.

Pre-application loan structuring and assistance will be provided to businesses and prospects by the Fund. The Fund staff will encourage potential applicants of the Fund to meet with area business assistance providers beforehand when circumstances warrant (i.e., Business Plan development, patent development/searches, inventions, market studies, etc.). Area business assistance providers include the State Small Business Development Centers (SBDCs) in Pine City and St. Cloud. The SBDCs provide assistance in marketing, management, and financial analysis. The SBDC conducts many seminars within the area on various business assistance topics. Many area community colleges, such as Pine City and Cambridge Community College, provide instruction for small business management. The Fund may provide financial assistance on a case by case basis to off-set any or all of the costs associated with consulting services provided by assistance providers.

Other assistance providers include the Minnesota Technology Inc. office in St. Cloud, which provides technical assistance to manufacturers. The Center for Business Development at St. Cloud State University offers technical advice and evaluations on product development and patents.

Borrowers must make a reasonable effort to ensure that the RLF Loan Board has an understanding of their business operations. Borrowers should inform the RLF of any existing or potential problems, significant changes in business plans, production, expansion, purchasing, etc. When deemed necessary by the Fund, borrowers may be required to

provide financial statements (monthly in some cases of significant business problems) and reports to the Fund. The intent of the ongoing relationship is geared to prevent loan delinquencies or avoid potential problems by helping the borrower identify and correct problems before they occur.

Loan Packaging and Referral Services

The RLF Loan Committee acknowledges the fact that a number of firms applying for RLF assistance will be ineligible under the RLF loan selection criteria or may be able to get assistance from private sources or other development programs.

Assistance/referrals on these non-RLF loans will still result in development benefits to the area without drawing on the limited resources of the Fund. If an applicant fails to meet RLF criteria, they will be referred to the SBDC in their area (or other business assistance providers previously listed) if they do not have adequate business plan information, or if they demonstrate a lack of management capacity. If applicant may be financed by other sources and do not demonstrate a need for RLF financing, they will be referred to the local banks of the area. It is then up to that bank to participate directly or with an appropriate program (i.e., SBA).

The RLF staff will coordinate its efforts with other local lenders to help put transactions together to facilitate economic development projects that are not recipients of RLF financing.

MARKETING STRATEGY

The availability of the RLF Program will need to be publicized and effectively communicated. The marketing plan for the RLF Program is as follows:

1. Include notices in local newspapers of the Fund, its activities, its meetings, and its loan fund criteria.
2. Require local lender notification of the RLF Program, its requirements, availability of funds, and applications.
3. Send a notice to all local/public/private/federal/state economic development loan programs that explains the RLF Program, its requirements, and its availability of funds.
4. Send mailings to selected businesses.
5. Include the RLF Program in the Council agendas from time to time, annual reports, press releases, etc.
6. Make presentations to local businesses and business associations.
7. Distribute RLF Loan Program materials to financial intermediaries and business professionals.

CONFLICT OF INTEREST

The City Council, and City staff shall not act on proposed loan packages by vote, data interpretation, or other means of influence in which they have a personal, financial, or other interest which would provide them or their firm/business with a monetary gain. This does not refer to salaries, per diems, travel reimbursement, etc., incurred in the normal course of Fund activities.

LOAN APPROVAL PROCESS

Selection of Borrowers

The loan selection process on the part of the RLF begins when a loan applicant or their lending institution contacts staff to discuss the proposal. Staff will interview the prospect and make a preliminary analysis. Staff will determine the eligibility of the proposed project for the Fund. Staff will communicate with economic development representatives and other economic development lenders to assess the possible use of other financing sources. If the proposal appears to meet the basic eligibility standards, the staff will make an initial briefing to the City Council or subcommittee thereof ("the Committee").

The Committee receives the staff's initial briefing on each proposal. It decides whether to ask for the submission of a formal application.

The purpose of this process is to identify ineligible proposals as soon as possible to utilize staff and Committee time in its most effective manner, as well as save the applicant's wasted time and effort. The Committee reviews all selection standards, criteria, and the staff's recommendation. If the selection standards are met, the Committee will ask for a formal application form from the prospect. This allows staff to spend more time with the prospect in developing the loan package.

Authorization of a formal application submitted does not mean that a loan approval is certain. It does mean that the proposed project meets the preliminary selection requirements. The initial eligibility determination should take no more than 15 days from receipt of all documentation from the applicant.

Review of Loan Proposals

Once the Committee authorizes the submittal of a formal application, staff will meet with the prospect and involved parties to negotiate the most desirable loan package. Responsibility for a completed loan package is with the *borrower*. Staff will spend as much time as is reasonable with a prospect. Staff will not provide accounting, legal, engineering, etc. services which the applicant shall obtain from other duly qualified professionals.

Upon completion of the loan package, staff, with assistance from other lender (if applicable), will make an extensive review of the loan package. Project cost estimates must be supported by verifiable quotations and estimates. Financial and other assumptions in the applicant's projections must be clearly identified and explained. Forecasting methods must be described and justified. Turn-around time for acting on a *completed* application should be no more than thirty (30) days.

Loan Decisions

The Committee shall make an extensive review of the loan package, with the analysis prepared by staff with recommendations for approval or denial. As soon as possible after making this review, the Council will meet to make a decision on the application. Since a goal of the RLF Program is to respond quickly to loan requests, the Council shall make its decision by majority vote of Board members within 15 days of receipt of the final staff/Committee analysis and recommendations.

The recommendation to the City Council will include the interest rates, terms of the loan or loan guarantee, limitations, and covenants (if any) on uses of loan funds and other conditions to be included in final documentation.

Once the City Council has approved a package, it will recommend a loan disbursement to the Finance Director, who will release the loan funds by the RLF Program upon completion of all necessary loan documentation. Staff, with assistance from any consultants and/or legal counsel, will prepare loan documents with assistance from the participating lending institution (if applicable) and assure that they are duly executed and filed with appropriate governmental agencies for establishment of security interests.

Upon receipt of City Council approval, the Finance Officer shall disburse funds to the approved borrower. The Council will have authorized a loan repayment schedule, with staff handling all loan repayments via a separate RLF account. The RLF fiscal staff will promptly notify borrowers in the event of late or delinquent payments to determine what course of action needs to be taken.

Staff will establish a loan file system for the RLF loans. The records and loan file information will be kept and monitored at Princeton City Hall. The RLF Program will generally provide loan servicing functions, but may opt to contract with local financial institutions or other duly qualified instructions to carry out some or all loan servicing functions.

PROGRAM EVALUATION

To ensure that the RLF Program is meeting the objectives sought out in the RLF Plan, an evaluation will be performed by staff. Said evaluation will compare actual performance in terms of the number and type of loans, number and type of jobs created/retained, and other indicators with respect to the goals/objectives of the RLF Plan. The evaluations will be conducted once per year and be included in an Annual Report to the City Council. Staff, in its evaluations, will solicit comments/suggestions from borrowers, other lenders, the public, and others in the form of a survey that measures, to a certain degree, satisfaction, and effectiveness of the RLF Program. After the staff completes the annual evaluation, it will be provided to the City Council for review and comment.

LOAN ORIGATION FEE AND COSTS

A 2% loan origination fee shall be required at closing for all loans through the City's RLF Program. In addition, the applicant is also responsible to pay, at closing, such items as drafting documents, filing fees, copying, attorney fees, mortgage registration tax, State deed tax, credit reports, lien searches, and other necessary items as may be required.

FUNDING ACKNOWLEDGEMENT

For projects financially supported by revolving loan funds the Borrower shall:

- A. Acknowledge revolving loan fund support in certain written materials including company brochures, reports, newsletters, and press releases; and
- B. On the building or expansion construction site post a sign acknowledging financial support from the State of Minnesota and the City of Princeton.

GUIDELINES FOR THE REGULATION OF STATE ECONOMIC DEVELOPMENT REVOLVING LOAN FUNDS.

A. General. The following rules, regulations, policies, and procedures govern state economic development revolving loan funds.

B. Incorporation by Reference. The dissemination, use, and regulation of state economic development revolving loan funds shall be generally governed by guidelines including:

1. The Minnesota Investment Fund (MS.116J.8731)

PART 1 B Attachment– Community Needs & Capacity Narrative 1-6

North Woods Finishing is a rapidly growing business. The City has great interest in welcoming this companies' growth in the Princeton area and supporting its expansion. The pre-finishing plant was founded in 2011 originally in Princeton. In 2014 the company moved to Isanti Minnesota to a new 25,000 sq. ft. facility. The company's growth has taken them back to the Princeton area to continue to expand their business. They handle all aspects of pre-finishing which includes spray finishing, sanding, assembly, design-build, and packaging. They are constantly developing new solutions to partner with cabinet makers and home builders. There is a large demand for this type of service in our ever-growing housing industry.

In the mid 2000's, the City saw some economic downturn and there was job loss in the City of Princeton which is why it is crucial for the City to focus on business retention and expansion in its larger manufacturing and industrial businesses. Princeton has a strong manufacturing and industrial presence and relies on the industrial and business park businesses to keep the tax base strong and balanced and for the provision of many jobs.

The City of Princeton is a growing rural community with a large manufacturing and industrial base. It resides in both Mille Lacs and Sherburne Counties. Manufacturing and Wholesale Trade provide 20.6% of jobs in Sherburne County and 18.8% of jobs in Mille Lacs County. In the City of Princeton alone there is a higher percentage of Manufacturing and Wholesale Trade jobs than the overall percentage in either county. The City of Princeton's Manufacturing and Wholesale Trades provide 23.1% of jobs which is also higher than the State of Minnesota at 21.6%. From 2019 to 2020 employment in Princeton grew at a rate of 4.55% with one of the largest industries being Manufacturing and Wholesale Trade.

This large-scale project will support the economic viability of local industrial businesses and create several new jobs for the area. The project will include a new facility, new equipment, and the creation of new jobs over the next coming years. At North Woods they utilize state of the art equipment in their fully automated production facility, including automated molding finishing lines.

This company prides itself on being a privately owned company that values their employees and is committed to providing superior services for their clients. They are committed to investing in their employees to create a family style company. Providing more living wage jobs will help to support the unemployed population in the area. The current unemployment rate in Mille Lacs County is 8.3% and in Sherburne County it is 4.6%.

In 2021 the Minnesota State Demographer's office released the 2021 population and household estimates. Princeton's population tipped over the 5000 marks with a total population of 5100. As shown in the 2020 census, the City of Princeton is the 156th largest city in Minnesota. It is located in one of the fastest growing areas in Minnesota and is considered a regional hub. Princeton's population has increased by 0.50% since the most recent census and continues to climb with all the recent development.

The City of Princeton's Economic Development Authority has identified a vision and a set of goals and objectives for development that include continued growth of the Industrial and Business Parks through retention, expansion, and attraction with the intent to increase job

opportunities and tax base for the community. Other goals include increasing and maintaining incentives to develop in the community including Tax Increment Financing, Revolving Loan Fund, the Small Cities Development Program, and working with developers on applying and managing other grant or funding opportunities through the state. Other possible incentives could include but are not limited to reduced land prices, forgiveness of assessments where applicable, and incentives based on number of employees, etc.

PART C – Citizen Participation

1. A public hearing is required to provide citizen notification and involvement prior to submitting the application. Submit a copy of the public hearing minutes, a copy of the Public Hearing Notice and Affidavit of Publication, and the Local Government Resolution.

**Required templates of the Public Hearing Notice and the Local Government Resolution are attached as Exhibits A & B. If the Local Government is not a city, county, town or tribal government (i.e., economic development authority, housing & redevelopment authority, or port authority), an additional resolution is required. Contact your Loan Officer for the required template.*

Part 1C attachments:

- Public Hearing Minutes
 Public Hearing Notice
 Affidavit of Publication
 Resolution

PART D – Business Credit Check

Provide a short narrative describing the steps completed for due diligence. The following information searches on the business and owners holding 10 percent or more of the business must be acquired and reviewed prior to passing the Local Government Resolution:

- Google news
- Secretary of State Good Standing
- property tax status
- lien/judgment
- criminal record
- pending lawsuit
- credit status
- bankruptcy

Part 1D attachments:

- Due Diligence Narrative

PART E - Other Assistance

List and provide amount of other public financial assistance and location in which the business has received **within the last five years** or expects to receive related to this expansion from state or local governments, such as loans, grants, or project specific tax benefits (e.g., tax increment financing, tax abatements, tax refunds):

Subsidy Grantor	Subsidy Amount	Date Received/Will be Received	Type of Subsidy	Location where Subsidy Received/Used
Example: City	\$100,000	01/01/2016	Loan	Saint Cloud, MN

PART F – Financial Analysis

1. The Local Government must conduct a financial underwriting analysis of project/business financials for the proposed project. Provide a narrative of the findings of your financial analysis.
2. Please attach a copy of the lead lender’s credit presentation with this application, if available.

Part 1F attachments:

- Financial Analysis Narrative
 Lender’s Credit Presentation

PART G – Project Compliance with State Statutes & Rules

All businesses receiving a MIF loan must abide by the following statutes and rules:

1. Minnesota Statutes, Section 181.59. Prohibits discrimination in contracts.
2. Minnesota Statutes, Section 363A.08. Prohibits unfair discrimination practices related to employment or unfair employment practices.
3. Minnesota Statutes, Chapter 363A Minnesota Human Rights Act. Requires that all public services be operated in such a manner that does not discriminate against any person in the access to, admission to, full utilization of or benefit from such public service.
4. Minnesota Statutes, Section 176.181, subd. 2. Requires recipients and subcontractors to have worker’s compensation insurance coverage.
5. Minnesota Statutes, Sections 290.9705. Requires that 8 percent of payments made to out-of-state contractors be withheld once cumulative payments made to the contractor for construction work done in Minnesota exceed \$50,000 in a calendar year, unless a waiver is granted by the Department of Revenue.
6. Minnesota Statutes, Section 116J.871. Requires recipients of \$500,000 or more of state loan funds to be used for construction to ensure that prevailing wages are paid to laborers and mechanics at the project construction site.
7. Minnesota Statutes, Section 16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 Conflict of Interest Policy for State Grant-Making. Forbids public officials from engaging in activities which are, or have the appearance of being, in conflict of interest.
8. Minnesota Statutes, 116J.993-995. Business Subsidy laws apply to this project.
9. Minnesota Statutes, 116J.8731. Minnesota Investment Fund laws apply to this project.
10. Minnesota Investment Fund, Rules Chapter 4300.
11. Minnesota Statutes, Chapter 13. The Minnesota Government Data Practices Act provides guidance on data privacy related to this project.

Local Government Certification:

If an award is provided for the project, the information contained in the application will become a matter of public record with the exception of those items protected under the Minnesota Government Data Practices Act found in Minnesota Statutes, Chapter 13. I also certify compliance with the appropriate State Statutes and Rules as stated in the accompanying Local Government Resolution.

I have read the above statement and I agree to supply the information requested to the Minnesota Department of Employment and Economic Development, Office of Business Finance with full knowledge of the information provided herein. I certify the information contained herein is true and accurate.

Name/Title of Local Government Official

Signature of Local Government Official

Date

**NOTICE OF PUBLIC HEARING TO CONSIDER AN APPLICATION TO THE MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR A GRANT
UNDER THE MINNESOTA INVESTMENT FUND**

(MIF) PROGRAM

Notice is hereby given that on December 28th, 2023 at 7:00 pm at the City Hall, 705 2nd St. North, Princeton, MN, the City Council (the "Council") of the City of Princeton, Minnesota (the "City") will hold a public hearing concerning submittal of an application to the Minnesota Department of Employment and Economic Development for a grant under the Minnesota Investment Fund (MIF) program.

The City is requesting approximately \$350,000 to assist with the expansion of North Woods Finishing LLC. The funds will be used for the creation of jobs.

All interested parties are invited to attend the public hearing at which time you will be given the opportunity to express comments on the project.

Written testimony will also be accepted at the public hearing. Written comments must be received by December 22nd, 2023, at 705 2nd St. North, Princeton, MN. Specific questions can be directed to Stacy Marquardt, Community Development Planner, at 763-389-2040.

The City makes reasonable accommodation for any known disability and to meet the needs of non-English speaking residents that may interfere with a person's ability to participate in this public hearing. Persons needing an accommodation must notify Shawna Jenkins Tadych, City Clerk at 763-389-2040 no later than December 22nd, 2023, to allow adequate time to make needed arrangements.

BY ORDER OF THE CITY COUNCIL OF THE CITY
OF PRINCETON, MINNESOTA

/s/ Shawna Jenkins Tadych

City Clerk



MEMORANDUM

To: City of Princeton
From: Tammy Omdal
Date: December 8, 2023
Re: Business Credit Check for North Woods Finishing LLC

The City of Princeton (the "City") requested that Northland Securities review on behalf of the City the Phase I Due Diligence Investigation prepared by a private company, CaptureIntel, located in St. Paul, Minnesota. The due diligence investigation was completed by CaptureIntel on the business owners holding 10 percent or more of North Woods Finishing LLC (the "Business").

According to information provided to CaptureIntel by the Business the following owners holding 10 percent or more of the Business:

- James Levi Berglund
- Amanda Mary Berglund

The City engaged CaptureIntel to complete a Phase I investigation. The areas of research for a Phase I investigation was to cover a ten-year period, included the following:

- Identity Validation
- Federal Criminal Search
- Federal Civil Litigation Search
- Federal Bankruptcy Search
- State Criminal Search
- Lien & Judgment Search
- WorldCheck Database Search
- Sex Offender Registry Search
- Negative and Significant Media Search
- Nationwide Database Search
- Credit Bureau Report

The investigation report from CaptureIntel dated December 8, 2023, did not include any adverse financial records that would negatively impact consideration of the Business's applications for public financial assistance.



MEMORANDUM

To: City of Princeton
From: Tammy Omdal
Date: December 4, 2023
Re: Financial Analysis of Request from Elemet Group, Inc. for Public Financial Assistance

The City of Princeton (the "City") received an application from North Woods Finishing, LLC (the "Company") requesting financial assistance for acquisition of equipment the Company is proposing to purchase to support expansion into a new, larger facility to support its growing operations in the City.

The Company is requesting the City to work in conjunction with the Company on application to the State of Minnesota for public financial assistance to help with acquisition of equipment through state grant funding. The Company is not requesting any additional financial assistance from the City.

The Company states, in part, that the only way to expand in Minnesota is through incentives. The Company finds that the proposed approximate 1.70-acre site located at 1502 14th Street South, Princeton, Minnesota (the "Property") is of sufficient size to accommodate the Project. The building will be occupied solely by the Company.

This memorandum provides a financial analysis of the request for public financial assistance based on information available to Northland.

Background of Company

The Company was founded in 2011 as a cabinet making company, opened a pre-finishing plant in Princeton at that same time. The Company moved into a larger facility in the City in 2014, which they currently occupy. The Company handles all aspects of pre-finishing, which includes spray finishing, sanding, assembly, design-build, and packaging of its products.

The project proposed by the Company will include a new facility, new equipment/new lines, along with new job creation of the coming years (the "Project"). The Company reports that it has expectations of continued growth, and the requested public financial assistance will help the Company to achieve the first steps in that growth process.

The Company states that the Project will result in 32 full time equivalent (FTE) jobs to be created within two years. The average hourly wage of the 45 FTE is reported at \$20.49 per hour, with a range of \$20.60 to \$28.02 per hour.

Request for Public Financial Assistance

The proposed public purpose of the public financial assistance, a business subsidy, is to increase or preserve the tax base and to create new jobs in the City. The Company is requesting state grant funds, that would be passed-through the City, to assist with financing equipment acquisition.

State of Minnesota Investment Fund (MIF)

The source of funds for the Project includes proposed assistance from the Minnesota Investment Fund (MIF). The Company is also making application for the Minnesota Job Creation Fund to provide additional benefits to the Company based on job and wage creation. The MIF Program provides loans to businesses that create or retain high-paying, full-time permanent jobs, and invest in machinery or real property acquisition or improvements. The program is available statewide for manufacturing, distribution, warehousing, and other eligible business activities. Applications are accepted on a year-round basis as funds are available.

To receive funds from the MIF Program, a business must work in conjunction with the local or county government where the business will be located. A MIF application must be completed and submitted to the Department of Employment and Economic Development (DEED) by the City. Prior to submission of the application the local government, City must hold a public hearing concerning submittal of the application for the MIF Program to DEED. Following the hearing, City may consider adoption of a resolution making certain findings. The resolution must be adopted prior to the City's submission of the application for the MIF Program. If DEED awards funds from the MIF Program, additional action will be required by the City and the Company.

The total requested subsidy to the Developer supported by MIF funds is \$1,000,000.

Financial Analysis

Based on Northland's financial analysis and general review of the information provided by the Company, we find no concerns with the Company's ability to meet its commitments to the City. We find the Company to be in a good financial condition based on the information provided. The information provided by the Company and reviewed by Northland included but was not limited to the following:

- Unaudited Combined Balance Sheet, as of December 31, 2020
- Unaudited Combined Income Statement, as of December 31, 2020
- Unaudited Combined Balance Sheet, as of December 31, 2021
- Unaudited Combined Income Statement, as of December 31, 2021
- Unaudited Combined Balance Sheet, as of December 31, 2022
- Unaudited Combined Income Statement, as of December 31, 2022
- Unaudited Combined Balance Sheet, as of November 30, 2023
- Unaudited Combined Income Statement, as of November 30, 2023
- Unaudited Pro Forma, Income Statement, for Projected Years 1, 2, and 3
- Proposal for financing from Sherburne State Bank in letter dated June 7, 2023, signed by Allen R. Snegosky, Chief Lending Officer. The letter is not a commitment to lend.

Northland offers the following observations on the Company's financial condition:

- Company's historical current liabilities have been at manageable levels relative to current assets, which is a positive factor for the Company's ability to meet its obligations and commitments.
- Company's liquidity ratio decreased year over year from December 31, 2021 to December 31, 2022, and is reported to have dropped further from December 31, 2022 to November 30, 2023, the decrease in liquidity is driven by a decrease in current assets. While this is noteworthy, the Company reports expected growth to meet its obligations.
- Company's credit card debt increased by over 230% from December 30, 2022 to November 30, 2022, from \$15,938 to \$53,107. Other current liabilities decreased, and total long-term liabilities decreased over this same period.
- Company's gross profit has been increasing driven by growth, which appears to be driving the plans for expansion.

Exhibit A provides information on sources and uses of funds for the Project. The Project is funded from a combination of debt (bank loan) and MIF. The Company does not plan to contribute equity. Without public financial assistance, the Project would not proceed as proposed.

EXHIBIT A

Developer Source and Use of Funds for the Project

Use of Funds	MIF	Bank	Equity	Local Government	Other	Total
Property Acquisition		4,000,000				4,000,000
Site Improvement						-
New Construction						-
Renovation of Existin Bldg.		650,000				650,000
Purchase of M & E	1,000,000	3,500,000				4,500,000
Other		980,000				980,000
Total Project Cost	1,000,000	9,130,000	-	-	-	10,130,000
<i>Percent of Total</i>	<i>9.9%</i>	<i>90.1%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>

Conflict of Interest Disclosure Form

This form gives Local Government agencies an opportunity to disclose any actual, potential or perceived conflicts of interest that may exist when receiving a grant. It is the agency's obligation to be familiar with the Office of Grants Management (OGM) [Policy 08-01](#), Conflict of Interest Policy for State Grant-Making and to disclose any conflicts of interest accordingly.

All Local Government applicants must complete and sign a conflict of interest disclosure form.

I or my agency do NOT have an ACTUAL or POTENTIAL conflict of interest.

If at any time after submission of this form, I or my agency discover any conflict of interest(s), I or my agency will disclose that conflict immediately to the appropriate agency or grant program personnel.

I or my agency have an ACTUAL or POTENTIAL conflict of interest. *(Please describe below):*

If at any time after submission of this form, I or my agency discover any additional conflict of interest(s), I or my agency will disclose that conflict immediately to the appropriate agency or grant program personnel.

Printed name

Signature

Local Government Agency

Date

LOCAL GOVERNMENT RESOLUTION EXAMPLE

MINNESOTA INVESTMENT PROGRAM

This resolution must be adopted prior to submission of the application.

BE IT RESOLVED that (Applicant) act as the legal sponsor for the project contained in the Minnesota Investment Fund Application to be submitted on or about (Date) and that (Title of First Authorized Official) and (Title of Second Authorized Official) are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of (Applicant).

BE IT FURTHER RESOLVED that (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to administer the proposed project.

BE IT FURTHER RESOLVED that (Applicant) has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the State, (Applicant) may enter into a Grant Contract with the State of Minnesota for the approved project, and that (Applicant) certifies that it will comply with all applicable laws, statutes, regulations and rules as stated in the Grant Contract and described in the Project Compliance Certification of the Application.

AS APPLICABLE, BE IT FURTHER RESOLVED that (Applicant) has obtained credit reports and credit information on (Name of Business) and (Name of Owners). Upon review by (Applicant) and (Applicant's Legal Counsel), no adverse findings or concerns regarding, but not limited to, tax liens, judgments, court actions, and filings with state, federal and other regulatory agencies were identified. Failure to disclose any such adverse information could result in revocation or other legal action.

NOW, THEREFORE BE IT RESOLVED that (Title of First Authorized Official) and (Second Authorized Official), or their successors in office, are hereby authorized to execute the Grant Contract and amendments, thereto, as are necessary to implement the project on behalf of the (Applicant).

I CERTIFY THAT the above resolution was adopted by the (City Council or County Board) of (Applicant) on (Date).

*Add signature blocks as required by your jurisdiction.

PUBLIC HEARING NOTICE EXAMPLE

Notice of Public Hearing

Notice is hereby given that on (date/time) at (location details) the (local unit of government) will hold a public hearing concerning submittal of an application to the Minnesota Department of Employment and Economic Development for a grant under the Minnesota Investment Fund (MIF) program.

The (local unit of government) is requesting approximately \$ (amount of MIF funds to be requested) to assist with the (start-up or expansion) of (name of business). The funds will be used for the creation of jobs.

All interested parties are invited to attend the public hearing at which time you will be given the opportunity to express comments on the project.

Written testimony will also be accepted at the public hearing. Written comments must be received by (date) at (address). Specific questions can be directed to (contact name and phone number).

The (local unit of government) makes reasonable accommodation for any known disability and to meet the needs of non-English speaking residents that may interfere with a person's ability to participate in this public hearing. Persons needing an accommodation must notify (contact person, phone number) no later than (date) to allow adequate time to make needed arrangements.

SECTION 2 – Business Information

Business Operating Name:	Business Legal Name:
North Woods Finishing, LLC	North Woods Finishing, LLC
Name of Borrower (if different):	Parent Company (if applicable):

Business Mailing Address: 243 N Dual Blvd	Street Address for MIF Project Site: 1502 14th Street South
Business City/State/Zip: Isanti, MN 55040	City/State/Zip for MIF Project Site: Princeton, MN 55371
Primary Business Contact: Amanda Berglund	Contact Title: Owner/VP
E-mail: amanda@northwoodsfinishing.com	Telephone: 763-444-5388
Business Website: www.northwoodsfinishing.com	FEIN: 45-2500713
NAICS Code: 238990	Minnesota Tax ID: 2241908

PART A – Business Description

Describe the business and its major activities.

1. Please attach a narrative and include the following information:
 - a. Business overview and company history
 - b. Product or industry outlook for the MIF project
 - c. Markets for the MIF Project (local, statewide, national, international) & competitive advantage for each
2. Attach three years historical financials (profit & loss/balance sheets), 2 years financial projections, and year to date internally generated financials. CPA audited or reviewed financials are required. If not available, copies of tax returns will be required.
3. Indicate type of business & provide documentation listed:
 - Corporation: Articles of Incorporation, By-Laws, Certificate of Incorporation
 - Partnership: Partnership Agreement
 - LLC: Articles of Organization, Operating Agreement, Member Control Agreement, Certificate of Organization
 - Sole Proprietorship: Assumed Name Certificate, Affidavit of Publication
 - Foreign Corporation: Certificate of Authority to Transact Business in Minnesota and in home state
4. Does the property or the business have any outstanding local, state or federal tax liabilities? Yes No
If yes, describe: _____
5. Are there current or unsatisfied judgments or injunctions against the business or owners? Yes No
If Yes, describe: _____
6. Is there current or pending litigation involving the business? Yes No
If yes, attach summary and disposition.
7. Within the past five years, has there been any violation(s), citation(s), or complaint(s) of discrimination filed against the company in a state or federal court or before any state, federal or Local Government agency?
 Yes No If Yes, attach a copy of the violation(s), citation(s), or complaint(s) and the disposition of each.

8. Have there been any current or past bankruptcies on the part of the business, or on the part of any current (or prospective) officer, principal, owner or in any business dealings of current (or prospective) officers, principals, or owners of the applicant entity? Yes No
9. List holders of outstanding stock of 10% or more of business ownership. For holders over 20% and holders over 10% that are active in the business, personal financial statements must be submitted.

Name	Title	% of Ownership
James Berglund	President/CEO	50%
Amanda Berglund	VP/CFO	50%

10. List officers / key employees and include resumes (President, Vice President, etc.):

Name	Title	Years at Company
James Berglund	President/CEO	
Amanda Berglund	VP/CFO	

Part 2A attachments:

- Narrative (Items a-c) 3 Yrs. Financials 2 Yrs. Projections YTD Financials Item 3 Documents
 Item 6 (if applicable) Item 7 (if applicable) Personal Financial Statements Resumes

SECTION 3 – Project Overview

PART A – Project Description

Describe the project for which MIF funds are being requested.

- Please attach a narrative and include the following information:
 - Provide details for the project for which MIF funds are being requested. Discuss topics such as square footage, lease versus ownership, machinery and equipment, new construction versus renovation, leasehold improvements, etc.
 - Is this a new facility/site, expansion and/or acquisition?
 - Will the business purchase, lease, or construct the facility? Who will own the facility?
 - Explain why MIF financing is necessary for this project to move forward (e.g. financing gaps, lack of collateral, potential non-Minnesota locations).
- Attach a commitment letter from each financing source, including a letter of commitment for any business equity. *Not yet available, can be provided upon request.*

Part 3A attachments:

- Project Narrative (Items a-d) Commitment Letters

PART B – Project Timeframe

Task	Estimated Completion Date
Commitment of Funds	1/2024
Start of Construction	N/A
Purchase Equipment	1/2024
Equipment in Service/Occupancy (for MIF funded activities)	1/2024

PART C – Project Sources & Uses

Use of Funds	MIF	Bank	Equity	Local Government	Other	Total
Property Acquisition						\$ 0
Site Improvement						\$ 0
New Construction						\$ 0
Renovation of Existing Bldg.		\$ 250,000				\$ 250,000
Purchase of M & E	\$ 350,000	\$ 1,200,000				\$ 2,200,000
Other		\$ 200,000				\$ 200,000
Total Project Cost	\$ 350,000	\$ 1,650,000	\$ 0	\$ 0	\$ 0	\$ 2,650,000
Term (years)	7					
Interest Rate	0					

- Do you acknowledge that Personal or Parent Company Guarantees are required as a condition of the MIF loan? Yes
- Describe source of any "Equity" listed: _____
- Description of "Other" source of funds: _____
- Description of "Other" use of funds: Other equipment, Computer Hardware, Furniture, Research & Development
- Describe collateral offered and collateral position for each funding source, including proposed MIF award (e.g. Letter of Credit, Lien on Equipment, Mortgage):

Source	Collateral	Position
MIF	Equipment	

PART D – Detailed Job & Wage Information

- Current number of permanent, FTE employees in Minnesota: 30
- Current number of permanent, FTE employees at proposed MIF project site: 0
**If awarded a recent payroll report will be required to document employment levels at the time of award. Social security numbers and other sensitive information should be redacted.*
- Will any jobs be relocated from another Minnesota site to the proposed MIF site? Yes No
- If yes, which location(s) will the employees be relocated from? _____ # of Positions _____
**For jobs relocated from another Minnesota location, a letter in support of the move from the city where the jobs will be moving from must be attached.*
- Will there be any reduction of positions (non-transfers) at other company sites during the next two years, or a reduction in purchases from Minnesota suppliers or vendors as a result of the project? If yes, please describe.
No
- Number of new FTE jobs to be created within 2 years at the MIF Project site: 12
**Full-time equivalent (FTE) permanent jobs based upon expected work hours of 2080 annually*
- Which eligible non-mandated benefits will be provided?
 - a. Health Dental Retirement Life Profit Sharing/Bonuses

Part 3D attachments:

- Payroll Report Letter of Support (if applicable)

JOB CREATION FORM – List All Permanent Jobs to Be Created

Position title (List permanent FTE positions only)*	Number of Positions	Hourly Cash Wage W/O Benefits ****	Hourly Value of Benefits**	Total Hourly Compensation Including Benefits***
Shop, General Labor	7	\$ 19.10	\$ 1.50	\$ 20.60
Painters	4	\$ 26.52	\$ 1.50	\$ 28.02
Administration	1	\$ 17.00	\$ 1.50	\$ 18.50
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
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				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00
				\$ 0.00

Total jobs to be Created: 12 Average hourly wage: \$ 21.39 Average hourly benefits: \$ 1.50

*For the purposes of the Minnesota Investment Fund program, jobs considered must be non-contract, non-seasonal, permanent full-time (or part time that add to 2080) equivalent positions working at least 2080 hours per year.

** Only eligible non-mandated benefits to the employee as indicated in Part D question #8. Social security tax, unemployment insurance, workers compensation insurance and other benefits mandated by law must be excluded.

*** Total compensation including base wage and benefits must be at least 110% of the federal poverty income level for a family of four (verify current wage levels with loan officer at the time of application).

**** Each wage level should be indicated separately, do not use average wages.

PART E - Environmental

- 1. Are there any environmental risks associated with the site, building, or the business itself? Yes No
If yes, please describe:

- 2. Have state environmental review requirements been met? Yes No N/A

SECTION 4 – Business Acknowledgement and Certifications

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.

Business Certification:

Financial Assistance Certification: I hereby certify that the Minnesota Investment Fund program is necessary to my business start-up or expansion and that without the Minnesota Investment Fund my business start-up or expansion project would not happen to the extent outlined in the Minnesota Investment Fund Application. I certify that I will not count any existing positions or employees moved or relocated from another of Minnesota facility where my business conducts operations as new permanent full-time employees for the purposes of fulfilling requirements of the Minnesota Investment Fund Program. I certify I will not terminate, lay-off, or reduce the working hours of an employee for the purpose of hiring an individual to fulfill the requirements of the Minnesota Investment Fund Program.

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.

Name/Title of Business Official: Amanda Berglund
Signature of Business Official:  Date: 11/27/2023
Amanda Berglund (Nov 27, 2023 13:04 CST)

Job Listing Notice

A business receiving financial assistance from the State of Minnesota in an amount in excess of \$200,000 for a single project shall work with DEEDs Employment and Training staff to list any vacant or new positions related to the project on www.careerforcemn.com per Minn. Stat. 116L.66. The employer is also encouraged to enlist the services of DEED's Employment and Training staff to recruit and refer job candidates.

The Job Listing requirements follow these easy steps:

1. At the time of financing award, DEED's Business Finance Office will provide written notification of the award to DEED's Employment and Training staff. This notification will include the business name, address and phone number (as well as for the contact person) and the number and type of jobs to be created as a result of the DEED assistance.
2. The Employment and Training representative will contact the business to schedule a meeting to sign a Job Listing Agreement that details how positions will be posted on www.careerforcemn.com. The employer is required to list only those job openings that are part of the project DEED is assisting.
3. Managerial positions, positions that require unusual skills, knowledge, abilities and/or experience not common to the labor market, and job openings to be filled by internal promotion will not subject to the Agreement and need not be listed on www.careerforcemn.com.
4. The business will notify the Employment and Training staff of job openings and will ensure that job vacancies are entered into www.careerforcemn.com at least 15 days prior to the anticipated hiring date. Employment and Training staff may refer the employer to free services that can expedite the job order entry.
5. Applicants will follow instructions on www.careerforcemn.com to apply for open positions. However, the business will make all decisions on which candidates they will interview and hire.
6. The employer may continue to use other recruitment and job referral services in addition to www.careerforcemn.com and may fill positions prior to meeting with Employment and Training staff and signing the Job Listing Agreement.

The Job Listing Notice is designed to help businesses recruit and hire qualified candidates. If you have questions about using www.careerforcemn.com, please contact your Employment and Training (<https://mn.gov/deed/business/help/workforce-assistance/wf-strategy.jsp>) or the www.careerforcemn.com Help Desk Specialist at (651) 259-7500.

Certification

I have read the above information and understand that as a recipient of state financial assistance in excess of \$200,000, a representative shall meet with DEED Employment and Training staff and agree to sign a job listing agreement and post project-related jobs on www.careerforcemn.com following the meeting.

Amanda Berglund	Owner/VP
Printed Name of Business Contact	Title
amanda@northwoodsfinishing.com	763-444-5388
E-mail	Phone
 Amanda Berglund (Nov 27, 2023 18:06 CST)	11/27/2023
Signature	Date

Consent to Release Private Business Employment and Wage Data

Collected and Maintained by the Minnesota Unemployment Insurance Program

To qualify for financial assistance from the DEED Office of Business Finance, your business must agree to create or retain a minimum number of jobs within a specific period of time. These jobs must also pay at or above specified wage levels.

To verify that these requirements have been met, the Office of Business Finance uses quarterly wage records submitted by businesses to the Minnesota Unemployment Insurance Program.

Because Unemployment Insurance records are private, we need your permission to access records about your business. The records we seek to access include:

- Aggregate Minnesota employment levels for your business
- Aggregate Minnesota employment levels at the relevant project site
- Information about your compliance with Unemployment Insurance tax and reporting requirements

It is important to note that we will not receive the names or social security numbers of your employees.

If you sign this form, your records will be securely transmitted by Unemployment Insurance Program staff to the Office of Business Finance. The Office of Business Finance will receive your Unemployment Insurance records on an ongoing basis until your business subsidy agreement expires or is terminated. We will not release any data from your Unemployment Insurance records to any other parties.

You are not legally required to grant us access to your Unemployment Insurance records. You also have the right to withdraw your permission at any time. Please note, however, that refusal to grant access to your Unemployment Insurance records may limit your eligibility for financial assistance.

If you have questions about this form, please contact Jeffrey M. Nelson, Executive Director (Interim), Office of Business Finance at 651-259-7523 or jeff.m.nelson@state.mn.us.

I give my permission for the Unemployment Insurance Program to release the records about my business (as described in this form) to the DEED Office of Business Finance. I understand that these records will be used by the Office of Business Finance to verify the satisfaction of requirements associated with my business subsidy agreement.

 <small>Amanda Berglund (Nov 27, 2023 18:06 CST)</small>	North Woods Finishing, LLC	11/27/2023
Signature of Business Official Amanda Berglund	Business Name  <small>Amanda Berglund (Nov 27, 2023 18:06 CST)</small>	Date
Printed Name of Business Official amanda@northwoodsfinishing.com	Position	
E-mail 2241908	Phone	
Employer Identification Number (EIN) Used for Project Site		
Other Employer Identification Numbers (EINs) Used by Business		

Notice: Accurately Reporting Business Units to the Minnesota Unemployment Insurance Program

This notice is a reminder that Minn. Stat. § 268.044 requires your business to submit quarterly wage records to the Minnesota Unemployment Insurance Program by “reporting unit”.

You have the option to split reporting units for your business by physical location, financial centers, division of labor, or user security requirements. For the purposes of monitoring job creation and wage level performance per your business subsidy agreement, the Office of Business Finance strongly recommends creating a specific reporting unit for the relevant project site.

Reporting units can be added or modified as follows:

To add a reporting unit:

1. **Log in to your account** at www.uimn.org
2. On My Home Page, click **Account Maintenance**.
3. Click **Maintain Reporting Units**.
4. Click **Add New Reporting Unit**.
5. Enter reporting unit information.
6. Click **Next**. The Address Validation page opens.
7. Confirm the address, and then click **Next**.
8. Verify the reporting unit information.
9. Click **Submit**.

To inactivate a reporting unit:

1. **Log in to your account** at www.uimn.org
2. On My Home Page, click **Account Maintenance**.
3. Click **Maintain Reporting Units**.
4. Under Active Reporting Units, click the reporting unit link.
5. Under Inactivate Reporting Unit, check the checkbox **Inactivate Reporting Unit**.
6. Enter the date of last covered wages for this reporting unit.
7. Select the reason for inactivating this reporting unit from the drop down menu, and then click **Next**.
8. Verify the reporting unit information and benefit account mailing address.
9. Click **Save**.

If you have any questions about reporting units or other aspects of the Unemployment Insurance wage detail submission process, contact Aaron Tell, Unemployment Insurance Outreach Specialist, at 651-259-7567 /

aaron.tell@state.mn.us.



Amanda Berglund (Nov 27, 2023 18:06 CST)

North Woods Finishing, LLC

11/27/2023

Signature of Business Official

Company

Date

Amanda Berglund

Owner/VP

Printed Name of Business Official

Position

amanda@northwoodsfinishing.com

763-444-5388

E-mail

Phone

The following pages submitted
by BerganKDV on behalf of
North Woods Finishing LLC
include Part 2A Attachments
required under Business
Description, Part 3A
attachments Project Narrative
and Commitment Letters, and
Part 3D attachments Payroll
Report

Minnesota Investment Fund

Part A – Business Description

1. Please attach a narrative and include the following information:
 - a. Business overview and company history.
 - i. *North Woods Finishing was founded in 2011 and opened a pre-finishing plant in Princeton at that same time. They moved into a much larger facility in 2014. They handle all aspects of pre-finishing, which includes spray finishing, sanding, assembly, design-build and packaging. North Woods Finishing works with each construction representative or consultant to develop the result that is needed for each individual job or project.*
 - b. Product or industry outlook for the MIF project.
 - i. *North Woods Finishing has the expectation that growth is going to continue for the upcoming years in their industry, as they are consistently developing new solutions to partner with cabinet makers, home builders and any other client bases. The housing and construction industry is still growing and the demand for their products is very positive in the coming years.*
 - c. Markets for the MIF Project (local, statewide, national, international) & competitive advantage for each
 - i. *North Woods Finishing works with clients all throughout MN and throughout the Midwest. They work with clients that are both smaller, such as individual customers, but also work with larger cabinet makers, home builders and other construction clients.*

Part 1 – Project Description

1. Please attach a narrative and include the following information:
 - a. Provide details for the project for which MIF funds are being requested.
 - i. *North Woods Finishing is looking at the purchase of a new, larger facility to support its growing operations. The project is going to include the new facility, new equipment/new lines, along with new job creation over the coming years. The company has expectations of continued growth and the funds from MIF will help them to achieve the first steps in that growth process and journey.*
 - b. Is this a new facility/site, expansion and/or acquisition?
 - i. *The project is for a new facility.*
 - c. Will the business purchase, lease, or construct the facility?

i. *The company is going to purchase the new building at 1502 14th Street South Princeton, MN 55371.*

d. Explain why MIF financing is necessary for this project to move forward.

i. *The MIF funding is necessary to help bridge any financial gaps related to the increased costs of borrowing and increased costs of the building purchase. The company has plans on continuing expansion, but with increased financing costs and increased costs for labor/employment, the MIF funding would help to make this project more feasible to the company. The MIF funding would also allow the company to continue to hire quality employees that will not only benefit the company, but the state/city as well for many years to come.*

3:02 PM
03/30/21
Cash Basis

North Woods Finishing, LLC
Balance Sheet
As of December 31, 2020

CR 3/30/21

	Dec 31, 20
ASSETS	
Current Assets	
Checking/Savings	
NWF Checking	-27,319.07
NWF Savings	162,698.32
Petty Cash	264.82
Total Checking/Savings	<u>135,644.07</u>
Other Current Assets	
N/R Officer - AMB	158,817.30
N/R Officer - JLB	158,816.30
Total Other Current Assets	<u>317,633.60</u>
Total Current Assets	<u>453,277.67</u>
Fixed Assets	
Accumulated Amortization	-1,473.00
Accumulated Depreciation	-478,242.00
Closing Costs	2,042.00
Construction Equipment	59,321.51
Furniture and Equipment	1,209.93
SHOP EQUIPMENT	76,591.95
Vehicles	422,096.41
Total Fixed Assets	<u>81,546.80</u>
TOTAL ASSETS	<u><u>534,824.47</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	817.93
Total Accounts Payable	<u>817.93</u>
Other Current Liabilities	
Accts Payable	-817.93
EIDL Loan	150,000.00
Sales Tax Payable	1,467.00
Total Other Current Liabilities	<u>150,649.07</u>
Total Current Liabilities	<u>151,467.00</u>
Long Term Liabilities	
10/22/2020 N/P SSB #25156	189,157.47
N/P PPP Loan	194,200.00
Total Long Term Liabilities	<u>383,357.47</u>
Total Liabilities	<u>534,824.47</u>
Equity	
Retained Earnings	-78,699.00
Shareholder Distributions - 7BB	-177,252.73
Net Income	255,951.73
Total Equity	<u>0.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>534,824.47</u></u>

Adjusted TTB 3000.01

North Woods Finishing, LLC
Profit & Loss
 January through December 2020

	Jan - Dec 20
Ordinary Income/Expense	
Income	
Delivery Income	98,901.27
Interest Income	110.93
Job Income	2,916,488.28
Total Income	3,015,500.48
Cost of Goods Sold	
2000 - Delivery Payroll COGS	46,034.25
3000 - Maintenance COGS	9,042.36
4000 - BWC Payroll COGS	281,845.44
5000 - Custom Payroll COGS	313,000.96
6000 - Onsite Painting COGS	118,929.23
Color Match - Stain - Quart	541.08
Onsite Paint	20,450.76
Onsite Supplies	15,937.06
Onsite Topcoat	1,404.46
Paint	349,894.13
Propane-Forklift	47.00
Propane/Fuel Oil	7,268.87
Shop Supplies	132,583.37
Stain	15,522.00
Topcoat	205,270.52
UV Topcoat	2,592.85
Total COGS	1,520,364.34
Gross Profit	1,495,136.14
Expense	
1000 - Office Payroll EXPENSE	25,969.81
Advertising and Promotion	20,562.94
Amortization Expense	437.00
ATM Withdrawal Fee	200.00
Auto and Truck Expenses	91,578.39
Bad Debt	6,975.00
Bank Service Charges	175.75
Breakroom Supplies	7.47
Business Licenses and Permits	365.06
Charitable Contributions	1,916.70
Company Events	14,621.89
Computer and Internet Expenses	2,844.20
Contracted Employees	6,621.04
Depreciation Expense	155,805.00
Dues and Subscriptions	3,810.82
Employee Advance	7,449.48
Finance Charge	804.05
Freight Charges	577.04
Insurance - Health	38,426.52
Insurance Expense	33,568.98
Interest Expense	28,991.10
John Deere-Expenses	3,634.86
Lease Payment-Building	20,273.30
Meals and Entertainment	21,488.49
Merchant deposit fees	129.39
Office Supplies	36,672.42
Officer Wages	186,375.00
Payroll Employer Taxes	127,135.23
Payroll Processing Fees	1,447.71
Penalty	14.91
Postage and Delivery	1,325.18
Professional Fees	59,630.35

3:02 PM
03/30/21
Cash Basis

North Woods Finishing, LLC
Profit & Loss
January through December 2020

	<u>Jan - Dec 20</u>
Property Taxes	14,254.68
Reimbursement	2,578.23
Rent Expense	14,735.31
Repairs and Maintenance	121,147.08
Retirement Plan	50,530.75
Supplies	21,673.72
Tax - Sales and Use	498.00
Telephone Expense	9,665.77
Travel Expense	10,110.49
Utilities	74,500.17
Worker's Compensation Insurance	20,458.36
Total Expense	<u>1,239,987.64</u>
Net Ordinary Income	255,148.50
Other Income/Expense	
Other Income	
Finance Charges	451.61
Other Income	10,000.00
Total Other Income	<u>10,451.61</u>
Other Expense	
Life Insurance	9,648.38
Total Other Expense	<u>9,648.38</u>
Net Other Income	<u>803.23</u>
Net Income	<u><u>255,951.73</u></u>

North Woods Finishing, LLC
Balance Sheet
As of December 31, 2021

	<u>Dec 31, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
NWF Checking	-9,601.97
NWF EIDL SAVINGS 8632	1,026,700.00
NWF ERC Savings 4603	213,703.24
NWF Savings	265,135.73
Petty Cash	264.82
Total Checking/Savings	<u>1,496,201.82</u>
Accounts Receivable	
Accounts Receivable	-7,361.09
Total Accounts Receivable	<u>-7,361.09</u>
Other Current Assets	
Adj Accts Receivable	7,361.09
Employee Retention Credit Rec	418,761.35
Refund Receivable-MN	45,000.00
Total Other Current Assets	<u>471,122.44</u>
Total Current Assets	<u>1,959,963.17</u>
Fixed Assets	
Accumulated Amortization	-1,910.00
Accumulated Depreciation	-579,696.00
Closing Costs	2,042.00
Construction Equipment	59,321.51
Furniture and Equipment	4,009.93
SHOP EQUIPMENT	125,390.00
Vehicles	511,641.00
Total Fixed Assets	<u>120,798.44</u>
TOTAL ASSETS	<u><u>2,080,761.61</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	870.14
Total Accounts Payable	<u>870.14</u>
Credit Cards	
AMEX	4,922.04
Capital One Cabella's	466.23
Total Credit Cards	<u>5,388.27</u>
Other Current Liabilities	
Accts Payable	-870.14
EIDL Loan	1,526,600.00
Sales Tax Payable	36,036.30
Total Other Current Liabilities	<u>1,561,766.16</u>
Total Current Liabilities	<u>1,568,024.57</u>
Long Term Liabilities	
10/22/2020 N/P SSB #25156	153,181.99
N/P Bank of America - Escalade	74,987.94
Total Long Term Liabilities	<u>228,169.93</u>
Total Liabilities	<u>1,796,194.50</u>

11:07 AM
04/05/22
Cash Basis

North Woods Finishing, LLC
Balance Sheet
As of December 31, 2021

	<u>Dec 31, 21</u>
Equity	
Shareholder Distributions - AMB	-347,758.63
Shareholder Distributions - JLB	-8,691.84
Shareholder Distributions - PGC	-13,383.09
Net Income	654,400.67
	<hr/>
Total Equity	284,567.11
	<hr/>
TOTAL LIABILITIES & EQUITY	<u>2,080,761.61</u>

North Woods Finishing, LLC
Profit & Loss
 January through December 2021

	Jan - Dec 21
Ordinary Income/Expense	
Income	
Delivery Income	100,401.59
Job Income	
BWC Income	1,150,497.59
Onsite Income	457,415.19
Job Income - Other	1,371,429.66
Total Job Income	2,979,342.44
Uncategorized Income	298.76
Total Income	3,080,042.79
Cost of Goods Sold	
2000 - Delivery Payroll COGS	92,151.21
4000 - BWC Payroll COGS	351,385.64
5000 - Custom Payroll COGS	398,082.66
6000 - Onsite Painting COGS	212,602.48
Color Match - Stain - Quart	80.00
Onsite Paint	38,845.34
Onsite Supplies	31,013.09
Onsite Topcoat	18.18
Paint	
BWC Paint	198,631.95
BWC Primer	187,648.45
Paint - Other	78,908.01
Total Paint	465,188.41
Propane/Fuel Oil	6,458.43
Shop Supplies	156,630.12
Stain	30,325.06
Sub-Contract Work	87,390.31
Tax Paid on Onsite	2,526.84
Topcoat	167,647.39
UV Topcoat	3,004.38
Total COGS	2,043,349.54
Gross Profit	1,036,693.25
Expense	
1000 - Office Payroll EXPENSE	117,797.93
3000 - Maintenance EXPENSE	212.68
Advertising and Promotion	28,323.02
Amortization Expense	437.00
ATM Withdrawal Fee	1,702.00
Auto and Truck Expenses	
Onsite Van	8,348.90
Auto and Truck Expenses - Other	109,462.90
Total Auto and Truck Expenses	117,811.80
B120 Holdings LLC	27.00
Bad Debt	0.15
Bank Service Charges	1,574.92
Breakroom Supplies	400.45
Business Licenses and Permits	575.07
Charitable Contributions	22,068.34
Company Events	28,379.97
Computer and Internet Expenses	10,075.94
Depreciation Expense	135,633.00
Dues and Subscriptions	8,291.15
Employee Advance	6,790.00
Finance Charge	23.41
Freight Charges	236.75
Insurance - Health	38,887.08
Insurance Expense	50,591.97
Interest Expense	9,645.51

11:06 AM
04/05/22
Cash Basis

North Woods Finishing, LLC
Profit & Loss
January through December 2021

	<u>Jan - Dec 21</u>
Lease Payment-Building	48,470.99
Meals and Entertainment	39,947.57
Merchant deposit fees	131.34
Office Supplies	32,371.93
Officer Wages	197,600.00
Payroll Employer Taxes	114,109.07
Payroll Expenses	
Christmas Bonus	1,000.00
Payroll Expenses - Other	9,481.49
Total Payroll Expenses	10,481.49
Payroll Tax Credit CARES Act	-3,461.77
Penalty	47.00
Postage and Delivery	1,476.03
Professional Fees	55,670.53
Property Taxes	13,976.00
Reimbursement	1,286.82
Repairs and Maintenance	126,198.35
Retirement Plan	26,288.31
Sponsorship	19,177.67
Supplies	24,221.17
Tax - Sales and Use	597.68
Telephone Expense	12,162.63
Travel Expense	39,875.43
Utilities	
Electric	48,224.17
Water	3,483.98
Utilities - Other	9,929.04
Total Utilities	61,637.19
Wages	352.00
Worker's Compensation Insurance	40,862.34
Total Expense	1,442,964.91
Net Ordinary Income	-406,271.66
Other Income/Expense	
Other Income	
Employee Retention Credit	632,364.59
Gain on Sale of Assets	28,516.00
PPP Loan Forgiveness	412,974.12
Total Other Income	1,073,854.71
Other Expense	
Life Insurance	11,922.38
MN Minimum Fee	1,260.00
Total Other Expense	13,182.38
Net Other Income	1,060,672.33
Net Income	654,400.67

1:30 PM
03/15/23
Cash Basis

North Woods Finishing, LLC
Balance Sheet
As of December 31, 2022

CR 3/15/23

	<u>Dec 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
NWF Checking	-100,167.94
NWF EIDL SAVINGS 8632	1,581,806.32
NWF ERC Savings 4603	212,453.24
NWF Savings	265,161.31
Petty Cash	264.82
Total Checking/Savings	<u>1,959,517.75</u>
Total Current Assets	1,959,517.75
Fixed Assets	
Accumulated Amortization	-2,042.00
Accumulated Depreciation	-679,504.00
Closing Costs	2,042.00
Construction Equipment	59,321.51
Furniture and Equipment	4,009.93
SHOP EQUIPMENT	231,390.00
Vehicles	642,371.00
Total Fixed Assets	<u>257,588.44</u>
TOTAL ASSETS	<u><u>2,217,106.19</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	104.69
Total Accounts Payable	104.69
Credit Cards	
AMEX	13,175.87
Spark by Capital One	2,762.06
Total Credit Cards	<u>15,937.93</u>
Other Current Liabilities	
Accts Payable	-104.69
EIDL Loan	2,018,247.69
Sales Tax Payable	33.78
Total Other Current Liabilities	<u>2,018,176.78</u>
Total Current Liabilities	2,034,219.40
Long Term Liabilities	
10/22/2020 N/P SSB #25156	115,626.23
N/P Bank of America - Escalade	61,556.47
Total Long Term Liabilities	<u>177,182.70</u>
Total Liabilities	2,211,402.10
Equity	
Retained Earnings	284,568.21
Shareholder Distributions - AMB	-153,948.48
Shareholder Distributions - JLB	-9,838.28
Shareholder Distributions - PGC	-23,486.11
Net Income	-91,591.25
Total Equity	<u>5,704.09</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,217,106.19</u></u>

Adjusted TIB

3000.01

1:30 PM
 03/15/23
 Cash Basis

North Woods Finishing, LLC
Profit & Loss
 January through December 2022

	Jan - Dec 22
Ordinary Income/Expense	
Income	
Delivery Income	111,568.47
Interest Income	2,140.83
Job Income	
BWC Income	1,742,675.34
Onsite Income	451,662.20
Job Income - Other	1,245,444.46
Total Job Income	3,439,782.00
Total Income	3,553,491.30
Cost of Goods Sold	
2000 - Delivery Payroll COGS	115,420.97
3000 - Maintenance COGS	20,734.00
4000 - BWC Payroll COGS	446,648.51
5000 - Custom Payroll COGS	359,796.93
6000 - Onsite Painting COGS	91,457.10
Color Match - Stain - Quart	5.00
Hazardous Waste	12,119.92
Onsite Paint	19,252.56
Onsite Supplies	5,829.84
Paint	
BWC Paint	226,406.95
BWC Primer	247,836.60
Paint - Other	41,291.92
Total Paint	515,535.47
Propane/Fuel Oil	8,587.97
Shop Supplies	202,475.71
Stain	21,642.73
Sub-Contract Work	212,777.31
Tax Paid on Onsite	1,501.77
Topcoat	156,409.92
UV Topcoat	2,361.40
Total COGS	2,192,557.11
Gross Profit	1,360,934.19
Expense	
1000 - Office Payroll EXPENSE	107,328.79
Advertising and Promotion	29,787.41
Amortization Expense	132.00
Auto and Truck Expenses	155,644.38
Bank Service Charges	2,375.00
Business Licenses and Permits	1,900.93
Charitable Contributions	5,090.00
Company Events	13,294.79
Computer and Internet Expenses	9,690.86
Depreciation Expense	99,808.00
Dues and Subscriptions	10,185.26
Employee Advance	13,842.00
Finance Charge	17.25
Freight Charges	232.78
Insurance - Health	53,877.54
Insurance Expense	42,075.53
Interest Expense	48,023.24
Lease Payment-Building	51,600.00
Loan Fees	275.00
Marketing	120.00
Meals and Entertainment	92,817.94
Merchant deposit fees	131.50
Office Supplies	17,610.06

1:30 PM
03/15/23
Cash Basis

North Woods Finishing, LLC
Profit & Loss
January through December 2022

	Jan - Dec 22
Officer Wages	129,450.00
Payroll Employer Taxes	108,560.77
Payroll Expenses	
Christmas Bonus	17,200.00
Total Payroll Expenses	17,200.00
Postage and Delivery	1,044.95
Professional Fees	82,869.34
Property Taxes	15,478.00
Reimbursement	2,983.29
Repairs and Maintenance	93,561.43
Retirement Plan	27,755.03
Sponsorship	10,209.71
Supplies	28,766.63
Tax - Sales and Use	41.82
Telephone Expense	11,535.80
Travel Expense	55,254.94
Utilities	
Electric	50,126.62
Water	4,410.36
Utilities - Other	15,865.25
Total Utilities	70,402.23
Worker's Compensation Insurance	33,207.57
Total Expense	1,444,181.77
Net Ordinary Income	-83,247.58
Other Income/Expense	
Other Income	
Finance Charges	622.13
Other Income	3,606.58
Total Other Income	4,228.71
Other Expense	
Life Insurance	11,922.38
MN Minimum Fee	650.00
Total Other Expense	12,572.38
Net Other Income	-8,343.67
Net Income	-91,591.25

North Woods Finishing, LLC
Projections
Years 1-3

	YEAR 1	YEAR 2	YEAR 3
Ordinary Income/Expense			
Total Income	5,361,858	5,522,713	5,798,849
Cost of Goods Sold			
2000 - Delivery Payroll COGS	153,894	158,511	163,266
3000 - Maintenance COGS	21,771	22,424	23,097
4000 - BWC Payroll COGS	515,227	530,683	546,604
5000 - Custom Payroll COGS	536,721	552,822	569,407
6000 - Onsite Painting COGS	15,961	16,440	16,933
Hazardous Waste	12,726	13,108	13,501
Onsite Paint	20,070	20,672	21,292
Onsite Supplies	7,493	7,718	7,950
Paint	710,622	731,941	753,899
Propane/Fuel Oil	10,600	10,918	11,246
Shop Supplies	288,341	296,992	305,901
Stain	23,818	24,532	25,268
Sub-Contract Work	52,684	54,264	55,892
Tax Paid on Onsite	1,573	1,621	1,669
Topcoat	230,468	237,382	244,503
UV Topcoat	2,479	2,554	2,630
Total COGS	<u>2,604,448</u>	<u>2,682,581</u>	<u>2,763,059</u>
Gross Profit	2,757,410	2,840,132	3,035,790
Expense			
1000 - Office Payroll EXPENSE	233,340	240,340	247,550
Advertising and Promotion	5,185	5,341	5,501
Auto and Truck Expenses	194,053	199,874	205,870
Bank Service Charges	1,080	1,112	1,146
Business Licenses and Permits	7,546	7,772	8,005
Charitable Contributions	5,243	5,400	5,562
Company Events	2,853	2,939	3,027
Computer and Internet Expenses	13,151	13,546	13,952
Dues and Subscriptions	16,493	16,988	17,497
Finance Charge	1,805	1,859	1,914
Insurance - Health	57,968	59,707	61,499
Insurance Expense	72,968	75,157	77,411
Lease Payment-Building	660,000	660,000	660,000
Marketing	862	888	915
Meals and Entertainment	92,700	95,481	98,345
Merchant deposit fees	517	533	549
Miscellaneous Expense	2,895	2,982	3,072
Office Supplies	21,933	22,591	23,269
Payroll Employer Taxes	156,522	161,218	166,055
Christmas Bonus	17,716	18,247	18,795
Postage and Delivery	1,900	1,957	2,016
Professional Fees	85,814	88,388	91,040
Property Taxes	27,452	28,275	29,123
Repairs and Maintenance	36,587	37,685	38,815
Retirement Plan	59,326	61,106	62,939
Sponsorship	12,360	12,731	13,113
Supplies	47,380	48,801	50,265
Telephone Expense	9,907	10,204	10,510
Travel Expense	57,272	58,990	60,760
Total Utilities	143,132	147,425	151,848
Worker's Compensation Insurance	46,005	47,386	48,807
Total Expense	<u>2,091,964</u>	<u>2,134,923</u>	<u>2,179,171</u>
Net Ordinary Income	665,445	705,209	856,619
Other Income/Expense			
Other Income			
Finance Charges	3,500	4,000	4,500
Other Income	4,120	4,244	4,371
Total Other Income	<u>7,620</u>	<u>8,244</u>	<u>8,871</u>
Other Expense			
Life Insurance	10,251	10,251	10,251
MN Minimum Fee	1,020	1,200	5,000
Total Other Expense	<u>11,271</u>	<u>11,451</u>	<u>15,251</u>
Net Other Income	<u>(3,651)</u>	<u>(3,207)</u>	<u>(6,380)</u>
Net Income	<u><u>661,794</u></u>	<u><u>702,001</u></u>	<u><u>850,239</u></u>

INCOME UP \$1.5M WITH NEW PAINT LINE
RENT UP TO \$55,000 PER MONTH WITH NEW LOAN
WAGES EXPECTED TO STAY THE SAME WITH NEW PRODUCT LINE
ADDED 20% TO AUTO AND VEHICLE EXPENSES
ADDED 33.33% TO DELIVERY WAGES
ADDED 50% TO INSURANCE EXPENSE FOR NEW BUILDING
ADDED 50% TO UTILITIES FOR NEW BUILDING

2:06 PM
11/28/23
Cash Basis

North Woods Finishing, LLC
Balance Sheet
As of November 30, 2023

	<u>Nov 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
NWF Checking	61,535.17
NWF EIDL SAVINGS 8632	9,175.18
NWF ERC Savings 4603	40,544.71
NWF Savings	235,161.31
Petty Cash	264.82
	<hr/>
Total Checking/Savings	346,681.19
Accounts Receivable	
Accounts Receivable	-394.49
	<hr/>
Total Accounts Receivable	-394.49
Other Current Assets	
Employee Advances	10,125.00
	<hr/>
Total Other Current Assets	10,125.00
Total Current Assets	<hr/> 356,411.70
Fixed Assets	
Accumulated Amortization	-2,042.00
Accumulated Depreciation	-679,504.00
Closing Costs	2,465.00
Construction Equipment	59,321.51
Furniture and Equipment	11,439.93
SHOP EQUIPMENT	255,547.83
Vehicles	648,091.25
	<hr/>
Total Fixed Assets	295,319.52
Other Assets	
Due from Shareholders	56,064.00
	<hr/>
Total Other Assets	56,064.00

2:06 PM
11/28/23
Cash Basis

North Woods Finishing, LLC
Balance Sheet
As of November 30, 2023

	<u>Nov 30, 23</u>
TOTAL ASSETS	<u>707,795.22</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	110.93
Total Accounts Payable	110.93
Credit Cards	
AMEX	50,997.33
Capital One Cabella's	-3,496.29
FNBO Sun Country VISA	-316.71
Spark by Capital One	5,923.13
Total Credit Cards	53,107.46
Other Current Liabilities	
Accts Payable	-104.69
EIDL Loan	1,920,667.69
Payroll Liabilities	87,774.99
Sales Tax Payable	2,230.07
Total Other Current Liabilities	2,010,568.06
Total Current Liabilities	2,063,786.45
Long Term Liabilities	
10/22/2020 N/P SSB #25156	75,823.17
N/P Bank of America - Escalade	50,356.47
Total Long Term Liabilities	126,179.64
Total Liabilities	2,189,966.09
Equity	
Retained Earnings	6,659.19
Shareholder Dist - Rentals	-1,723,613.01

2:06 PM
11/28/23
Cash Basis

North Woods Finishing, LLC
Balance Sheet
As of November 30, 2023

	Nov 30, 23
Shareholder Distributions - AMB	-9,294.16
Shareholder Distributions - JLB	-125,742.98
Shareholder Distributions - PGC	116,356.32
Net Income	253,463.77
Total Equity	-1,482,170.87
TOTAL LIABILITIES & EQUITY	<u>707,795.22</u>

2:05 PM
11/28/23
Cash Basis

North Woods Finishing, LLC
Profit & Loss
January through November 2023

	<u>Jan - Nov 23</u>
Ordinary Income/Expense	
Income	
Delivery Income	106,045.41
Interest Income	57.48
Job Income	
BWC Income	1,686,292.76
BWC Income-2	442,337.21
Onsite Income	152,520.63
Job Income - Other	1,198,850.09
Total Job Income	3,480,000.69
Uncategorized Income	28,642.90
Total Income	3,614,746.48
Cost of Goods Sold	
2000 - Delivery Payroll COGS	89,621.15
3000 - Maintenance COGS	24,705.00
4000 - BWC Payroll COGS	453,807.22
5000 - Custom Payroll COGS	469,299.26
6000 - Onsite Painting COGS	16,678.40
7000 - BWC Line-2 COGS	77,211.57
Color Match - Stain - Quart	10.00
Cost of Goods Sold	0.00
Hazardous Waste	4,275.66
Onsite Paint	9,491.96
Onsite Supplies	8,300.76
Paint	
BWC Paint	236,149.65
BWC Primer	319,190.30
Paint - Other	48,961.07
Total Paint	604,301.02
Propane/Fuel Oil	8,480.40
Shop Supplies	131,299.20
Stain	31,951.39

2:05 PM
11/28/23
Cash Basis

North Woods Finishing, LLC
Profit & Loss
January through November 2023

	<u>Jan - Nov 23</u>
Sub-Contract Work	33,450.00
Tax Paid on Onsite	21.63
Topcoat	165,485.84
Total COGS	2,128,390.46
Gross Profit	1,486,356.02
Expense	
1000 - Office Payroll EXPENSE	216,201.05
Advertising and Promotion	10,504.98
ATM Withdrawal Fee	1.00
Auto and Truck Expenses	129,432.20
Bad Debt	1,690.48
Bank Service Charges	849.41
Breakroom Supplies	225.17
Business Licenses and Permits	4,883.67
Charitable Contributions	22,628.53
Company Events	1,790.47
Computer and Internet Expenses	15,808.59
Contracted Employees	912.00
Depreciation Expense	6,820.55
Dues and Subscriptions	17,244.25
Employee Advance	400.00
Finance Charge	1,752.00
Insurance - Health	53,667.26
Insurance Expense	46,751.83
Lease Payment-Building	43,000.00
Loan Fees	15,363.95
Marketing	7,238.00
Meals and Entertainment	110,462.44
Merchant deposit fees	1,361.66
Miscellaneous Expense	2,944.31
Office Supplies	19,442.53
Payroll Employer Taxes	136,534.73
Payroll Expenses	
Christmas Bonus	1,500.00

2:05 PM
11/28/23
Cash Basis

North Woods Finishing, LLC
Profit & Loss
January through November 2023

	<u>Jan - Nov 23</u>
Payroll Expenses - Other	20,108.05
Total Payroll Expenses	21,608.05
Postage and Delivery	1,579.65
Professional Fees	79,854.01
Property Taxes	13,591.96
Reimbursement	-701.33
Repairs and Maintenance	
1313 Rental House	0.00
1916 Cape	0.00
206 Rental House	0.00
2420 Rental House	0.00
308 Rental House	0.00
Repairs and Maintenance - Other	3,726.11
Total Repairs and Maintenance	3,726.11
Retirement Plan	54,596.08
Sponsorship	
Travel	2,566.12
Sponsorship - Other	4,174.00
Total Sponsorship	6,740.12
Supplies	52,631.90
Tax - Corporate	720.00
Telephone Expense	7,615.79
Travel Expense	64,211.28
Utilities	
Electric	8,887.69
Water	3,760.26
Utilities - Other	69,413.44
Total Utilities	82,061.39
Worker's Compensation Insurance	49,123.32

2:05 PM
11/28/23
Cash Basis

North Woods Finishing, LLC
Profit & Loss
January through November 2023

	Jan - Nov 23
Total Expense	<u>1,305,269.39</u>
Net Ordinary Income	181,086.63
Other Income/Expense	
Other Income	
Finance Charges	151.47
Other Income	<u>83,390.05</u>
Total Other Income	83,541.52
Other Expense	
Life Insurance	<u>11,164.38</u>
Total Other Expense	<u>11,164.38</u>
Net Other Income	<u>72,377.14</u>
Net Income	<u><u>253,463.77</u></u>

Payroll Summary

Check Date	Name	Hours	Total Paid	Tax Withheld	Deductions	Net Pay	Check No	Employer Liability	Total Expense
Weekly Department: 1000 - Office									
12/01/2023	Berglund, Amanda M	40.00	1,900.00	650.52	432.00	817.48	DD	221.35	2,121.35
12/01/2023	Berglund, James L	5.00	550.00	42.08	432.00	75.92	DD	70.13	620.13
12/01/2023	Berglund, Jersey	40.00	128.00	0.00	0.00	128.00	DD	0.00	128.00
12/01/2023	Berglund, Tyson	40.00	145.00	0.00	0.00	145.00	DD	0.00	145.00
12/01/2023	Clark, Chearrie	32.00	576.00	42.81	77.84	455.35	DD	45.71	621.71
12/01/2023	Koch, Heidi	38.50	654.50	103.93	0.00	550.57	DD	57.27	711.77
12/01/2023	Noga, Asia M	46.00	1,058.00	106.18	81.10	870.72	DD	98.08	1,156.08
12/01/2023	Noga, Asia M	241.50	\$5,011.50	\$945.52	\$1,022.94	870.72	DD	98.08	1,156.08
Department Totals: 1000 - Office									
Total Net Pays for 1000 - Office: 7									
Department: 2000 - Delivery									
12/01/2023	Berglund, Dean R	40.00	680.00	140.02	0.00	539.98	76304150	59.50	739.50
12/01/2023	Kazek, Erick D	35.25	740.25	90.42	76.42	573.41	DD	52.19	792.44
Department Totals: 2000 - Delivery									
Total Net Pays for 2000 - Delivery: 2									
Department: 3000 - Maintenance									
12/01/2023	Sandstrom, Scott R	26.00	520.00	109.30	0.00	410.70	DD	45.50	565.50
Department Totals: 3000 - Maintenance									
Total Net Pays for 3000 - Maintenance: 1									
Department: 4000 - BWC Line									
12/01/2023	Albrecht, Riley	38.00	608.00	106.52	0.00	501.48	DD	53.21	661.21
12/01/2023	Archerd, Danielle	30.00	420.00	55.75	0.00	364.25	76304151	39.27	459.27
12/01/2023	Brunes, Jasper	38.00	646.00	120.95	75.00	450.05	DD	56.53	702.53
12/01/2023	Haiwala, Joseph	27.50	412.50	51.65	198.78	162.07	DD	32.02	444.52
12/01/2023	Johnson, Taylor	30.00	480.00	59.57	43.36	377.07	DD	38.68	518.68
12/01/2023	Johnson, Travis	38.00	722.00	52.32	79.06	590.62	DD	89.12	811.12
12/01/2023	Lenzen, Isabella	30.00	480.00	74.52	0.00	405.48	DD	42.00	522.00
12/01/2023	Prestidge, Christopher	39.50	1,066.50	177.65	139.89	748.96	DD	158.64	1,225.14
12/01/2023	Priem, Cheryl M	37.75	679.50	40.41	412.85	226.24	DD	55.29	734.79
12/01/2023	Thompson, Jeff	40.00	1,154.00	222.31	173.28	758.41	DD	126.81	1,280.81
12/01/2023	Tilkens-Rogstad, Michael	37.50	712.50	138.36	0.00	574.14	DD	62.35	774.85
12/01/2023	Torgerson, Axel	38.75	736.25	144.64	3.80	587.81	DD	64.43	800.68
Department Totals: 4000 - BWC Line									
Total Net Pays for 4000 - BWC Line: 12									
Department: 5000 - Custom Finishing									
12/01/2023	Buck, Brian	38.00	684.00	115.23	37.53	531.24	DD	87.21	771.21
12/01/2023	Eide, Gabrielle	38.00	570.00	80.94	3.81	485.25	DD	49.58	619.58
12/01/2023	Ferraro-Anker, Mathew	30.00	420.00	55.75	0.00	364.25	DD	39.27	459.27
12/01/2023	Gallagher, Charlie	38.00	874.00	80.90	228.83	564.27	DD	93.08	967.08
12/01/2023	Hanson, Derrick	38.00	950.00	192.71	44.94	712.35	DD	100.29	1,050.29
12/01/2023	LaCroix, Nicholas	39.00	897.00	77.69	0.00	819.31	DD	78.49	975.49
12/01/2023	Laine, Alexandra	29.00	522.00	80.09	0.00	441.91	DD	48.80	570.80
12/01/2023	LeRoux, Trenton	30.00	480.00	79.46	0.00	400.54	DD	44.88	524.88
12/01/2023	Lien, Cameron	41.00	779.00	155.02	153.27	470.71	DD	78.23	857.23
12/01/2023	Medina, Alex R	20.00	280.00	33.42	0.00	246.58	DD	26.18	306.18
12/01/2023	Nelson, Hunter	30.00	510.00	82.03	0.00	427.97	DD	47.69	557.69
12/01/2023	Rumsey, Riley	37.50	675.00	58.71	0.00	616.29	DD	59.07	734.07
12/01/2023	Smith, Adam	39.00	897.00	180.88	0.00	716.12	DD	78.49	975.49

Company: NORTH WOODS FINISHING LLC
 Check date: 12/1/2023 - Payroll 1
 Pay Period: 11/19/2023 to: 11/25/2023

1 of 2
 Run Number: 0894

Date Printed: 11/28/2023 14:34
 21593589 - RO/XJK

Payroll Summary

Check Date	Name	Hours	Total Paid	Tax Withheld	Deductions	Net Pay	Check No	Employer Liability	Total Expense
12/01/2023	Therm, Charles	38.50	577.50	93.38	2.28	481.84	DD	50.35	627.85
12/01/2023	Volkmeier, Katherine D	40.00	760.00	166.48	129.45	464.07	DD	89.30	849.30
Department Totals: 5000 - Custom Finishing		526.00	\$9,875.50	\$1,532.69	\$600.11	\$7,742.70		\$970.91	\$10,846.41
Total Net Pays for 5000 - Custom Finishing: 15									
Department: 6000 - On-Site Painting									
12/01/2023	Mott, Kyle	42.75	812.25	152.65	0.00	659.60	DD	71.07	883.32
Department Totals: 6000 - On-Site Painting		42.75	\$812.25	\$152.65	\$0.00	\$659.60		\$71.07	\$883.32
Total Net Pays for 6000 - On-Site Painting: 1									
Pay Frequency Totals: Weekly		1,336.50	\$25,756.75	\$4,215.25	\$2,825.49	\$18,716.01		\$2,510.06	\$28,266.81
Total Net Pays for Weekly frequency: 38									
Company Totals:		1,336.50	\$25,756.75	\$4,215.25	\$2,825.49	\$18,716.01		\$2,510.06	\$28,266.81
Total Net Pays for Company: 38									

Personal Financial Statement

CONTACT YOUR REPRESENTATIVE AT THE BANK
IF YOU HAVE ANY QUESTIONS REGARDING THE
COMPLETION OF THIS FORM

YOU MAY APPLY FOR A CREDIT EXTENSION OR FINANCIAL ACCOMMODATION INDIVIDUALLY OR JOINTLY WITH A CO-APPLICANT. THIS STATEMENT AND ANY APPLICABLE SUPPORTING SCHEDULES MAY BE COMPLETED JOINTLY BY BOTH MARRIED AND UNMARRIED CO-APPLICANTS IF THEIR ASSETS AND LIABILITIES ARE SUFFICIENTLY JOINED SO THAT THE STATEMENT CAN BE MEANINGFULLY AND FAIRLY PRESENTED ON A COMBINED BASIS; OTHERWISE SEPARATE STATEMENTS AND SCHEDULES ARE REQUIRED.

APPLICANT

NAME James Berglund Social Security # ***-**-0157

ADDRESS 9733 - 289th Avenue NW Zimmerman, MN 55398

TELEPHONE NUMBER 763-370-7836 DATE OF BIRTH 5/8/1980

PRESENT EMPLOYER North Woods Finishing, LLC POSITION Owner

ADDRESS 243 North Dual Blvd. Isanti, MN 55040

CO-APPLICANT

NAME Amanda Berglund Social Security # ***-**-8054

ADDRESS 9733 - 289th Avenue NW Zimmerman, MN 55398

TELEPHONE NUMBER 763-370-7837 DATE OF BIRTH 11/18/1980

PRESENT EMPLOYER North Woods Finishing, LLC POSITION Owner

ADDRESS 243 North Dual Blvd. Isanti, MN 55040

- Round All amounts to the nearest \$100
- Attach separate sheet if you need more space to complete detail schedule

ASSETS			LIABILITIES	
Checking		\$ 120,000	Notes Payable Banks (Schedule 7)	\$ 49,735
Savings		\$ 569,100	Notes Payable Others (Schedule 7)	\$ -
NWF Checking		\$ 55,000	Installment Contracts Payable (Schedule 7)	\$ -
PGC Checking		\$ 26,000	Due Dept. Stores, Credit Cards & Others	
Due from Friends, Relative & Others (Sched. 1)		\$ -	Income Taxes Payable	\$ -
Mortgage & Contracts for Deed Owned (Sched. 2)		\$ -	Other Taxes Payable	\$ -
Securities Owned (Schedule 3)		\$ 153,675	Loans on Life Insurance (Schedule 4)	\$ -
Cash Surrender Value of Life Insur. (Sched. 4)		\$ 16,194	Mortgage on Homestead (Schedule 6) Zimmerman	\$ 333,919
Homestead (Schedule 5)		\$ 1,200,000	Mortgage or Liens on Other Real Estate Owned (Schedule 6)	\$ 1,666,522
Other Real Estate Owned (Schedule 5)		\$ 6,765,000	Other Liabilities (Detail)	
Automobiles		\$ 508,000		
Misc. Personal Property	See Stuff	\$ 445,000		
Other Assets (Detail) (Boats)	See Stuff	\$ 205,000		
Equity in Business		\$ -		
TOTAL ASSETS		\$ 10,062,969	Total Liabilities	\$ 2,050,175
			Net Worth (Total Assets Less Liabilities)	\$ 8,012,794
			Net Worth Plus Liabilities	\$ 10,062,969

ANNUAL INCOME	APPLICANT	SPOUSE	CONTINGENT LIABILITIES	
Salary	\$ 98,800	\$ 98,800	As Endorser	
Commissions	\$ -	\$ -	As Guarantor	
Dividends	\$ -	\$ -	Lawsuits	
Interest	\$ -	\$ -	For Taxes	
Rentals	\$ 11,400	\$ -	Other (Detail)	
Alimony, child support or maintenance (you need not show this unless you wish us to consider it)	\$ -	\$ -		
Other - CRP Payment	\$ -	\$ -		
TOTAL INCOME	\$ 110,200	\$ 98,800	<input checked="" type="checkbox"/> Check here if "None"	
			TOTAL CONTINGENT LIABILITIES	\$ -

SCHEDULE 1 DUE FROM FRIENDS, RELATIVES & OTHERS

COMPLETED

Name of Debtor	Owed To	Collateral	How Payable	Maturity Date	Unpaid Balance
			\$ per		
			\$ per		
TOTAL					\$ -

SCHEDULE 2 MORTGAGE AND CONTRACTS FOR DEED OWNED

COMPLETED

Name of Debtor	Type of Prop	1st/2nd Lien	How Payable	Owed To	Unpaid Balance
			\$ per		\$ -
			\$ per		

			\$	per		
			\$	per		
			\$	per		
TOTAL						\$ -

To Whom Payable	Address	Collateral or Unsecured	How Payable	Unpaid Balance
Bank Of America	Wilmington DE	Collateral	1400/month	\$ 49,735.00
				\$ -
				\$ -
			\$ per	
			\$ per	
TOTAL				\$ 49,735.00

APPLICANT CO-APPLICANT

Have you ever gone through bankruptcy or had a judgment against you?

Yes No

Yes No

Are any assets pledged or debts secured except as shown?

Yes No

Yes No

Have you made a will?

Yes No

Yes No

Number of Dependents (if "None" check None)

3 None 3 None

Marital Status (answer only if this financial statement is provided in connection with a request for secured credit or applicant is seeking a joint account with spouse.)

Married

Married

Separated

Separated

Unmarried

Unmarried

(Unmarried includes single, divorced, widowed)

The foregoing statement, submitted for the purpose of obtaining credit, is true and correct in every detail and fairly shows my/our financial condition at the time indicated. I/we will give you prompt written notice of any subsequent substantial change in such financial condition occurring before discharge of my/our obligation to you. I/we understand that you will retain this personal financial statement whether or not you approve the credit in connection with which it is submitted. You are authorized to check my/our credit and employment history or any other information contained herein.

THE UNDERSIGNED CERTIFY THAT THE INFORMATION CONTAINED ON THIS FORM HAS BEEN CAREFULLY REVIEWED AND THAT IT IS TRUE AND CORRECT IN ALL RESPECTS

Date

Your Signature

Date

Co-Applicant Signature (if you are requesting the financial accommodation jointly)

Misc Property	Worth		NWF Assets	Worth	
2020 Phoenix Boat & Trailer	85,000.00		Prime 1 w/ optisand	75,000.00	
2023 Phoenix Boat & Trailer	120,000.00		Prime 2 w/ optisand, cure oven	350,000.00	
Midsota Dump trailer	15,000.00		Paint Line w/ optisand, cure oven	250,000.00	
Hydraulic Deck Over Trailer	10,000.00		Solvent Line w/ optisand	75,000.00	
Black Enclosed Trailer	20,000.00		UV Line w/ sander	150,000.00	
White Enclosed Trailer	10,000.00		4 Spray booths	100,000.00	
Utility Trailer	1,000.00		Batch Oven	25,000.00	
Cat Skid Steer	25,000.00		Linde Forklift	10,000.00	
John Deere 3039R	50,000.00		Toyota Forklift	10,000.00	
John Deere compact tractor	15,000.00		Scissor Lift	2,500.00	
Personal stuff inside house, garage & detached	300,000.00		Misc Equip. (tools, pumps, pallet racking, etc.)	400,000.00	
NWF assets (inside the building)			Make up air 1	40,000.00	
			Palatek air system w/ dryer	35,000.00	
			Misc office equipment, furniture	30,000.00	
Vehicles	Worth			1,552,500.00	
2017 Chevy Impala - wrapped	15,000.00				
2017 Dodge Ram Promaster	25,000.00				
2015 Dodge Ram Promaster	25,000.00				
2014 Peterbilt - curtain side	40,000.00				
2014 Peterbilt	40,000.00				
2021 Cadillac Escalade	100,000.00				
2021 Chevy 1500 Trail Boss	40,000.00				
2018 Chevy 2500 - Jeff's truck	35,000.00				
2022 Peterbilt	127,000.00				
Real Estate	Worth	Paid	Redfin	neighborhood Medic	Zillow
2008 Personal - 9733 289th Avenue NW Zimmerman	1,000,000.00	350,000.00	loan	840,200.00	651,000.00
1940 Rental - 308 10th Avenue Princeton	170,000.00	129,900.00	loan	167,300.00	174,000.00
1920 Rental - 206 9th Avenue Princeton	150,000.00	115,000.00	loan	114,000.00	154,300.00
1954 Rental - 514 S Rum River Drive Princeton	210,000.00	199,900.00	loan	196,000.00	206,000.00
1944 Rental - 1316 1st Street Princeton	200,000.00	155,000.00	cash	155,000.00	157,200.00
1922 Rental - 2420 269th Avenue Isanti	160,000.00	95,000.00	cash	95,000.00	115,300.00
1940 Rental - 407 4th Avenue Princeton	150,000.00	138,000.00	cash	125,000.00	125,300.00
1984 Rental - 1313 2nd Street Princeton	265,000.00	128,500.00	cash	128,500.00	129,400.00
Land - Cedar Ridge Milaca	40,000.00	22,500.00	cash		
Land - Cedar Ridge Milaca	40,000.00	22,500.00	cash		
Land - Cedar Ridge Milaca	40,000.00	22,500.00	cash		
NWF Building - 243 North Dual Blvd Isanti	1,625,000.00	725,000.00	loan		
1955 PGC - 301 Golf Course Road Princeton (& assets)	2,000,000.00	700,000.00	loan		
2013 1916 SW 46th Terrace, Cape Coral Florida	1,400,000.00	1,200,000.00	cash		
420 Shoshone Drive, Montevallo Alabama	280,000.00	269,000.00	cash		



James & Amanda Berglund
 North Woods Finishing, LLC
 243 N. Dual Blvd.
 Isanti, MN 55040

June 7, 2023

Dear James and Amanda,

Sherburne State Bank “the Bank” is pleased to present this proposal for up to \$5,000,000 in financing North Woods Finishing, LLC, North Woods Princeton Properties, LLC, or to you personally, henceforth regarded within this document as “the Borrower”. This proposal is for discussion purposes only and is subject to final due diligence and approvals. This letter is not a commitment to lend. We welcome the opportunity to refine our proposal and structure financing that best meets your specific needs.

Financing Proposal:

Option	Conventional Option	SBA 504 Option
Amount	A. \$2,000,000 – Real Estate 1 st Mortgage B. \$1,200,000 – Real Estate 2 nd Mortgage C. \$1,800,000 – Equipment Loan D. \$1,000,000 – State Loan	A. \$3,000,000 – Bank Loan B. \$2,000,000 – SBA Loan C. \$1,000,000 – State Loan
Term	A. 5 years B. 5 years C. 5 years D. Unknown	A. 20 years B. 20 years C. Unknown
Amortization	A. 20 years B. 20 years C. 7 years D. Unknown	A. 20 years B. 20 years C. Unknown
Rate	A. 7.50% B. 7.50% C. 7.95% D. 0.00%	A. 7.95% B. 6.07% C. 0.00%



Becker, MN 55308
 P.O. Box 428
 763-261-4200

Monticello, MN 55362
 P.O. Box 970
 763-271-7177

Princeton, MN 55371
 136 N. Rum River Drive
 763-389-4099





Repayment	A. \$16,239 estimated minimum monthly payment B. \$9,744 estimated minimum monthly payment C. \$28,109 estimated minimum monthly payment D. Unknown	A. \$25,206 estimated minimum monthly payment B. \$14,507 estimated minimum monthly payment C. Unknown
Prepayment Premium	A. 1% if refinanced B. 1% if refinanced C. Waived D. Unknown	A. 1% if refinanced B. Subject to SBA requirements C. Unknown
Collateral	a) Valid 1 st mortgage on 1502, 1504, and 1506 14 th St. S., Princeton, MN 55371 b) Valid 1 st position UCC filing on all business assets UCC on North Woods Finishing, LLC and North Woods Princeton Properties, LLC.	
Fees	0.50% origination, plus direct costs. See Appendix A for full cost breakdown.	
Guarantors	James and Amanda Berglund will provide unlimited personal guarantees. North Woods Finishing, LLC and North Woods Princeton Properties, LLC will provide secured corporate guarantees. All notes in the relationship to be cross-collateralized and guaranteed.	
Reporting	Borrower and Guarantors to provide annual financial statements and tax returns to the Bank, and additional information upon request.	
Additional Requirements	<ul style="list-style-type: none"> • Property and casualty insurance with the Bank named as loss payee. • Flood insurance if the subject property is in a flood zone. • Title insurance. • Property and casualty insurance with the Bank named as loss payee. 	

Sherburne State Bank appreciates the opportunity to propose on your project. Please don't hesitate to call me directly at 763-271-4919 with any questions. I look forward to working together.

Sincerely,

Allen R. Snegosky
Chief Lending Officer



Appendix A

CLOSING COST ESTIMATE		
	Conventional	SBA 504
Bank Origination Fee:	\$25,000	\$25,000
SBA 504 Provider Fees:	\$0	\$10,000
Documentation Preparation Fees:	\$885	\$590
Appraisal Fee:	\$2,000	\$2,000
Environmental Studies:	\$7,430	\$7,430
Title Search and Closing Fee:	\$2,000	\$2,000
Title Insurance:	\$2,750	\$2,750
Recording Fees:	\$138	\$138
Mortgage Registration Tax:	\$7,360	\$11,500
UCC Filing:	\$105	\$105
Flood Determination:	\$45	\$45
TOTAL:	\$47,713	\$61,558

CASH TO CLOSE CALCULATION		
	Conventional	SBA 504
Building Purchase:	\$4,000,000	\$4,000,000
Equipment Purchase:	\$2,000,000	\$2,000,000
Closing Costs:	\$47,713	\$61,558
Total Costs:	\$6,047,713	\$6,061,558
Real Estate 1st Mortgage:	\$2,000,000	\$3,000,000
Real Estate 2nd Mortgage:	\$1,200,000	\$0
Equipment Note:	\$1,800,000	\$0
SBA 504 Note:	\$0	\$2,000,000
State Note:	\$1,000,000	\$1,000,000
Total Funding:	\$6,000,000	\$6,000,000
Cash to Close (Total Funding - Total Costs):	\$47,713	\$61,558