

LEE COUNTY EDC SMALL BUSINESS LOAN PROGRAM

The EDC Small Business Loan Program (EDCSBLP) was initiated in 2008 with a grant from USDA's Rural Business Enterprise Grant program. The EDC Small Business Loan Program is a revolving loan fund program designed to stimulate the creation of good jobs for Lee County citizens, as well as to stimulate successful business development and expansion. The program will attempt to assist businesses that have limited access to financing through conventional means or other government guaranteed sponsored programs. Businesses receiving funding through this program are strongly encouraged to be good corporate citizens and to employ Lee County citizens.

Additional information and applications are available from the Lee County Economic Development Corporation (contact information located at the bottom of this document). All applications will be reviewed for eligibility and completeness. Completed applications will be submitted to The Lee County EDC and approved by its Board of Directors. Applicants will be informed in writing of the Board's decision.

Eligibility

All businesses must be located within Lee County in areas zoned appropriately for their use. Applicants must be for-profit business entities.

Owners with an ownership position of 10% or more of the business will be required to execute an Personal Guaranty Agreement for the full amount of the loan.

Eligible Uses of Loan Proceeds

1. Working capital or operational funds.
2. Purchase of equipment, commercial-use vehicles, or machinery.
3. Real estate improvements.
4. Start-up funding.
5. Expansion of business services or products.
6. Acquisition of commercial real estate.
7. Tenant up fit and lease-hold improvements.

Loan Proceeds Shall Not Be Used For the Following

1. Refinancing of existing bank debt or investor loans.
2. Purchase of equipment or improvement of real estate for personal use.
3. Political activities.
4. Lending or investment.
5. Real property held for sale or investment.
6. Pyramid sales - distribution plan businesses.
7. Non-profit institutions.

Lee County EDC Small Business Loan Program
PO Box 1968
Sanford, NC 27331-1968
919-774-8439 info@lcedc.com

Compliance With Applicable Regulations

In all cases, loans made from this program must be consistent and in accordance with the following:

1. All state and local regulations governing the applicant's business.
2. Policies established by the Board for each particular applicant.

Amount of Loans

Minimum: \$ 10,000

Should market conditions change, or in the event of an applicant with extraordinary conditions, a loan in amount less than the minimum may be considered. All loans are subject to availability of loan funds.

Loan Term

Maximum term—4 years

Interest Rates

All loans will be charged finance charges of 4%.

Fees and Expenses

There is no cost to apply for a loan. The applicant will also be responsible for any fees related to any appraisals or reports required by the LCEDC Board of Directors.

Loan Repayment

The first loan payment will be due on the first day of the 3rd year of the 4 year term of the following month, with subsequent payments due on the first day of each month thereafter. A late payment will be assessed at 2% of the payment amount after 10 days overdue. Loans may be prepaid, in whole or in part, at any time without penalty. In the event the loan payment becomes 30 days overdue, collection procedures will begin. Repayment terms may be modified by the Board.

Application Procedures

Requests for application to the EDC SBLP using the contact information at the bottom of this document may be initiated by the principals of a company or by the company's professional advisors (attorney, bankers, and accountant). Lee County Economic Development staff will meet with the applicants to ensure completeness of the application and process applications. Applicants may be referred to the CCCC Small Business Center for consultation.

Completed applications will be submitted to LCEDC prior to its next scheduled meeting.

At the meeting, the Board will decide whether or not to take action on the request, based on the information provided. The applicant will be informed in writing of the Board's decision to deny, grant, grant with condition, or seek more information.

At its discretion, the Board may impose any additional terms and conditions necessary to improve the loan or to secure the loan. The Loan Committee may require an itemized budget detailing the proposed use of loan funds.

LEE COUNTY

ECONOMIC DEVELOPMENT

Southern Base of the Research Triangle Region

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