



Economic Development Program

Heart of Iowa Communications Cooperative has proudly served our member/owners of rural Central Iowa with communication services for the past fifty years. During this time the cooperative has played a vital role in the communities we serve, through involvement in numerous programs that not only support our local communities, but also local schools, libraries, youth and other special projects.

Through this community involvement, Heart of Iowa recognized that the cooperative could do even more to assist in ensuring prosperous futures for our local communities and area residents. Hence, in 1997 the cooperative formed the Heart of Iowa Communications Cooperative Economic Development Program (HICC ED), also known as the Rural Development Plan.

The program was developed to aid in creating a climate that enables businesses, individuals and our local communities a source of funding that will assist in providing a strong and diverse local economy.

Heart of Iowa's ED Program emulates the cooperative's strong commitment and dedication to serving the communities and citizens of rural Central Iowa. Therefore, HICC Board of Directors have set forth the following objectives as the foundation of the Economic Development Program...

- To attract new business and industry to rural areas in order to create both primary and secondary income for area residents.
- To retain existing businesses and encourage expansion of these businesses.
- To identify and locate occupants to fill existing buildings, and help in the upgrading and removal of undesirable buildings in local communities.
- To provide assistance in housing development in order to increase the population base of our rural communities.
- To assist businesses and individuals in accessing private, state and federal funding in conjunction with a given loan, or in instances where it feels the applicant may be better served.

To date, the HICC ED Program has assisted area businesses, care facilities, individuals and communities with Loans in excess of \$1,000,000. These loans have pro-

vided funding for such projects as a community building, senior assisted living complex, nursing home, apartment complex, new small businesses, local fire departments, churches and many other projects.

The Board of Directors and the Economic Development Committee of HICC will accept and consider applications for ED loans that will significantly benefit rural communities, without restriction to Heart of Iowa Communications Cooperative's service area. It is the intent of HICC that funds from this program serve as "seed" money to generate economic development in rural Central Iowa.

Diversification of the economy increases the stability and wealth of our local communities. With this diversification comes increases in the number and quality of employment opportunities, as well as improving education, health care, housing, transportation, telecommunications and law enforcement. Our future generations will only benefit from a thriving rural economy. By working towards the future today, we must also seek the involvement of our area youth and encourage their participation in all phases of community efforts, as they will be the ones who will maintain these projects long after they have been implemented.

The future will serve to reiterate the fact that all types of businesses and community programs are vital in maintaining a strong rural economy and future growth and development. That is why the HICC ED Program is dedicated and willing to work with local lenders and other funding sources to maximize available capital, which in turn will provide for larger economic impact for our local communities and programs.

It is no secret that rural Iowans value the quality of life that our local communities provide area families. Community pride is demonstrated consistently through the willingness to invest in the future. The economic future of rural Central Iowa and our local communities, ultimately lies in the hands of each and every area resident. With strong community leadership and vital programs such as HICC ED, our local economy has the tools to maintain this existing quality of life that area residents and local businesses know and love.

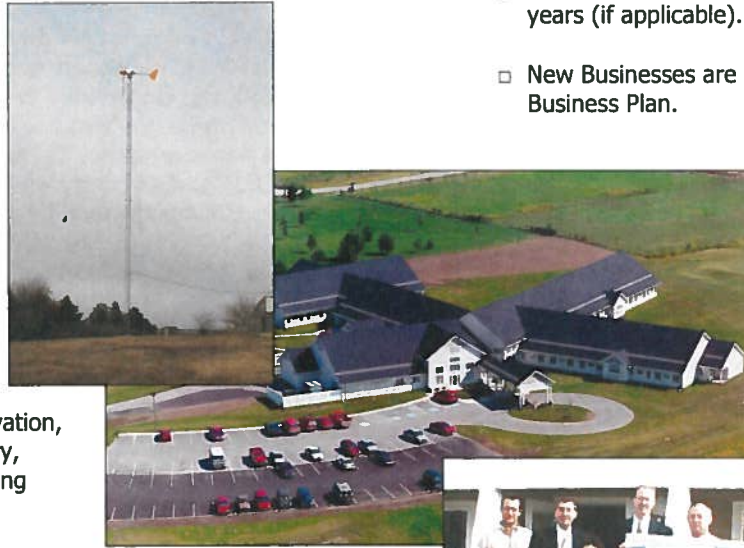
HICC ED Program's lending criteria and loan application are included with this information. All interested parties are encouraged to apply.



Economic Development Program Eligibility, Criteria, and Lending Procedure

All loans considered and granted by the Heart of Iowa Communications Cooperative's Economic Development Program must meet the following criteria...

1. The HICC ED Program is targeted to meet the objectives stated on page 1 of this information.
2. Eligible projects will include retail business and community facilities. These proposed projects must demonstrate potential future impact on the local economy and illustrate critical need.
3. Eligible entities include corporations, partnerships, sole proprietorships, limited liability companies, cooperatives, governmental entities, nonprofit entities and tribal entities.
4. The HICC ED Program may be used to provide interim or permanent financing for building construction or renovation, real estate, machinery, equipment and working capital.
5. The HICC ED Program cannot be used to refinance existing debt or to make payments to business owners or partners.
6. The HICC ED Program cannot be used to finance production agriculture, illegal activities, and legalized activities (e.g. gambling casinos), which in the opinion of the HICC Board, adversely affect the HICC ED Program's interests.
7. The total investment by the HICC ED Program in any project cannot exceed 75 percent of the total capital requirements of the proposed project. The remainder must be derived and secured from owner equity and additional public and/or private financing.
8. The HICC Board does not place a minimum loan size for the ED Program. The maximum loan size is restricted to funds available in the HICC ED Program at the time of application.



*Pictured left to right, HICC ED Program Projects...
Wind turbine, rural Eldora;
Hubbard Care Center, Hubbard;
Oakview Estates, Conrad, IA*

The following items and documents are required by the HICC ED Program for any individual, business or proposed project seeking application for funding...

- Completed Loan Application provided with this information.
- Complete Credit History (provided at applicants expense).
- Existing businesses and organizations are required to submit 2 Year Historical & 1 Year Projections Profit and Loss Statement and/or 2 Year Historical & 1 Year Projection Balance Sheet (if applicable).
- Complete IRS 1040 with all schedules for the past two (2) years (if applicable).
- New Businesses are required to submit a complete 2 year Business Plan.
- Written documentation of lending approval by all financial sources involved with the proposed project.
- Current Appraisal of Property to be financed (if applicable).
- Photographs of the exterior and interior of any buildings, homes or property to be purchased.
- Completed Abstract (if applicable).
- Title Opinion (if applicable).
- Agreement of spouse as a co-signer (if applicable).

Other items and documentation may be required to be provided at the request of the ED Program Committee & HICC Board during the application process.

Upon completion of the application process, approval or denial of funding will be granted by the program within 60 days of receipt of the application.

HICC ED Program loan funds will be disbursed when all loan conditions have been met and all additional funding has been committed. This includes proper documentation of expenditures or commitment of funds in the form of invoices, purchase orders, bills of sale, deeds, receipts, or other documentation.

In the effort to maximize the impact of future growth and development of the Central Iowa area, the HICC Board of Directors will not condition the approval of an ED loan with the requirement that the prospective recipient be a member or subscriber to telecommunication services provided by Heart of Iowa Communications Cooperative or any of its subsidiaries or affiliates.

HICC ED Program is an Equal Opportunity Provider.

All projects will be monitored for compliance with all covenants in the closing documents and for financial performance. Loan Recipients may be required to submit at least annually, a year-end balance sheet, income and expense statement and a report on milestones reached as outlined during the application process. The HICC ED Program reserves the right to require the submission of financial reports audited by a certified public accountant.



Economic Development Program Loan Application

Complete the following application as thoroughly and clearly as possible. Please PRINT legibly or complete using typewriter or word processor.

1. Applicant(s): _____

Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Phone: _____

2. Business Name: _____

Physical Business Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Phone: _____

Signature of Applicant and/or Company Officer: _____

I hereby give permission to the HICC ED Program Committee to research the company's history, make credit checks, contact the company's financial institution, and perform other related activities necessary for the reasonable evaluation of this proposal.

3. Please provide a complete description and history of business: (May require additional space, please provide on separate sheet of paper)

4. Describe in detail the proposed "project" being undertaken (e.g. company relocation, plant expansion or remodeling, new product line, refinancing, etc.) (May require additional space, please provide on separate sheet of paper)

5. What percentage of the company's sales will be outside the State of Iowa? _____

6. What percentage of the company's total operating expenditures (including wages & salaries) will be spent within the State of Iowa _____

7. What date will the proposed project begin? _____ Date to be completed? _____

8. Has any part of the project been started yet? Yes No (If yes, please describe)

9. How many employees are currently employed by the company? _____ If the company has more than one facility, how many full-time employees are there at the facility affected by this proposal? _____ How many part-time? _____

10. How many new, full-time employees will you add to the payroll within 24 months, if the project is accomplished? _____ How many part-time employees if the project is accomplished? _____

11. What is the estimated annual payroll for new employees resulting from this project? _____

12. What is the average wage rate projected to be for new employees? _____

13. Will any current employees lose their jobs if the project does not proceed? Yes No (If yes, how many? _____ please explain why)

14. How will this project benefit the city/county and local economy? (Please explain in detail, may require additional space, please provide on separate sheet)

15. Explain what the businesses contribution to the project is (i.e. loan, equity, etc.): (May require additional space, please provide on separate sheet)

16. Identify all agencies or institutions involved in the project, and describe in detail their involvement: (May require additional space, please provide on separate sheet)

17. Explain why assistance is needed from the HICC ED Program, and why funding cannot be obtained elsewhere:



Economic Development Program Loan Application

18. What type of security and in what amount will the assisted business provide? (please provide details for all that apply to project)

Mortgage _____ What Seniority or Position? _____
 Lien on _____ What Seniority or Position? _____
 Personal Guarantee _____ Other _____ None _____

Generally a decision by the HICC ED Program Committee can be expected within 60 days of receipt of the application. Is there an urgent need for a more immediate decision on this application? Yes No (If so, why?)

19. Please complete this summary of project costs and proposed financing sources:

PROJECT SUMMARY

Uses		Sources	
Activity	\$ Amount	\$ Amount	Provided By
Land Acquisition	_____	_____	_____
Site Preparation	_____	_____	_____
Building Acquisition	_____	_____	_____
Building Construction	_____	_____	_____
Building Remodeling	_____	_____	_____
Machinery & Equipment	_____	_____	_____
Furniture & Fixtures	_____	_____	_____
Working Capital	_____	_____	_____
• Receivables	_____	_____	_____
• Inventory	_____	_____	_____
• Marketing	_____	_____	_____
• Other	_____	_____	_____
Other	_____	_____	_____
TOTAL	_____	_____	(2 TOTALS MUST BE EQUAL)

Terms of Proposed Financing

	Amount	Type	Rate	Term
State Assistance	_____	_____	_____	_____
Conventional Financing	_____	_____	_____	_____
Job Training	_____	_____	_____	_____
Community Participation	_____	_____	_____	_____
Other	_____	_____	_____	_____
Other	_____	_____	_____	_____

ADDENDUM TO ECONOMIC DEVELOPMENT APPLICATION

DATA REQUEST and DISCLOSURE STATEMENT

“The following information is requested by the Federal Government for certain types of loans and grants, in order to monitor compliance with civil rights laws. You are not required to furnish this information, but are encouraged to do so. The law requires that a program recipient may neither discriminate on the basis of this information nor on whether you choose to furnish it. However, if you choose not to furnish it, under federal regulations, this program representative is required to note race/ethnicity on the basis of visual observation or surname.”

_____ I do not wish to furnish this information.

Ethnicity:

_____ Hispanic or Latino

_____ Not Hispanic or Latino

Race: (Mark one or more)

_____ White

_____ Black or African American

_____ American Indian/Alaska Native

_____ Asian

_____ Native Hawaiian or other Pacific Islander

Gender:

_____ Male

_____ Female