



## SAMPLE 504 PROJECT

1 Prairie Drive  
Slayton, MN 56172

### Use of Proceeds

Land and Building Construction	1,000,000
Equipment and Fixtures	\$ <u>100,000</u>
<b>TOTAL</b>	<b>\$ 1,100,000</b>

### Financial Package

Bank (50.0%) <i>(Bank rate TBD, at least a ten year loan, and bank takes first mortgage)</i>	\$ 550,000
Prairieland EDC Debenture (40.0%) <i>(Loaned at a fixed rate, 10 or 20-year term, and Prairieland EDC takes second mortgage)</i>	\$ 440,000
Equity Injection (10.0%) <i>(Cash that is not borrowed , cash that is borrowed under limited circumstances, land equity if owned 2+ yrs {appraisal required}, &amp; standby debt)</i>	\$ 110,000

### Debenture Pricing

Net Proceeds Required	\$ 440,000
Funding Fee (1/4%)	\$ 1,100
Prairieland EDC Processing Fee ( 1 1/2%)	\$ 6,600
Legal Closing Costs	\$ 2,000
Underwriter's Fee ( 2/5%)	\$ 1,808
Total Fees	\$ <u>11,508</u>
Subtotal:	\$ 451,508
Rounded to nearest \$1,000 for actual Debenture Amount	\$ 452,000
Difference returned to borrower after closing	\$ 492

**Note: Interest rate is set at the time of debenture sales after construction**