

Three Sisters Community Farm Loan Request

Goal:

To raise \$25,000 in personal loans to fund improvements for vegetable storage facilities, construct a second hoophouse, and complete a seedling greenhouse so that we will be able to distribute storage and fresh produce to our CSA members for 10 out of the 12 months of the year.

Background:

We founded Three Sisters Farm in 2011 and have since then focused on growing a community of people working together with a lot of goodwill trying to make the world a better place through stewardship, beauty, joy, connection with others and really good food. In 2012 we purchased our 3.8 acre home site with the help of a Farm Service Agency (FSA) Loan. We live in the farmhouse at this site, and the basic infrastructure of a building with a walk in cooler, greenhouse, and 200' x 34' hoophouse structure support the operations of our business. Since 2013 we have been renting an additional 5 acres of land in West Bend. In 2014 we did our first crowd sourced loan to purchase a skid loader to manage compost on a large scale to quickly build the fertility and resilience of this land. This year we secured a 10 year lease with a 5 year guaranteed renewal on 30 acres of land just a few miles from our home farm. The land is part of a new project that connects [social impact investors interested in restoring the health of ecosystems with organic and biodynamic farmers seeking farmland](#). A wonderful aspect of this arrangement is that 10-30 percent of the property will be dedicated to monarch butterfly and other pollinator habitat at no cost to us.

With the land secured we have found a place to plant the hundreds of fruit trees we have been keeping in a nursery bed. We now have the confidence to grow our business. We have taken out a small equipment loan and begun some infrastructure projects to update our home property so that we will be able to store the additional produce we will grow to distribute in the winter and spring. We have contractors lined up to help with our project.

Purpose for the Loan:

Phase 1 // September-October 2018

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| • Update electrical service to barn | 2,500 |
| • Repair field stone foundation of barn | 1,000 |
| • Complete new seedling greenhouse | 3,000 |

Phase 2 // October-November 2018

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| • Construct 100' x 34' hoophouse | 10,000 |
| • Clean and outfit interior of barn for Winter Post-Harvest Handling | 4,000 |

Phase 3 // Spring 2019

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| • Construct Pole Structure attached to barn for additional vegetable storage space | 4,500 |
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Grant Matching Funds:

The NRCS will reimburse us 10,000 for the cost of the 100' x 34' hoophouse mentioned in phase 2 once it is completed. We will then apply this money to phase 3 construction.

Terms:

A standard Promissory Note will be used to formalize the loan agreement between each lender and the LLC. The ideal loan size is between \$500.00- \$10,000. The loan will be a 5-year term paying 3% simple interest. The interest will be paid each year as either in kind to be applied to the cost of an annual CSA share or as cash. For example, a loan of \$5,000 will entitle the lender to \$150 credit toward a CSA share or payment in cash for the 5 years of the loan. If cash is preferred a check will be mailed to the holder at the end of each calendar year.

The promissory note has been reviewed by Marquette Law School and verification and supporting documentation is available upon request.

Repayment:

Principal and interest shall be paid in 5 years from the date of the promissory note. This first payment due on 12/31/18 will consist of interest only. Payments of remaining principal and interest will be made thereafter on an annual basis in equal installments with the final payment due five years from the date of this note. Payments will be mailed to the address of the holder.

Payment	Installment Amount	Due Date
1 Interest		12/31/18
2 Principal + Interest		12/31/19
3 Principal + Interest		12/31/20
4 Principal + Interest		12/31/21
5 Principal + Interest		12/31/22
6 Principal + Interest		5 years from date of note

The promissory note details conditions that would accelerate the repayment. This would happen if we were unable to make the in kind interest payments during one of the years or if we go out of business. We reserve the right to repay the loan early.