

CAPITAL ACCESS CORPORATION— KENTUCKY

SBA 504 LOAN PROGRAM

**Capital Access Corporation – Kentucky
Making loans to businesses in Kentucky, Indiana
(and sometimes beyond!)**



**We are an equal opportunity lender
committed to making loans to all qualified applicants
regardless of race, creed, nationality or gender.**

**1 Riverfront Plaza Suite 2010
401 W. Main Street
Louisville, Kentucky 40202-2928
Phone (502) 584-2175
Fax: (502) 584-2173
1-888-858-8019
www.cac-ky.org**

**CAPITAL ACCESS CORPORATION - KENTUCKY
SMALL BUSINESS ADMINISTRATION 504 APPLICATION**

I. BACKGROUND INFORMATION

Small Business Concern/Operating Company Information:
(if different, *Borrower's* information is requested below)

Company Name including d/b/a: _____

Current Address: _____

SIC Code: _____ Year Co. Established _____

NAICS #: _____ Fed. ID No.: _____

Type of Business (check one): Manufacturing Service Retail Wholesale Other: _____

Contact Person and Title: _____

Contact Person email address: _____

Phone: _____ Cell: _____

Fax: _____ Other: _____

Business structure: "c" corporation "s" corporation LLC LLP partnership proprietorship other

| Name of owner >10% ownership and Title <i>(use additional sheet as necessary)</i> | % owned: | Veteran? | Female? | Minority? |
|-----------------------------------------------------------------------------------|----------|----------|---------|-----------|
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Bank of Account: _____

Accountant/Phone/*email address*: _____

Lawyer/Phone/*email address*: _____

BORROWER'S INFORMATION: *(if different than business)*:

What is the name of the borrower? _____ EIN: _____

Is the borrower a: "c" corporation "s" corporation LLC LLP partnership proprietorship other

| Name of owner >10% ownership and Title <i>(use additional sheet as necessary)</i> | % owned | Veteran? | Female? | Minority? |
|-----------------------------------------------------------------------------------|---------|----------|---------|-----------|
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Information about the Business Operation:

Corporate Officers or Members/Managing Members (indicate title) if different than ownership section:

Indicate officer salaries and number of officers for last 3 fiscal years:

FY 20__ Officer salaries were: \$ _____ for ____officers.

FY 20__ Officer salaries were: \$ _____ for ____officers.

FY 20__ Officer salaries were: \$ _____ for ____officers.

Interim ____mos.: Officer salaries were \$ _____ for ____officers.

Does your business, its owners or majority stockholders own or have a controlling interest in other businesses? If yes, please provide below their names and the relationship with your company. Attach as Exhibit 12 the last two fiscal year-end financial statements (federal tax returns will suffice) for each of these firms:

1. Major Product Line/Services of Company: _____

2. Major Customers: _____

3. Rationale/Need for Project: _____

II. PROJECT INFORMATION:

Address _____

Municipality, Zip: _____ County: _____

Building Space (sq. ft.): _____ Land (acres or sq.ft.): _____

Enterprise/Empowerment Zone? Yes No Urban Renewal Area? Yes No

Located within an area that is a community recognized revitalization or redevelopment area? Yes No

Will this project help the company to increase productivity and competitiveness by [] retooling [] robotics [] modernization [] meeting health, safety and environmental regulations [] competition with imports ?

Has your business been affected by federal base closings, loss of federal contracts, or a reduction in revenues due to a decreased Federal presence? [] Yes [] No

III. FINANCING INFORMATION

| Project Costs | | Project Financing | |
|---------------------------------------------------------|----------|--------------------------------------|-----------------------------------|
| 1. Land Acquisition: | \$ _____ | Bank (or private loan) | \$ _____ |
| 2. Land Improvements: | \$ _____ | SBA 504 loan: | \$ _____ |
| 3. Purchase of land and building: | \$ _____ | Other: _____ | \$ _____ |
| 4. Rehab, New construction: | \$ _____ | Other: _____ | \$ _____ |
| 5. Construction contingencies (up to 10% of line 4): | \$ _____ | Borrower Injection | \$ _____ |
| 6. Equipment*: | \$ _____ | (must be at least 10% of line 11***) | |
| 7. Furniture & Fixtures: | \$ _____ | Total: (must equal line 11) | \$ _____ |
| 8. Interest during construction: | \$ _____ | Desired term of SBA 504 loan: | <input type="checkbox"/> 10 years |
| 9. Professional fees**: | \$ _____ | | <input type="checkbox"/> 20 years |
| 10. Other (specify): | \$ _____ | Source of Borrower's Injection: | _____ |
| 11. Total Project Cost: | \$ _____ | | _____ |

*Equipment must have a minimum useful life of ten (10) years.

**Architectural fees, appraisal fees and other professional fees associated with this project may be included in this figure. Permanent bank fees cannot be included, however, interim fees are eligible.

The SBA 504 fees should not be included in this figure but will be added to your loan amount.

***15% equity injection if business is less than 2 years old or special use building and 20% if new business and special use building.

Participating Bank: _____

Loan Officer/Phone/*email address*: _____

Date financing needed: _____ Referred by: _____

EMPLOYMENT:

NEW jobs to be created within the next two years as a result of this project: _____

Presently employed by your company: _____

PREVIOUS GOVERNMENT FINANCING

Has your company, any of its 20% or more owners, or affiliates ever had government financing including student loans and disaster loans?

[] Yes [] No If yes, please specify: (use additional sheets if necessary)

Borrower's Name: _____

Government Lender: _____

Loan #: _____ Date of Loan Disbursement: _____

Original Amount: _____ Current Balance: _____

Collateral: _____

Status of the Loan (Current, Delinquent, Paid In Full, Charged Off) _____

If Charged Off, Amount of Loss to Government: _____

(Loss is defined as the outstanding principal balance of the loan that the government agency had to write off after all collection activities (including compromises) were finalized.)

OTHER:

Have you or any officer of your company or any related company ever been involved in bankruptcy proceedings? Yes No

If yes, please explain: _____

Are you or your business involved in any pending lawsuits or have any outstanding judgments? Yes No

If yes, please explain: _____

Are you, your spouse or any member of your household, or anyone who owns, manages, or directs the business or their spouses or members of their household, employed by the SBA, Small Business Advisory Council, SCORE, or ACE or any other Federal agency or the participating lender?

Yes No If yes, please provide the name and address of the person(s) and the office where employed.

Are any of the business owners' assets held in a trust? Yes No If so, please indicate:

Name/date of trust: _____

Trustee: _____

Beneficiary: _____

If real estate is being acquired and there are any existing tenants that will remain, or if you plan to lease any space, please provide the following information: (Copies of existing leases will be required before closing the loan.)

| Tenant Name | Sq. Ft. | Lease Expires | Monthly Rent |
|-------------|---------|---------------|--------------|
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The rule:

Existing buildings – Occupy 51%; may lease 49% permanently;

New construction – Occupy 60% immediately, may lease 20% permanently. Must have plans to occupy within 3 years some of the remaining space not immediately occupied and not leased long term, and plans to occupy all of the remaining space not leased long term within ten years.

EXPORTING:

Does your business currently export, or will it start exporting, pursuant to this loan (if approved)? Check here: [] Yes [] No

If Yes, what % of your sales do you currently export \$ _____ or would you expect to export? \$ _____

TERMS OF THE SBA 504 LOAN PROGRAM

If you have any questions on any of these terms, please consult the SBA 504 staff.

Eligibility: Check with the SBA 504 staff to make sure your project is eligible before filling out this application.

Fees Associated with 504 Program

Processing Fees: The processing fees compensate each service provider in the 504 loan process, which includes the CDC, SBA, underwriters and fiscal agents. Processing fees are one-time-only fees and are less than 3% of the 504 loan. Processing fees can be added to the amount borrowed.

A \$750 application fee is due when the application is submitted, but \$700 is refunded when the SBA 504 loan closes (\$50 is retained to defray costs).

Guaranty and Servicing Fees: A guaranty fee, servicing fee and central servicing agent fee are added to the note rate. They are paid over the life of the loan and are automatically added to the monthly payment. (Your estimated quoted interest rate includes these fees.)

Closing Fees: The borrower is responsible for the costs associated with closing the 504 loan.

Bank Participation Fee: This is equal to 1/2 of 1% of any mortgages that are senior to the SBA guaranteed mortgage and is paid by the participating bank.

Legal Representation: The borrower must be represented by an attorney during the closing process. The CDC's legal counsel prepares all the closing documents in participation with the borrower's attorney.

Time Frame: Upon submission of a complete loan package to CAC-KY, please allow approximately 15 to 20 working days from the time CAC-KY receives the completed package to receive approval from the SBA.

Please note that the SBA 504 loan is funded only after the project is completely finished. Usually the first mortgage lender provides financing during the interim period.

Interest Rate: After the project is completed the SBA disburses on its loan. The interest rate is determined at this time, and is fixed for the life of the SBA 504 loan. Interest rates are based on prevailing Treasury bond rates at the time of loan disbursement.

Environmental Impact Information: In most instances, the Environmental Questionnaire attached will suffice; however, on occasion, a Phase One environmental audit will be required on the subject property.

Prepayment: The bank loan can be prepaid according to terms negotiated between the bank and the borrower. The 504 Loan may be prepaid, but must be prepaid in full, and there is no penalty if prepayment occurs in the second half of the term (e.g., years 11-20 for a 20-year loan). During the first half of the term, the prepayment penalty declines over time, beginning at approximately one year's interest (i.e., the penalty during the first year would be the borrower's debenture rate on the note multiplied by the outstanding balance).

A substitution of collateral is another alternative to prepayment.

Collateral: **Business collateral** and **personal guaranties** are required. **An assignment on the principals' life insurance policy for the amount of the SBA loan is a required portion of the collateral package.** Additional collateral is, at times, requested and may include personal assets.

Confidential Credit Report: Capital Access Corporation – KY will, at its expense, obtain a credit report on the applicant(s) and will comply with all provisions of the Fair Credit Reporting Act (15 USC 1681 et seq.). Capital Access Corporation – KY will not disclose any part of any credit report to anyone except Capital Access board members and staff and the SBA.

NOTICE

IMPORTANT INFORMATION
ABOUT IDENTIFICATION PROCEDURES WHEN OBTAINING A 504 LOAN

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all Certified Development Companies to obtain, verify and record information that identifies each person who applies for a 504 Loan.

What this means for you: When you apply for a 504 Loan, we will ask for your name, address, date of birth, and other information that will allow us to identify you.

**Please provide a copy of your:
driver's license, state identification card, or alien status card (both sides).**

CERTIFICATION

I/We hereby certify that the information contained on this application form as well as the material included as attachments to this document are correct to the best of my/our knowledge.

I/We hereby certify that I/We have read, understand and agree to the terms and conditions of the SBA 504 Loan Program.

Date: _____

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Special assistance is available to ensure this program is accessible to all individuals.

THE FOLLOWING MUST BE SUBMITTED: (ALL EXHIBITS MUST BE SIGNED AND DATED)

Indicate if Attached (X) or Not Applicable (N/A). Items marked CDC will be completed by CAC-KY; BKR = Banker

1. ___ A history and description of the business.
2. CDC Eligibility
3. ___ Personal History Statement (SBA Form 912) found attached or complete online <http://sba.gov/sbaforms/sba912.pdf> then printout hardcopy to include with this application) for each officer and director (regardless of ownership) and each proprietor, partner and stockholder with 20% or more ownership of the small business concern (SBC) and if different, each owner with 20% or more ownership of the borrower. **A copy of driver's license, state identification card, or alien status card (both sides) should accompany each Form 912.**
4. ___ Personal Financial Statement (Bank forms are acceptable or use SBA Form 413 -- complete online at <http://sba.gov/sbaforms/sba413.pdf> then printout hardcopy to include with this application) current within 60 days for each proprietor, partner or stockholder with 20% or more ownership of the SBC, and if different, each owner with 20% or more ownership of the borrower, as well as last three years **federal** tax returns on each.
5. ___ Resumes of the principals involved in the day-to-day management.
6. ___ A balance sheet and income statement for the previous two years for the SBC. (In lieu of financial statements, **federal** tax returns will suffice.) If the SBC is a new business, provide a proforma balance sheet with a description of assumptions attached.
7. ___ A balance sheet and income statement dated within 60 days of the application *together with an aging of the accounts receivable and accounts payable listing.*
8. ___ Where appropriate, a projected, annualized income statement for the first two years after the loan with a description of assumptions attached.
9. ___ For a new business, a monthly cash flow analysis for the first 12 months of operation or for three months beyond the break even point (whichever is longer) together with a description of assumptions.
10. ___ A schedule of debts (form attached) for each short-term and long-term loan and lines of credit that the business currently has outstanding or has planned for the next 12 months (other than the 504 loan). Please indicate whether each loan is current or delinquent.
11. ___ A schedule of any previous government financing received by any principals or affiliated companies.
12. ___ Names of affiliated (through ownership or management control) or subsidiary businesses as well as the last two fiscal year-end financial statements and/or tax returns and a current financial statement for each of these firms.
13. ___ If the business is a franchise, include a copy of the Franchise Agreement and the Franchiser's Disclosure Statement that is required by the Federal Trade Commission.
14. ___ A copy of key cost documents, such as real estate purchase agreements, contractor cost estimates, vendor quotes for machinery and equipment, etc.
15. * If applicable, a copy of the existing or proposed lease agreement.
16. * An independent appraisal (for construction projects on an "as completed" basis.) Architect's certified cost estimate or contractor's contract based on completed plans and specs is acceptable in lieu of appraisal.
17. ___ Environmental questionnaire (attached) or Phase I, if applicable (required for land purchases/new construction).
18. CDC Itemized listing of estimated closing costs.
19. BKR A letter from the participating lender stating the terms and conditions of its participation and the reason why it will not finance the entire project.
20. ___ A resolution from the partners, members or Board of Directors of the Borrower authorizing it to borrow. (<http://sba.gov/sbaforms/sba0160.pdf> if a corporation or LLC; <http://sba.gov/sbaforms/sba160a.pdf> if a partnership).
21. CDC INS verification
22. CDC Credit Reports
23. ___ If applicable, a completed SBA Form 159 (Compensation Agreement) statement of costs incurred in the application preparation and by whom (other than by the CDC).

*Provide if available. If not, must be submitted prior to loan closing.

NOTICES REQUIRED BY LAW

The following is a brief summary of the laws applicable to this solicitation of information.

Paperwork Reduction Act (44 U.S.C. Chapter 35)

SBA is collecting the information on this form to make a character and credit eligibility decision to fund or deny you a loan or other form of assistance. The information is required in order for SBA to have sufficient information to determine whether to provide you with the requested assistance. The information collected may be checked against criminal history indices of the Federal Bureau of Investigation.

Privacy Act (5 U.S.C. § 552a)

Any person can request to see or get copies of any personal information that SBA has in his or her file, when that file is retrievable by individual identifiers, such as name or social security numbers. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. Disclosures of name and other personal identifiers are, however, required for a benefit, as SBA requires an individual seeking assistance from SBA to provide it with sufficient information for it to make a character determination. In determining whether an individual is of good character, SBA considers the person's integrity, candor, and disposition toward criminal actions. In making loans pursuant to section 7(a)(6) the Small Business Act (the Act), 15 USC § 636 (a)(6), SBA is required to have reasonable assurance that the loan is of sound value and will be repaid or that it is in the best interest of the Government to grant the assistance requested. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC § 636(a)(1)(B). Further, for all forms of assistance, SBA is authorized to make all investigations necessary to ensure that a person has not engaged in acts that violate or will violate the Act or the Small Business Investment Act, 15 USC §§ 634(b)(11) and 687b(a). For these purposes, you are asked to voluntarily provide your social security number to assist SBA in making a character determination and to distinguish you from other individuals with the same or similar name or other personal identifier.

When this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature, SBA may refer it to the appropriate agency, whether Federal, State, local, or foreign, charged with responsibility for or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. See 56 Fed. Reg. 8020 (1991) for other published routine uses.

EXHIBIT 10

| | |
|-------------------------------|--|
| BUSINESS DEBT SCHEDULE | |
|-------------------------------|--|

USE ADDITIONAL SHEETS AS NECESSARY

SIGN AND DATE THIS DOCUMENT BELOW.

Indebtedness: Furnish the following information on all installment debts, contracts, notes,
and mortgages payable. Do not include accounts payable or accrued liabilities.

* Date: _____

* Should be the same date as the current financial statement.

| Creditor Name/Address | Original Amount | Original Date | Present Balance | Interest Rate | Maturity Date | Monthly Payment | Security | Current or Delinquent |
|-----------------------|-----------------|-------------------------|-----------------|---------------|-----------------------|-----------------|----------|-----------------------|
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| | | Total present balance** | | | Total monthly payment | | | |

** Total must agree with balance shown on current financial statement.

Signature: _____

Date Signed: _____

EXHIBIT 10

Credit Line Schedule

Furnish the following information on all lines of credit.

Date: _____

| Creditor Name/Address | Credit Line Limit | Original Date | Present Balance | Interest Rate | Maturity Date | Monthly Payment | Security | Current or Delinquent |
|-----------------------|-------------------|---------------|-----------------|---------------|---------------|-----------------|----------|-----------------------|
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Signature: _____

Date Signed: _____

**EXHIBIT 17
REAL ESTATE ENVIRONMENTAL RISK QUESTIONNAIRE**

| | | | | | |
|------------------------------------------------------|--|---------|------------|--------|--|
| Applicant's Name: | | | Telephone: | | |
| Street Address of Property to be used as Collateral: | | | | | |
| City: | | County: | | State: | |
| | | | | Zip: | |

The Property is (check all that apply: to be purchased to be expanded and/or renovated; new construction; to be substantially demolished; used in applicant's present operations proposed as collateral for the loan.

Person to contact for inspection of property if an appraisal and/or environmental site assessment is required:

| | | | | | |
|-------------------|--|--|---------------------|--|--|
| Contact | | | Contact's Title: | | |
| Contact's Company | | | Contact's Telephone | | |

Property Type: Vacant Land Auto Repair Convenience Store Dry Cleaner Gas Station Heavy Industrial Light Industrial
 Mixed Use (describe): _____ Other (describe): _____

Number of Buildings on Site: _____ Current Specific Business Use: _____

| | | | | |
|------------------|-------------------|----------|----------------------|-----------------|
| % Owner Occupied | % Tenant Occupied | % Vacant | No. of Rental Units: | No. of Tenants: |
|------------------|-------------------|----------|----------------------|-----------------|

Previous Uses and Dates:

| | | |
|-----------------------|-------------------|----------------------------|
| Date of Construction: | Land Area (acres) | Total Bldg. Area (Sq. Ft.) |
|-----------------------|-------------------|----------------------------|

This property is serviced with: (check all that apply) public water well water public sewer septic system

Provide available additional information to any question answered "YES" in the comments section below. **YES** **NO**

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 1. Has here ever been an environmental site assessment (ESA) of any type (e.g. Phase I, Phase II) of this Property? If YES, please submit copy with this document. | | |
| 2. Does Applicant, Owner or any Leasee hold a permit or license related to hazardous materials, water discharge, air emissions or other discharge into the environment associated with this property? | | |
| 3. Has the Property ever been used for the generation, handling, storage, transportation or disposal of any hazardous substance? | | |
| 4. Is any portion of the Property listed by any federal, State or local government agency as a site of potential or confirmed environmental contamination? (i.e. the National Priorities List, the CERCLIS list, Master Site List, RCRA Generator, BUSTR list-registered or LUST, or solid waste/landfill lists) | | |
| 5. Has the property ever been the subject of an environmental cleanup or remediation effort? | | |
| 6. Does the Applicant anticipate, or is the Applicant aware of, the requirements of any environmental statute, regulation, orders, ordinance or other law that may require substantial expenditures by the borrower for compliance herewith? | | |
| 7. Does the property have underground storage tanks? (State the number of tanks and capacity in "Comments" below.) | | |
| 8. Does the property have above ground storage tanks? | | |
| 9. Does the property have electrical transformers, capacitors or any hydraulic equipment/lifts? | | |
| 10. Does the property have operating or former oil or gas wells? | | |
| 11. Does the property have wetlands? If yes, attach copies of permits and delineation studies. | | |
| 12. Does the property have asbestos containing materials? If yes, attach any available property surveys? | | |
| 13. Does the property have pesticides, paints, oils, solvents, plating chemicals or other chemicals used or stored in significant quantities (50 gallons/400 pounds or more) in the regular course of operations? | | |
| 14. Does the property have medical waste materials, biological agents, or radioactive materials present on site | | |
| 15. Is the applicant aware of any adjacent properties or businesses that contain underground storage tanks, use large quantities of chemical products in their regular operations or are any the subject of a voluntary or government initiated environmental cleanup efforts? | | |
| 16. Has the purchase price of property been reduced because of an environmental problem, condition, or event? | | |
| 17. Is the applicant aware of any other condition or event that potentially may affect the property's market value? | | |

The information provided above in response to this questionnaire is true, complete and accurate. Applicant acknowledges that lender will rely upon the information provided herein in evaluating applicant's request for an extension of credit and in considering the acceptability of the property as collateral.

| | | | |
|-----------------------------|---------------|--------------------------------|---------------|
| _____ Seller's Signature | _____ Date | _____ Applicant's Signature | _____ Date |
|-----------------------------|---------------|--------------------------------|---------------|

EXHIBIT 21

**DEPARTMENT OF HOMELAND SECURITY
U.S. Citizenship and Immigration Services**

RELEASE AUTHORIZATION

I authorize the **Department Of Homeland Security U.S. Citizenship and Immigration Services** to release immigration status or alien verification information about me to Capital Access Corporation – Kentucky, because I am applying for a U.S. Small Business Administration loan.

Name of Immigrant/Alien

Date

(PLEASE SIGN IN **BLUE** INK)

Provide a copy of BOTH SIDES of the Immigrant/Alien's original documentation (resident card, etc.) in the space below or on a separate sheet.

U.S. SMALL BUSINESS ADMINISTRATION

Part C

Statements Required by Laws and Executive Orders

Federal executive agencies, including the Small Business Administration (SBA), are required to withhold or limit financial assistance, to impose special conditions on approved loans, to provide special notices to applicants or borrowers, and to require special reports and data from borrowers in order to comply with legislation passed by Congress, by Executive Orders issued by the President and by the provisions of various inter-agency agreements. SBA has issued regulations and procedures that implement these laws and executive orders, and they are contained in Parts 112, 113, 116, and 117, Title 13, Code of Federal Regulations, Chapter 1, or Standard Operating Procedures.

Freedom of Information Act (5 U.S.C. 552)

This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, stockholders or partners). The collateral pledged to secure the loan, the amount of the loan, its purpose in general terms, and the maturity. Proprietary data on a borrower would not routinely be made available to the third parties. All requests under this Act are to be addressed to the nearest SBA office and must be identified as a Freedom of Information request.

Privacy Act (5 U.S.C. 552a)

A person can request to see or get copies of any personal information that SBA has in his or her file when that file is retrievable by individual identifiers, such as by name or social security numbers. Requests for information about another party may be denied unless SBA has written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. Disclosures of name and other personal identifiers are, however, required for a benefit, as SBA requires an individual seeking assistance from SBA to provide it with sufficient information for it to make a character determination. In determining whether an individual is of good character, SBA considers the person's integrity, candor, and disposition toward criminal actions. In making loans pursuant to section 7(a)(6) of the Small Business Act (the Act), 15 USC Section 636(a)(6), SBA is required to have reasonable assurance that the loan is of sound value and will be repaid or that it is in the best interest of the Government to grant the assistance requested. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B). Further for all forms of assistance, SBA is authorized to make all investigations necessary to ensure that a person has not engaged in acts that violate or will violate the Act or the Small Business Investment Act, 15 USC Sections 634(b)(11) and 687(b)(a). For these purposes, you are asked to voluntarily provide your social security number to assist SBA in making a character determination and to distinguish you from other individuals with the same or similar name or other personal identifier.

The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use for SBA's loan system of records is that when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature, SBA may refer it to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use of personal information is to assist in obtaining credit bureau reports, including business credit reports on the small business borrower and consumer credit reports and scores on the principals of the small business and guarantors on the loan for purposes of originating, servicing, and liquidating small business loans and for purposes of routine periodic loan portfolio management and lender monitoring. See, 69 F.R. 58598, 58617 (and as amended from time to time) for additional background and other routine uses.

Rights to Financial Privacy Act of 1978 (12 U.S.C. 3401)

This is notice to you, as required by the Right to Financial Privacy Act of 1978, of SBA's access rights to financial records held by financial institutions that are, or have been, doing business with you or your business, including any financial institution participating in a loan or loan guaranty. The law provides that SBA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of Government loan or loan guaranty agreement. SBA is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent access. The law also provides that SBA's access rights continue for the term of any approved loan or loan guaranty agreement. No further notice to you of SBA's access rights is required during the term of any such agreement. The law also authorizes SBA to transfer to another Government authority any financial records included in an application for a loan, or concerning an approved loan or loan guaranty, as necessary to process, service or foreclose on a loan or loan guaranty or to collect a defaulted loan or loan guaranty. No other transfer of your financial records to another Government authority will be permitted by SBA except as required or permitted by law.

Flood Disaster Protection Act (42 U.S.C. 4011)

Regulations have been issued by the Federal Insurance Administration (FIA) and by SBA implementing this Act and its amendments. These regulations prohibit SBA from making certain loans in a FIA designated floodplain unless Federal flood insurance is purchased as a condition of the loan. Failure to maintain the required level of flood insurance makes the applicant ineligible for any future financial assistance from SBA under any program, including disaster assistance.

Executive Orders -- Floodplain Management and Wetland Protection (42 F.R. 26951 and 42 F.R. 26961)

The SBA discourages any settlement in or development of a floodplain or a wetland. This statement is to notify all SBA loan applicants that such actions are hazardous to both life and property and should be avoided. The additional cost of flood preventive construction must be considered in addition to the possible loss of all assets and investments in future floods.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.)

This legislation authorizes the Occupational Safety and Health Administration in the Department of Labor to require businesses to modify facilities and procedures to protect employees or pay penalty fees. In some instances the business can be forced to cease operations or be prevented from starting operations in a new facility. Therefore, in some instances SBA may require additional information from an applicant to determine whether the business will be in compliance with OSHA regulations and allowed to operate its facility after the loan is approved and disbursed. Signing this form as borrower is a certification that the OSA requirements that apply to the borrower's business have been determined and the borrower to the best of its knowledge is in compliance.

Civil Rights Legislation

All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public, on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA regulations. This includes making their goods and services available to handicapped clients or customers. All business borrowers will be required to display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with the law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Executive Order 11738 -- Environmental Protection (38 F.R. 25161)

The Executive Order charges SBA with administering its loan programs in a manner that will result in effective enforcement of the Clean Air Act, the Federal Water Pollution Act and other environmental protection legislation. SBA must, therefore, impose conditions on some loans. By acknowledging receipt of this form and presenting the application, the principals of all small businesses borrowing \$ 100, 000 or more in direct funds stipulate to the following:

1. That any facility used, or to be used, by the subject firm is not listed on the EPA list of violating facilities.
2. That subject firm will comply with all the requirements of Section 114 of the Clean Air Act (42 U.S.C. 7414) and Section 308 of the Water Act (33 U.S.C. 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in Section 114 and Section 308 on the respective Acts, and all regulations and guidelines issued thereunder.
3. That subject firm will notify SBA of the receipt of any communication from the Director of the Environmental Protection Agency indicating that a facility utilized, or to be utilized, by subject firm is under consideration to be listed on the EPA list of violating facilities.

Debt Collection Act of 1982 and Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles)

These laws require SBA to aggressively collect any loan payments which become delinquent. SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan and do not make payments as they come due, SBA may take one or more of the following actions:

- Report the Status of your loan(s) to the credit bureaus.
- Hire a collection agency to collect your loan.
- Offset your income tax refund or other amounts due to you from the Federal Government.
- Suspend or debar you or your company from doing business with the Federal Government
- Refer your loan to the Department of Justice or other attorneys for litigation.
- Foreclose on collateral or take other action permitted in the loan instruments.

Immigration Reform and Control Act of 1986 (Pub. L. 99-603)

If you are an alien who was in this country illegally since before January 1, 1982, you may have been granted lawful temporary resident status by the United States Immigration and Naturalization Service pursuant to the Immigration Reform and Control Act of 1986 (Pub. L. 99-603). For five years from the date you are granted such status, you are not eligible for financial assistance from the SBA in the form of a loan or guaranty under Section 7(a) of the Small Business Act or Section 504 of the Small Business Investment Act unless you are disabled or a Cuban or Haitian entrant. When you sign this document, you are making the certification that the Immigration Reform and Control Act of 1986 does not apply to you, or if it does apply, more than five years have elapsed since you have been granted lawful temporary resident status pursuant to such 1986 legislation.

Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.)

Borrowers using SBA funds for the construction or rehabilitation of a residential structure are prohibited from using lead-based paint (as defined in SBA regulations) on all interior surfaces, whether accessible or not, and exterior surfaces, such as stairs, decks, porches, railings, windows, and doors, which are readily accessible to children under 7 years of age. A "residential structure" is any home, apartment, hotel, motel, orphanage, boarding school, dormitory, day care center, extended care facility, college or other school housing, hospital, group practice or community facility and all other residential or institutional structures where persons reside.

Agreement of Nonemployment of SBA Personnel

I agree that if SBA approves this application, I will not for at least two years hire an employee or consult anyone who was employed by the SBA during the one year period prior to the disbursement of the debenture.

Certification as to Payment for Financial Assistance

I certify: I have not paid anyone connected with the Federal government for help getting this financial assistance. I also agree to report to the SBA Office of Inspector General, 409 Third Street SW, Washington, D.C. 20416, any Federal government employee who offers in return for any type of compensation to help get this application approved. I understand that I need not pay anybody to deal with SBA. I also understand that a Certified Development Company may charge the applicant a percentage of the loan proceeds as set forth in SBA regulations as a fee for preparing and processing loan applications. I agree to pay for or reimburse SBA for the cost of any surveys, title or mortgage examinations, appraisals, etc., performed by non-SBA personnel provided that I have given my consent.

Certification as to Non-relocation

Regulations issued by SBA prohibit the making of loans that will result in a significant increase of unemployment in any area of the country (13 CFR 120.881 (a)). In the event that proceeds from this loan are used to provide a facility for relocation of the beneficiary small business concern (including any affiliate, subsidiary or other business entity under direct, indirect or common control), the undersigned certifies that such relocation will not significantly increase unemployment in the area of the original location.

Executive Order 12549, Debarment and Suspension (13 CFR 145)

1. The prospective lower tier participant certifies, by submission of this loan application, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participants shall attach an explanation to the loan application.

CONFLICTS OF INTEREST

No overlapping relationship exists between the small business concern, including its associates, and the CDC, including its associates, or any other lender providing financing for the project that could create an appearance of a conflict of interest as defined in 13 CFR 120.140 or violate 13 CFR 120.851. No such relationships existed within six months of this application or will be permitted to exist while the assistance is outstanding.

OTHER AGREEMENTS AND

I authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate with SBA's guaranteed debenture.

I waive all claims against SBA and its consultants for any management and technical assistance that may be provided.

In consideration for assistance from the Small Business Administration, I hereby agree that I will comply with all Federal laws and regulations to the extent that they are applicable to such assistance, including conditions set forth in this application.

I, my spouse, or any other member of my household, or anyone who owns, manages, or directs the business or their spouses or members of their households do not work for the SBA, Small Business Advisory Council, SCORE or ACE, any Federal agency, or the participating lender. If someone does, the name and address of such person and where employed is provided on an attached page.

Applicant Notifications

I or any of the officers of my company _____ have/ _____ have not been involved in bankruptcy or insolvency proceedings.

I or my business _____ is/ _____ is not involved in any pending lawsuits. If so, I have attached a description.

Applicant's Acknowledgement

My signature acknowledges receipt of these Statements Required by Laws and Executive Orders, that I have read it and that I have a copy for my files.

My signature represents my agreement to comply with the requirements the Small Business Administration makes in connection with the approval of my loan request and to comply, whenever applicable, with the limitations contained in this notice

Certification as to Application Accuracy

All information in this application, including exhibits, is true and complete to the best of my knowledge and is submitted to SBA so that SBA can decide whether to approve this application. Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining any loan, or substitution of security therefor, or for the purpose of influencing in any way the action of SBA, or for the purpose of obtaining money, property, or anything of value, under the Small Business Investment Act, as amended, may be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both, pursuant to the Federal law at 15 U.S.C. 645.

Whoever in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up a material fact by any trick, scheme or device, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or documents knowing the same to contain any false, fictitious or fraudulent statement or entry may be fined up to \$10,000 or imprisoned for up to 5 years, or both, pursuant to the Federal Law at 18 U.S.C. 1001.

(Each Proprietor, each General Partner, each Limited Partner or Stockholder owning 20% or more, and each Guarantor must sign. Each person should only sign once.)

If Applicant is a proprietor or partnership, sign below:

If Applicant is an L.L.C. or corporation, sign below:

Name of Business

Corporate Name

By: _____ Date _____

By: _____ Date _____

Attested by: _____ (seal if required)

Additional Proprietors, Partners, Stockholders or Guarantors as required.

Signature

Date

Signature

Date

Signature

Date

Signature

Date