

**U.S. SMALL BUSINESS ADMINISTRATION
APPLICATION FOR SECTION 504 LOAN**

PART B

| | | | | | | |
|------------------|--|--|--|--|---|----------------|
| I. | Certified Development Company | | | Date of Application | | |
| | Contact Person | | | Telephone No. | | |
| II. | Borrower's Name | | | | Employer ID Number | |
| | Name of Small Business Concern (SBC) if other than Borrower | | | | EPC Yes: <input type="checkbox"/> No: <input type="checkbox"/> | |
| | Name of Principal in charge of the SBC | | | Telephone No. | | |
| | SBC's Address | | | Street Address of Project (if different) | | |
| | City | County | State/Zip Code | City of Project | County of Project | State/Zip Code |
| III. | <input type="checkbox"/> Corp., Yrs Chartered _____ | Location | | Check appropriate description | | Relocation |
| | <input type="checkbox"/> Partnership, No. Partners _____ | <input type="checkbox"/> 1 - Urban <input type="checkbox"/> 2 - Rural | <input type="checkbox"/> Existing Business | | Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| | <input type="checkbox"/> Proprietorship <input type="checkbox"/> LLC | | <input type="checkbox"/> New Business | | | |
| Type of Business | | NAICS Code | Date Established | Minority Code | Check if applicable: <input type="checkbox"/> Woman-owned <input type="checkbox"/> Veteran-owned <input type="checkbox"/> Service Disabled Veteran-owned | |
| IV. | A. Name(s) of Participating Lender(s) | | | | | |
| | Amount: | | Contact Person | | Telephone No. | |
| | B. Name of Other Sources (including any other Federal sources) | | | | Amount: | |
| | C. Name of Interim Lender (if different from IV.A.) | | | | | |
| | Amount: | | Contact Person | | Telephone No. | |
| V. | Please explain the purpose and Economic Impact of the Project | | | | | |

SBA USE ONLY

Approved by D.O. _____ Date _____ Funding Approved _____ Date _____

| | | | | | |
|--------------|--|---|--------------------|----------------|---------------------------|
| XI. | Financial Summary | | | | |
| | Fiscal Year Ending _____ | Statements (check one): <input type="checkbox"/> Audited <input type="checkbox"/> Review <input type="checkbox"/> Compilation | | | |
| | BALANCE SHEET | AS OF | ADJUSTMENTS | | ADJ/FINANCIAL DATA |
| | | | Debits | Credits | (Pro Forma) |
| | ASSETS | | | | |
| | Cash | | | | |
| | Accounts Receivable | | | | |
| | Inventory | | | | |
| | Other | | | | |
| | Total Current Assets | | | | |
| | Fixed Assets | | | | |
| | Other Assets | | | | |
| | Total Assets | | | | |
| | LIABILITIES & NET WORTH | | | | |
| | Accounts Payable | | | | |
| | * Notes Payable | | | | |
| | Taxes/Accruals | | | | |
| | ** Private Lender (cur. Portion) | | | | |
| | SBA (current portion) | | | | |
| | Other | | | | |
| | Total Current Liabilities | | | | |
| | Notes Payable | | | | |
| | Private Lender (L-T portion) | | | | |
| | SBA (L-T portion) | | | | |
| | Other | | | | |
| | Total Liabilities | | | | |
| | Net Worth | | | | |
| | Total Liab. & Net Worth | | | | |
| XII. | Ratio Analysis (use pro forma column) | NAICS Code _____ | SBC Use Only | | |
| | SBC | Industry Averages | | | |
| | Debt/Net Worth Ratio | _____ | _____ | _____ | _____ |
| | Net Working Capital | _____ | _____ | _____ | _____ |
| | Current Ratio | _____ | _____ | _____ | _____ |
| | Other: | _____ | _____ | _____ | _____ |
| XIII. | Balance Sheet Comments/Adjustments (e.g. goodwill, intangibles, etc.) [Include here, or in credit memorandum (SBA Form 1244, Exhibit 1).] | | | | |

*Notes Payable: include any existing current portion of long-term debt.

**For lender's share of 504 project only.

| XIV. | Income Statement | Historical | | Historical | | Current Interim | | Projection | |
|--|--------------------|------------|---|------------|---|-----------------|---|------------|---|
| | | Year | % | Year | % | | % | | % |
| | Sales | | | | | | | | |
| | Cost of Goods Sold | | | | | | | | |
| | Gross Profit | | | | | | | | |
| | G&A Expenses | | | | | | | | |
| | Net before Taxes | | | | | | | | |
| | Income Taxes | | | | | | | | |
| | Net after Taxes | | | | | | | | |
| Break out of specific expenses: included in G + A above: | | | | | | | | | |
| | Depreciation | | | | | | | | |
| | Interest | | | | | | | | |
| | W/D& Officer Comp | | | | | | | | |
| | Rent | | | | | | | | |
| | | | | | | | | | |

| XV. | Cash Flow Available for P&I | Existing | | Projection | |
|-----|---|----------|-------|------------|-------|
| | | Year: | | Year: | |
| | A. Earnings Before Taxes | \$ | _____ | \$ | _____ |
| | B. + Depreciation | \$ | _____ | \$ | _____ |
| | C. + Interest Expense | \$ | _____ | \$ | _____ |
| | D. + Rent Savings, if any | \$ | _____ | \$ | _____ |
| | E. + Other | \$ | _____ | \$ | _____ |
| | 1. _____ | \$ | _____ | \$ | _____ |
| | 2. _____ | \$ | _____ | \$ | _____ |
| | F. Total Cash Flow | \$ | _____ | \$ | _____ |
| | G. Existing Debt Service (P + I) | \$ | _____ | \$ | _____ |
| | H. + Project Debt Service (P + I) | \$ | _____ | \$ | _____ |
| | I. + Line of credit - principal | \$ | _____ | \$ | _____ |
| | J. + Line of credit - Interest | \$ | _____ | \$ | _____ |
| | K. + Other | \$ | _____ | \$ | _____ |
| | L. Total Cash Requirements (G - K) | \$ | _____ | \$ | _____ |
| | M. Cash Margin (F minus L) | \$ | _____ | \$ | _____ |
| | N. Cash Flow Coverage Ratio (F divided by L) | | _____ | | _____ |

XVI. Comments on Ability to Repay - (Include Working Capital Analysis and comments on credit history.)
 [Include here, or in credit memorandum (SBA Form 1244, Exhibit 1).]

| XVII. | <u>List of Project Collateral</u> | <u>Cost or Net Book Value</u> (if available) | <u>Senior Lien</u> | <u>Appraised Value</u> |
|--|--|---|---|--|
| | Land (and/or purchase of existing building) | _____ | _____ | _____ |
| | Building (new construction, remodeling, leasehold improvements, etc.) | _____ | _____ | _____ |
| | Machinery and equipment (purchase, installation, etc.) | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | Totals | _____ | _____ | _____ |
| | <u>Guarantor(s) and/or Owners</u> | <u>Personal Net Worth</u> | <u>Pledged Security (if applicable)</u> | |
| | _____ | _____ | _____ | |
| | _____ | _____ | _____ | |
| | _____ | _____ | _____ | |
| <p>Analysis of Collateral Adequacy. (Include summary of environmental analysis, if any.) [Include here, or credit memorandum (SBA Form 1244, Exhibit 1).]</p> | | | | |
| XVIII. | CDC Notifications | | | |
| | Has any member, officer, director or professional staff of CDC changed since last debenture request? If so, has Form 1081 and resume been submitted to SBA? | | | Yes: <input type="checkbox"/> No: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input type="checkbox"/> |

XIX. CDC and Borrower Agreements and Certifications

A. CDC Agreements and Certifications

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

The CDC certifies that it does not own any stock or equity in the SBC and no officer, director, or person within a controlling group of the CDC is an officer, director or holder of any direct or indirect pecuniary interest in the SBC.

The CDC authorizes disclosure of all information submitted in connection with this application to the financial institution agreeing to participate with the SBA's guaranteed debenture or loan.

The CDC certifies that it will comply with 13 C.F.R. Sections 112, 113, and 117 which prohibit discrimination on the grounds of race, color, sex, religion, marital status, handicap, age or national origin by recipients of Federal financing assistance; and will require appropriate reports and access to books and records. These requirements are also applicable to anyone who buys or takes control of the business. He/she realizes that if he/she does not comply with these nondiscrimination requirements, SBA can call, terminate, or accelerate repayment on his/her loan.

As consideration for any Management and Technical Assistance that may be provided, the CDC waives all claims against SBA and its consultants.

The CDC certifies that it has not paid anyone connected with the Federal government for help in getting this financial assistance. It also agrees to report to the SBA Office of Inspector General, 409 3rd Str., SW, Washington, D.C. 20416 any Federal government employee who offers in return for any type of compensation to help get this application approved.

The CDC understands that it need not pay anyone to deal with SBA. He/she has read SBA Form 159 which explains SBA policy on representatives and fees.

The CDC states, to the best of its knowledge and belief, that if any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, it shall complete and submit Standard Form-LL, "Disclosure Form to Report Lobbying," in accordance with this instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Anyone who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The CDC in consideration for assistance from SBA hereby agrees that it will comply with all Federal laws and regulations enforced to the extent that they are applicable to such assistance, including conditions set forth in this application.

The undersigned certifies that all information in this application and the exhibits is true and complete to the best of his/her knowledge and is submitted to SBA so that SBA can decide whether to approve this application.

The CDC acknowledges that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal

prosecution under 18 U.S.C. 1001 and other provisions, liability for treble damages under the False Claims Act, 31 U.S.C. 3729-3733, debarment and suspension, lender enforcement remedies under 13 C.F.R. Part 120, and other consequences.

The CDC certifies that the credit analysis has been reviewed and approved by the CDC Board of Directors.

B. Borrower Agreements and Certifications

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.

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 S.W., 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 the 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.

Regulations issued by SBA prohibit the making of loans to relocate any operations of a small business which will cause a net reduction of one-third or more in the workforce of the relocating small business or a substantial increase in unemployment in any area of the country.

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.

No overlapping relationship exists between the small business concern, including its associates, and the CDC, including its associates, if 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 assistance is outstanding.

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 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.

Name of Development Company: _____

By: _____ Title: _____ Date: _____

Attested By: _____

PLEASE NOTE: The estimated burden for completing this form and exhibits is 2.25 hours per application for ASM submissions and 2.45 for non-ASM submissions. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments or questions on the burden estimate should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington D.C. 20416 and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503.

PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.

U.S. SMALL BUSINESS ADMINISTRATION

PART C

Statements Required by Law and Executive Order

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 the Congress and 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, directors, 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 third parties. All requests under this Act are to be addressed to the nearest SBA office and 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 retrieved 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) 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, SBA-21, Loan System, at 74 FR 14890 (April 1, 2009) as amended by notices published at 77 FR 15835 (3/16/2012) and 77 FR 61467 (10/9/2012) for additional background and other routine uses.

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

This is notice to you as required by the Right of 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 institutions participating in a loan or loan guarantee. 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 a 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 accesses. 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 guarantee, as necessary to process, service or foreclose on a loan or loan guarantee or to collect on a defaulted loan or loan guarantee. 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 an 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 this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Executive Order 11738 -- Environmental Protection (38 C.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 cited 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 of 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 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 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 and Nationality Act (8 U.S.C. 1101, et seq., as amended)

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 Citizenship and Immigration Services 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 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.

Executive Order 12549 as amended by E.O. 12689, Debarment and Suspension and 2 CFR Part 2700

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.

Applicant Notifications

I or any of the officers of my company have/ have not been involved in bankruptcy or insolvency proceedings. If so, I have attached copies of the proceedings.

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

Applicant's Acknowledgment

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 SBA makes in connection with the approval of my loan request and to comply, whenever applicable, with the limitations contained in these Statements.

Certification as to Application Accuracy – Criminal Penalties for False Statements

The undersigned certifies that all information provided to the CDC, and that all information in this application, including exhibits whether submitted contemporaneously with this application or at a later date, is true and complete to the best of his or her knowledge and is submitted to the CDC and to SBA so that SBA can decide whether to approve this application.

The undersigned acknowledges that whoever makes any false statement or report, or willfully overvalues any land property or security for the purpose of influencing in any way the action of the SBA under the Small Business Investment Act, as amended, may be punished by a fine of not more than \$1,000,000 or by imprisonment for up to 30 years, or both, pursuant to 18 U.S.C. 1014. The undersigned further acknowledges that, in connection with a 504 loan, submission of any false statement to the CDC or SBA or submission of any record to the CDC or SBA omitting material information can result in civil money penalties and additional monetary liability up to three times the amount of damages which the Government sustains because of the false statement under the False Claims Act, 31 U.S.C. 3729.

(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

**U.S. SMALL BUSINESS ADMINISTRATION
APPLICATION FOR SECTION 504 LOAN**

PART D
Instructions for Third Party Lender Certification for Loans Made For Debt Refinancing

The Third Party Lender must provide the following certifications in its commitment letter submitted as Exhibit 17 of SBA Form 1244, Application for Section 504 Loan.

The Third Party Lender certifies that it has no reason to believe that the following statements are not true:

1. Either:
 - (a.) Substantially all (85% or more) of the proceeds of the indebtedness being refinanced were used to acquire and Eligible Fixed Asset (e.g. land, including a building situated thereon, to construct a building thereon, or to purchase equipment) and the remaining amount (15% or less) was incurred for the benefit of the small business seeking the refinancing; or
 - (b) If the Eligible Fixed Asset(s) was (were) originally financed through a commercial loan (the "original loan") that was subsequently refinanced one or more times:
 - (i) substantially all (85% or more) of the proceeds of the original loan was used to acquire an Eligible Fixed Asset (e.g., land, including a building situated thereon, to construct a building thereon, or to purchase equipment) and the remaining (15% or less) was incurred for the small business seeking the refinancing; and
 - (ii) the existing debt is the most recent refinancing of the original loan.
2. All of the proceeds of the indebtedness being refinanced were used for the benefit of the small business.
3. For Same Institution Debt:

For Debt Refinancing as Part of an Expansion

If the indebtedness being refinanced is debt of the Third Party Lender, or any of its affiliates, (Same Institution Debt), the Third Party Lender must certify that it is not in a position to sustain a loss causing a shift to SBA or all or part of a potential loss from the existing debt.