



**TRENTON BUSINESS ASSISTANCE CORPORATION
SBA 504 LOAN DISCLOSURE STATEMENT**

I. INTEREST RATE ON DEBENTURE AND NOTE

The interest rate on the Debenture and on the Note between you and CDC Trenton Business Assistance Corporation ("CDC") will not be set until the time of the Debenture sale. CDC will issue a Debenture not to exceed 40% of the SBA eligible project costs. This Debenture will be sold to investors after satisfaction of all conditions required by the CDC and United States Small Business Administration ("SBA"). Market conditions at the time of sale will determine the fixed interest rate for the Debenture and Note between you and CDC.

INITIALS: _____

II. MONTHLY PAYMENT

The monthly payment on the Note includes principal and interest, plus the CDC servicing fee, the SBA ongoing guaranty fee and the Central Servicing Agent ("CSA") servicing fee (see Paragraph IV below).

INITIALS: _____

III. FEES PAID THROUGH THE SBA LOAN PROCEEDS

The following fees are paid through the SBA loan proceeds:

1. SBA GUARANTEE FEE:

A reserve deposit of 1/2 of 1% of the Net Debenture Proceeds is deducted by the CSA and deposited into a reserve account. The reserve deposit is non-refundable and no interest accrues to the borrower.

INITIALS: _____

2. FUNDING FEE:

The funding fee covers certain costs associated with marketing and selling 504 Debentures. The funding fee is 1/4 of 1% of the Net Debenture Proceeds.

INITIALS: _____

3. CDC LOAN PROCESSING FEES:

(a) **Loan Processing Fee:** CDC will charge a one-time processing fee equal to 1.5% of the net proceeds of the Debenture ("Loan Processing Fee"). A check payable to Trenton Business Assistance Corporation (TBAC) representing a deposit of \$2,500 against the total Loan Processing Fee is required with your loan application. However, if the loan is not approved by our Board of Directors, 100% of the deposit will be refunded to the applicant.

(b) **Closing Fees:** Up to \$2,500 for legal fees which are further addressed in Paragraph VIII of this document.

INITIALS: _____

4. UNDERWRITING FEE:

The Underwriters provide financial advisory services in connection with the 504 Debentures, and build and maintain a secondary market. The Underwriters' fee is up to 2/5 of 1% of the face amount of the Debenture.

INITIALS: _____

DISCLOSURE STATEMENT REGARDING 504 LOAN CHARGES AND PROCEDURES

IV. CENTRAL SERVICING AGENT, CDC SERVICING AND SBA FEES

The SBA has appointed a Central Servicing Agent ("CSA") to collect monthly payments from borrowers and transfer them to investors. For this service, CSA receives an annual servicing fee of 1/10 of 1% per annum on the balance of the loan. Please note that you are required to authorize the CSA to make automatic withdrawals of the monthly loan payments from your checking account. CDC will provide reporting and portfolio management services for the term of the Note. For these services, CDC will receive a servicing fee equal to 1% per annum on the balance of the loan. During the term of the Note, SBA will receive an ongoing guaranty fee equal to 0.368% per annum on the balance of the loan (0.395% if Debenture proceeds are used to refinance existing debt). These three fees are recalculated at each 5 year anniversary of the Note funding date.

INITIALS: _____

V. TITLE POLICY/FINANCING STATEMENT REPORT

You are solely responsible for all costs associated with the Policy of Title Insurance that insures CDC's and SBA's lien on the subject property. Such insurance is separate from title insurance for third party lenders. If personal property is taken as security, you are responsible for all costs for perfecting CDC's and SBA's security interest in the property, plus all UCC-1 Financing Statement and related reports. In most cases, you will be invoiced for title charges directly by the title company. If you are not billed directly by the title company, you will be required to provide to CDC a check for all title charges.

INITIALS: _____

VI. PAYMENT DUE AT TIME OF SBA APPROVAL

Once your loan application is approved, SBA will issue the SBA Authorization and Debenture Guaranty, ("Debenture Authorization"). Upon signing the Debenture Authorization, you agree to pay CDC a sum equal to 2/3 of the Loan Processing Fee (described in Paragraph III. 3. (a) above), less any deposit. The CDC will reimburse this sum to you once the debenture is sold and the loan is fully funded. It is understood that all Debenture Authorizations contain conditions which must be satisfied prior to funding of the Debenture.

INITIALS: _____

VII. WITHDRAWING LOAN APPLICATION AFTER SBA APPROVAL

In the event you withdraw your loan application after SBA issues the Debenture Authorization, or if the Debenture Authorization is withdrawn, cancelled or terminated for any reason, the 2/3 of the Loan Processing Fee will NOT be refunded to you. It is understood this sum is to cover costs incurred by the CDC during the loan application process.

INITIALS: _____

VIII. LEGAL FEES AND CLOSING COSTS

Legal Counsel for CDC will charge a fee (legal fees), which generally does not exceed \$2,500. Other costs related to closing the loan may include but are not limited to: fees charged for loan documentation, property tax service, and UCC filings. Up to \$2,500 of the legal fees and closing costs may be paid through the debenture. If these legal fees and closing costs exceed \$2,500 dollars, the difference must be paid directly to CDC. You are solely responsible for paying any attorneys' fees or other closing costs in relation to the Debenture and loan, whether or not the Debenture is funded. The Debenture Authorization may reflect Legal Fees under the category of Closing Costs.

INITIALS: _____

IX. INDEMNIFICATION/ATTORNEYS' FEES

1. You will indemnify and hold CDC and its officers, directors, employees and agents harmless from any and all liability for any loss, damage, or injury (including, without limitation, attorney's fees incurred with attorneys of CDC's choice) arising out of or resulting from:

(a) Your failure to receive the subject loan; and/or

(b) Any loss, damage, or liability to you, your business and/or your principals, related parties/entities, guarantors, agents, successors and others, except for any loss caused by the sole intentional misconduct or sole gross negligence of CDC.

2. You hereby, on behalf of yourself and your principals, related parties/ entities, guarantors, agents, successors and/or insurers, waive all claims, losses and injuries against CDC, SBA and/or their agents, representatives and/or successors which are related or arise from the SBA504 Loan and Debenture program. This waiver includes, but is not limited to general, special, indirect, incidental or consequential, exemplary, punitive and/or economic loss damages. Your obligations hereunder shall survive termination of and, if funded, the funding of the SBA 504 Loan.

3. In the event CDC is required to institute proceedings to collect from Applicant(s) the processing fee to which CDC is entitled pursuant to this Disclosure, CDC shall be entitled to reasonable attorneys' fees and costs incurred in such proceedings.

INITIALS: _____

X. NO REPRESENTATIONS

The funding of the 504 Debenture and disbursement of the proceeds to you is subject to United States Small Business Administration approval of your Application and is also subject to your satisfactory compliance with the terms set forth in the Debenture Authorization and all other applicable conditions. CDC and/or SBA may impose conditions not a part of the Authorization. By signing this Disclosure Statement you acknowledge that:

1. CDC has made no representations to you;

2. CDC is not your agent or representative;

3. CDC has made no representations to you that a Debenture Authorization will be issued in relation to your application;

4. Issuance of a Debenture Authorization is not a guarantee or commitment to make the loan and/or fund the Debenture by the SBA, CDC or any other party;

5. Failure of any condition may result in your loan being delayed and/or not funded;

6. You understand SBA approval may be revoked until the actual funding of your loan;

7. There is no representation or guaranty of your loan funding on any specific date; and

8. An attorney certified by SBA and approved by CDC must issue a legal opinion regarding the loan.

INITIALS: _____

XI. FEDERAL REGULATIONS

The charges and procedures related to your 504 Loan are governed by Federal regulations. The applicable Federal regulations are subject to change, and therefore, the information contained herein may be changed without notice to you. Additional charges and requirements may be imposed by CDC or the SBA. **EACH LOAN APPLICANT IS PERSONALLY RESPONSIBLE FOR UNDERSTANDING THE REQUIREMENTS, COSTS, AND RESTRICTIONS APPLICABLE TO THE SBA 504 PROGRAM. APPLICANTS ARE ENCOURAGED TO SEEK THE ADVICE OF LEGAL COUNSEL BEFORE AND DURING THE LOAN APPLICATION PROCESS.** In signing this Disclosure Statement, you acknowledge that you have read, understood, and agree to be bound by, each and every provision set forth herein. As used herein, "you" refers to each of the undersigned. The undersigned has/have authority to bind all other applicants, borrowers and guarantors of the Loan.

INITIALS: _____

XI. EPC/ OC STRUCTURE– Lease Requirement

The EPC must lease the project property directly to the OC. The term of the lease must be equal to the term of the loan. The rent or lease payments cannot exceed the amount necessary to make the loan payment to the CDC and the TPL and an additional amount to cover the EPC’s expenses of holding the property, such as maintenance, insurance and property taxes. The OC must lease 100% of the property from the EPC, but it can sublease a portion of the property (up to 40% depending on the rules governing occupancy requirements).

INITIALS: _____

PRIVACY STATEMENT

RBAC recognizes and respects your right to privacy. We protect all financial information you share with us, including both written documentation and oral communications.

We do not discuss the details of your loan application with any outside parties other than when additional funding partners are required to help meet your business financing needs.

Additionally, we may be asked to disclose certain information about you, such as in response to a lawfully issued subpoena or court order - or to comply with an inquiry from a government agency - concerning information provided on your loan application.

Your signature below authorizes Trenton Business Assistance Corporation (TBAC, d/b/a Regional Business Assistance Corporation, or RBAC), and any of its representatives, to share, on your behalf, your personal financial information with potential lending partners or government agencies on an “as needed” basis.

INITIALS: _____

OPERATING COMPANY

Print Name of Business

Signature: _____ Date: _____

Print Name & Title: _____

(Additional signatures on following page)

BORROWERS/APPLICANTS

Print Name, Signature

Print Name, Signature

Print Name, Signature

Print Name, Signature

CDC TRENTON BUSINESS ASSISTANCE CORPORATION

By: _____ Date: _____
(CDC Representative)