

CCD BUSINESS DEVELOPMENT CORPORATION
SBA 504 Assistance Agreement

This agreement is made on _____, 200__, between CCD Business Development Corporation, an Oregon Non-Profit Corporation and _____ (all corporations, limited liability companies, partnerships, affiliates and individuals involved should be included here), of _____ hereinafter collectively referred to as Borrower. CCD Business Development Corporation (CCD) is certified by the United States Small Business Administration (SBA) to make 504 loans.

Loan Applications

CCD agrees to investigate the feasibility of obtaining financing under Section 504 of the Small Business Investment Act, 15 U.S.C. e 697, and determine whether a 504 application to the SBA is appropriate.

CCD will seek financing for Borrower if it determines in its sole discretion that (1) Borrower is within CCD's and SBA's eligibility criteria and the project is likely to be approved by the SBA, (2) the debt can be repaid and sufficient collateral exists, and (3) other elements of the complete project can also be financed. If CCD applies for a 504 guaranty it will submit a debenture guaranty application to SBA for the benefit of Borrower.

Fees, Costs & Expenses

The Borrower is responsible for paying the following fees, costs and expenses associated with processing an SBA 504 loan.

CCD Loan Fee:

CCD's charge for assisting Borrower with applying for and obtaining a 504 loan is 1.5% of the net debenture. The net debenture amount is \$_____; 1.5% of the net debenture is \$_____.

Upon execution of this agreement, the Borrower agrees to pay CCD a deposit on the loan fee in the amount of 1% of the net debenture or \$_____. The deposit is non-refundable and forfeited if your loan is approved by SBA and, for any reason, the loan does not close. If your loan is not approved, the deposit will be refunded less reasonable expenses incurred by CCD. **The 1.5% loan fee will be financed as part of the debenture, thus entitling the Borrower to a credit for the deposit when the loan funds. CCD will not pay interest on the deposit.**

Expenses Associated with the Loan Application:

- Appraisal Fees
- Environmental Survey Fees
- FEMA Certification/Flood Insurance Fees
- IRS Tax Transcript Costs
- Credit Reports

The Borrower may have to pay for the items outlined above before the application is submitted to SBA for approval. Sometimes these items have been acquired when the Borrower applied for a loan with the lead lender and new costs are not incurred. The full amount of expenses incurred in obtaining information and certification to accompany the application to SBA may be financed as part of the debenture, thus entitling the Borrower to a credit when the loan funds.

Debenture Fees:

- NADCO fee 0.25% of the debenture amount
- Underwriter's fee 0.5% of the debenture amount
- Loan pool fee 0.5% of the debenture amount

These are one time fees that the Borrower does not have to advance; they are fully financed as part of the debenture.

Construction Loan Fees:

- Professional fees (architect, engineer)
- Interim interest
- Certifications (completion, occupancy)
- Early issue endorsement

If the Project that is the subject of the loan entails construction, the Borrower may have to advance some of the fees for work needed to ensure that construction is completed in a manner satisfactory to the SBA; however, most of these fees can be factored into the loan and financed as part of the debenture.

Closing Counsel's Fee:

504 loans must be closed in accordance with SBA regulations. To ensure proper closing, CCD retains the services of a lawyer certified to close 504 loans. Closing counsel represents CCD but the Borrower is responsible for closing counsel's fee. Our closing counsel charges a minimum of \$3,750 per loan; however should circumstances surrounding the closing of your loan require extraordinary effort on the part of counsel, the Borrower may be assessed additional fees. At the time of closing, you will need to pay part of counsel's fees in the sum of **\$1,250** (should extraordinary fees be charged you will be notified at this time and asked to pay them). **The remainder of the fee will be included as part of the debenture and paid at disbursement of the loan.**

Title and Escrow Costs and Fees:

- Title insurance
- Recording fees
- Filing fees (state and local)
- Title company and recording service charges
- Overnight delivery charges
- Postage
- Copying costs
- Prepaid property taxes

The SBA requires collateral for 504 loans. The Borrower is responsible for paying the costs to perfect the SBA's position in the collateral. Based on the nature of your transaction, CCD has estimated your collateral security costs and fees at \$_____. This amount has been factored into your loan and will be financed in the debenture. CCD has an arrangement with a title company that allows these fees to be paid when the loan funds. If you choose to use a different title company, you may have to pay these fees in advance.

Other Fees, Costs and Expenses:

The above list of fees, costs and expenses is only CCD's best estimate. Depending on the nature of your particular transaction, the amount and number of fees, costs and expenses may vary.

Payment of Fees, Costs & Expenses:

Whenever possible, CCD will attempt to factor administrative costs into your loan; however, some costs, such as the closing counsel fee of \$1,250, must be paid in advance by the Borrower. Prior to closing, the title company will provide you with a complete list of fees that you will need to pay when you appear to sign documents. CCD will do its best to minimize your out of pocket expenses, but be prepared to pay at least \$1,250.

The 504 Loan Payment will consist of the following:

- 1) Principal
- 2) Interest
- 3) CCD Business Development Corporation servicing fee of 1 ½% per annum of the principal balance, which is determined at five-year anniversary intervals.
- 4) Fiscal Agent servicing fee of .10% per annum of the principal balance, which is determined at five-year anniversary intervals.

The 504 Prepayment Penalty Calculation:

A prepayment penalty is paid only during the first half of the loan term, and is calculated as a declining percentage of the Debenture rate for the remaining principal balance amount at the time of prepayment.

Withdrawal or Cancellation

Prior to SBA Approval:

If you cancel your application for a 504 loan, or do not cooperate fully in providing materials for the application, CCD will charge for its expenses from the fee deposit and refund the remainder.

After SBA Approval:

If your loan is withdrawn, cancelled or not closed for any reason, you agree to pay CCD a cancellation fee of 1% of the approved loan amount. Your fee deposit will be applied to the 1% cancellation fee. In addition, you must pay any expenses or fees that have been incurred or will be incurred due to the cancellation, such as legal fees or title insurance cancellation charges.

Business and Credit Information

Borrower agrees that CCD may receive confidential business, financial and credit information about the Client from financial institutions, credit reporting agencies or other sources at borrower's expense. CCD agrees that all confidential financial information received will be held in confidence and not divulged to persons or agencies, other than to the SBA, lenders, guarantors, loan packaging personnel and people acting with authorization of the client.

Borrower agrees that CCD and SBA may publicize any loan approved by SBA, including the amount of the loan, total project size, the sources of the financing, the name of the business, the nature of the business and the business' location. The publicity may include a sign on the project site during construction, news releases and other publicity.

Change of Circumstances

Borrower agrees to notify CCD immediately in writing of any materially unfavorable change in the Borrower's financial condition or eligibility for a 504 loan, both before and after the application is submitted, including the time before sale of the debenture, and the absence of such notification shall be considered a continuing statement that no such unfavorable change has occurred.

No CCD Liability

CCD is depending upon Borrower to promptly supply information and assist in preparing the application. In addition, financing is dependent upon many factors that CCD cannot control, including economic factors and the decisions of the SBA and financial institutions. Accordingly, CCD does not guarantee that Borrower will obtain financing.

Borrower agrees that CCD shall not be responsible in any manner or liable in any way to the Borrower or any other person in the event that satisfactory financial assistance is not obtained from the SBA or private financing sources, or is subsequently modified or terminated, regardless of the reason for failing to obtain financing or any changes or losses of financing. No oral agreements, promises or understandings may limit the extent of this waiver and release by Borrower. Borrower also agrees that CCD shall not be liable for any of the debts or obligations incurred in and for the assistance or benefit of Borrower.

Borrower further agrees that Borrower will hold CCD harmless and pay all CCD's damages, costs and expenses, including attorney's fees, in the event any claim is made or lawsuit is filed by or against CCD by Borrower or any other party arising out of any transaction with Borrower or financial assistance to the Borrower.

If any lawsuit is brought by Borrower or CCD with respect to this application for financing or any related transactions, the parties agree it shall be brought in Circuit Court for Douglas County, Oregon. All fees and expenses of litigation incurred by CCD shall be paid by Borrower.

No Provisions Outside this Written Agreement

Borrower agrees that there are no oral promises, terms, or agreements outside this agreement, and that this written agreement controls over any such oral promises, terms, or agreements, whether they are conflicting, addition, or consistent. No changes may be made to this agreement by any agent or employee of CCD, or another party, without express written approval from CCD's Executive Director.

Borrower Should Obtain Independent Legal and Tax Advice

Neither CCD nor CCD's attorney will represent Borrower or will provide legal advice or consultation to Borrower regarding Borrower's interests. Borrower should consult Borrower's own attorney to provide legal advice to Borrower or to explain the effect of legal documents. Borrower should also consult an accountant or other tax advisor for information and advice concerning the tax consequences of the loan transaction and any legal documents related to the loan.

Parties Bound by this Agreement

The person(s) signing below on behalf of Borrower certify that he/she/they are signing on behalf of themselves and are authorized to sign by, and are signing on behalf of, any partnership, individuals, corporations, affiliates, and/or other entities that are to be assisted under this agreement, whether or not they are listed either below or in the preamble to this agreement, and whether they exist now or in the future.

CCD BUSINESS DEVELOPMENT CORPORATION
2455 Maple Leaf
North Bend, OR 97459

Wayne Luzier, Executive Director/CEO

Date: _____

BORROWER:

Signature

Signature

Signature