

504 LOAN APPLICATION AGREEMENT

Cascade Capital Corporation
One Cascade Plaza - 18th Floor
Akron, Ohio 44308

The undersigned, representing a Small Business Concern ("SBC"), is submitting with this letter an application for a U.S. Small Business Administration (SBA) 504 loan. The loan may be made to the SBC or to _____, an eligible passive company existing to own real or personal property. (Such eligible passive company and/or the SBC are hereafter referred to as the "Borrower".) The undersigned acknowledges that by processing this application, Cascade Capital Corporation ("Cascade"), a certified development corporation, will expend time, labor and expense, with the expectation of establishing a mutually beneficial lender-borrower relationship.

In consideration of the above, the undersigned is submitting an application deposit in the amount of \$2,500. The undersigned understands that this application deposit is non-refundable except under the following conditions:

- (a) If Cascade or SBA declines the application, such deposit may be refunded within ten days after all approval rights have been exhausted or waived.
- (b) After a SBA 504 loan closes, the application deposit – less any remaining expenses (i.e., title insurance) - will be reimbursed to the borrower.
- (c) If the applicant withdraws its loan application at any time before SBA issues the debenture authorization, Cascade may deduct its reasonable and necessary costs incurred in packaging and processing the loan application. Such costs shall be documented. Any remaining deposit balance shall be remitted to the applicant within ten days of such withdrawal.

The undersigned acknowledges that there will be additional fees due to Cascade and other parties to the transaction including, but not limited to the following:*

- (i) the United States Small Business Administration reserve deposit fee of 1/2% and funding fee of 1/4% of the net debenture proceeds;
- (ii) Cascade's processing fee of 1 1/2% of the net debenture proceeds;
- (iii) the Underwriters' fee is 3/8% of total debenture proceeds on 10 year issues or 4/10% of total debenture proceeds on 20 year issues;
- (iv) Cascade's attorney fees associated with the SBA 504 closing, generally \$2,500.

* Items i – iv financed as part of SBA 504 Debenture Loan

The undersigned assumes responsibility for certain other expenses which may be incurred by Borrower, Cascade or the SBA, in connection with the financing, including but not limited to, appraisals, title searches and title insurance, mortgage and supporting documentation, filing and recording fees. Payment of these expenses shall be due at loan closing or can be deducted from the above-referenced \$2,500.00 deposit.

In addition to the foregoing, the undersigned agrees to the following conditions:

1. Cascade shall review the loan application and when approved by Cascade's Loan Review Committee, may submit such application to the SBA for approval. It is understood that Cascade will seek to provide permanent financing for the acquisition, construction,

improvement and equipping of Borrower's proposed project (the "Project") if Cascade, in its sole discretion, determines that Borrower's application is satisfactory and meets the criteria for approval. Packaging and submission of Borrower's application to Cascade's Loan Review Committee or the SBA does not guarantee that Borrower will obtain financing. Borrower agrees that Cascade has no liability to Borrower should Borrower fail to secure financial assistance from the SBA or other lending sources. All costs and expenses including, but not limited to, title services and attorney fees incurred by Borrower or Cascade in connection with this application shall be paid by Borrower.

2. Borrower shall cooperate fully with Cascade in the review and processing of such loan application, including the timely submission of accurate financial reports and information regarding Borrower and its principals. Borrower agrees that Cascade may make credit inquiries and receive confidential business and personal financial and credit information as it deems necessary and Borrower hereby authorizes any person, financial institution or credit reporting agency to compile and furnish such information. Cascade agrees to hold such credit information in confidence and not divulge such information to persons or entities other than its employees, Loan Review Committee, Executive Committee, legal advisors and the SBA, except with the prior consent of Borrower.
3. If funds provided by the 504 loan and by any other financing are not sufficient to pay all Project costs or, if additional costs are incurred as a result of cost overruns or unanticipated expenses in financing the Project, Borrower shall complete the acquisition, construction, improvement and equipping of the Project and pay all costs therefor in full, using its own funding sources.
4. Prior to debenture disbursement, Borrower will represent to both Cascade and the Small Business Administration that: (a) construction of the Project is completed in accordance with final plans and specifications; (b) that no unpaid labor or materialmen's liens exist; (c) that construction costs do not exceed estimated Project costs; (d) that Borrower has the ability to repay its obligations to Cascade; and (e) Borrower has not suffered a material adverse change in its financial and organizational condition since the date of its loan application with Cascade.
5. Borrower hereby authorizes its financial institution to grant to Cascade access to financial records held by the financial institution(s) providing interim and/or permanent first mortgage/lien financing for the Project or Project assets. Furthermore, such financial records will be available to Cascade without further notice or authorization, but will not be disclosed or released to any governmental entity, other than the Small Business Administration, without Borrower's consent.

This paragraph is intended to effect Cascade Capital Corporation's compliance with applicable provisions of the Financial Privacy Act of 1978, Pub. L. No. 95-630, 92 Stat. 9273 (1978). Pursuant to Section 1113 (h) (2) of that Act, no further acknowledgment shall be required for subsequent access by Cascade or the Small Business Administration in order to obtain financial records of Borrower during the processing of this agreement or during the subsequent term, if any, of SBA's guaranty of any debenture issued in connection with this agreement.

6. If Borrower makes an eligible passive company election, where Borrower is not the SBC, but either the owner or owners of the SBC or an entity created to own real or personal property, the undersigned acknowledges and understands that prior to loan closing, the owner or owners and their respective spouses may be required by Cascade and the Small Business Administration to personally guarantee repayment of the 504 debenture loan and that if the SBC or an eligible company elects to own the Project through a partnership entity, the general partners of such entity and their spouses may be required by Cascade and the SBA to personally guarantee repayment of the 504 debenture loan.

7. Borrower acknowledges that the SBC may be subject to certain audits, i.e. a Civil Rights Compliance Audit, to be performed by the SBA following disbursement of the loan.
8. The undersigned acknowledges that he/she has been furnished with a list of Cascade's Officers and employees. The undersigned represents that neither the undersigned, nor Borrower is related, in any way, directly or indirectly, to any Officer or employee of Cascade, and that to the best of my knowledge, no other conflict of interest or potential conflict of interest exists between the undersigned or Borrower and Cascade. The undersigned understands that the members of the Loan Review Committee/Executive Committee/Officers will review the documents related to this application in their capacity as a Loan Review Committee.
9. As consideration for any assistance that may be provided by Cascade, Borrower waives all claims against Cascade.

I understand this 504 Loan Application Agreement in its entirety and agree to abide by its terms.

Date Signed: _____

Borrower