

# SBA 504 LOAN APPLICATION CHECKLIST

The following items must be submitted to complete the application. Use attached forms where indicated. Sign and date all information. If documents are not applicable, note N/A over the checkbox.

1.  U.S. Small Business Administration Application for Section 504 Loan PART C. Form is attached. Please read, answer questions on last page, and execute. All owners and guarantors must sign and date. **Please sign and date.**
2.  Application for SBA 504 Loan. Form attached. **Please sign and date.**
3.  SBA Form 912 Personal History Statement. For all persons owning 20% or more of the business. Form attached. **Please sign and date.**
4.  Personal Financial Statement. For all persons owning 20% or more of the borrowing company or the operating company. Form attached. Must be dated within 90 days. **Please sign and date.**
5.  Personal Tax Returns for the past 1 year for every individual providing personal financial statements. **Please sign and date.**
6.  Resume on owners and management. Form attached. **Please sign and date.**
7.  Current financial statement (not over 60 days old). Include balance sheet and profit and loss for both operating and borrowing company. Also must include aging of accounts receivable and payable for the same date as the current financial statement. **Please sign and date.**
8.  Two years past tax returns for the operating company and borrowing company. **Please sign and date.**
9.  Two years projected Profit and Loss Statement, including narrative of how the projections were determined. **Please sign and date.**
10.  A month-by-month cash flow for next 12 months corresponding with above projections. Required for new businesses only. **Please sign and date.**
11.  List of existing business debts for the borrowing company and the operating company. Form attached. **Please sign and date.**
12.  Notice of any previous government financing. Form attached. **Please sign and date.**
13.  Financial information, including the last two years, and a current statement on any business of which the borrowers own more than 20%. This must be provided if applicable. **Please sign and date.**
14.  Franchise information required is based upon established certification by the SBA. Mo-Kan will provide additional requirements as needed.
15.  Project Cost Documentation. Purchase agreement, settlement sheet, contractors bid on construction and list of equipment to be purchased and cost. **Please sign and date.**
16.  Bank Commitment letter. Sample attached. **Please sign and date.**
17.  IRS Transcript Form will be provided.

**NOTE:** A deposit is required against the processing fee PRIOR to the loan being submitted to SBA. The deposit is \$2,500. It will be returned if the loan is not approved, and is refunded when the debenture sells on approved loans. Additional information on the deposit will be provided at a later date.





# LOAN APPLICATION

## OPERATING COMPANY INFORMATION

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Type of Business: \_\_\_\_\_ Date Established: \_\_\_\_\_ Tax ID # \_\_\_\_\_

Type of Entity (Check One):    Corporation    Partnership    Proprietorship    LLC

## OPERATING COMPANY OWNERSHIP

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

## PROJECT INFORMATION

Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Size (sq. ft.) of the proposed facility? \_\_\_\_\_

## BORROWING COMPANY INFORMATION (if different from above)

Company Name: " \_\_\_\_\_

Address: " \_\_\_\_\_ "City \_\_\_\_\_ "State \_\_\_\_\_ "Zip" \_\_\_\_\_

Contact Person: " \_\_\_\_\_ "Phone (\_\_\_\_) \_\_\_\_\_ "Fax (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Type of Business: " \_\_\_\_\_ "Date Established: " \_\_\_\_\_ Tax ID # \_\_\_\_\_

Type of Entity (Check One):    ""Corporation    ""Partnership    ""Proprietorship    "" LLC

## BORROWING COMPANY OWNERSHIP

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ % Ownership \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

# DETAIL OF PROPOSED USES OF FUNDS (PROJECT COSTS)

**A. LAND (and purchase of existing buildings)**

COMMENTS

Land Purchase Price		
Building - Existing, Purchase Price		
<b>TOTAL COST</b>	\$	

**B. Building (new construction, remodeling, improvements)**

Building - New Construction Contract		
Remodeling Costs		
Leasehold Improvements		
Running new Utilities		
Grading, Sidewalks, Curbs		
Parking lot, paving		
Landscaping		
Other (specify)		
<b>TOTAL COST</b>	\$	

**C. Machinery\* & Equipment\* (no vehicles)**

\* Must have a life expectancy (useful life) of 10 or more years

Machinery (provide list)		
Equipment (provide list)		
Office Fixtures/Furniture (limited)		
Office Equipment (limited)		
Installation Cost		
Transportation Cost		
Other (specify)		
<b>TOTAL COST</b>	\$	

**D. Professional Fees**

Accounting		
Appraiser		
Architect		
Engineer		
Environmental Study		
Legal (except organization cost)		
Surveyor		
Other (specify)		
<b>TOTAL COST</b>	\$	

**E. Other Expenses**

Contingency (up to 10% of construction cost)		
Interim Interest		
Other (specify)		
Other (specify)		
<b>TOTAL COST</b>	\$	

<b>GRAND TOTAL, ALL PROJECT COST</b>	\$	
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**SOURCE OF YOUR DOWN PAYMENT**

Cash \$ \_\_\_\_\_  Project Land Cost \$ \_\_\_\_\_  Other \$ \_\_\_\_\_

**EMPLOYEE QUESTIONNAIRE**

Total Number of Existing Employees \_\_\_\_\_

The number of new employees anticipated as a result of this project within the next two years:

Number of New Employees	Job Type
_____	_____
_____	_____
_____	_____
_____	_____

**HISTORY AND NATURE OF YOUR BUSINESS**

When was your company established and by whom? \_\_\_\_\_

When did you gain control of the business? \_\_\_\_\_

What products or services do you sell? (Enclose any catalogs or brochures) \_\_\_\_\_

What is your geographic market area? \_\_\_\_\_

How do you market your product or service? (i.e., type of advertising, direct mail, outside salesmen, etc.) \_\_\_\_\_

What is the size (sq. ft.) of your current facility? \_\_\_\_\_

When does your present lease expire? \_\_\_\_\_

**PLEASE ANSWER THE FOLLOWING QUESTIONS AND PROVIDE THE APPROPRIATE INFORMATION, IF APPLICABLE**

Do any of the principals have a Trust?      Yes      No

Do you have any affiliate and/or subsidiary firms?      Yes      No

If so, list them on Exhibit 12 and please provide the last three years Federal Tax Returns for the listed firms.

If your business is a franchise, include a copy of the Franchise Agreement and the Franchisor's FTC Disclosure Statement. If not applicable check here

Has there been any previous government financing to any principals or affiliates (including SBA or student loans).      Yes      No

If so, complete Exhibit 11.

Has there been any ownership changes in the business within the last 6 months?      Yes      No

**If there are any tenants that will remain in the building and/or will be occupying the building after the purchase, please provide the following information:**  
Also provide copies of the lease agreements.

Tenant Name	Rent Amount	Lease Expiration Date	Square Footage
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

# BUSINESS DEBT SCHEDULE

List all Installment Debts, Notes Payable, Contracts, and Mortgages

Do not include Accounts Payable or Accrued Liabilities.

Date: \_\_\_\_\_

Creditor Name	Original Balance	Original Date	Present Balance	Interest Rate	Maturity Date	Monthly Payment	Collateral	Current/ Delinquent
* Total Present Balance				Total Monthly Payment				

\*Total must agree with the balance shown on your most recent business financial statement.

**NOTES AND COMMENTS:**

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X \_\_\_\_\_

Date: \_\_\_\_\_

## CHECKLIST

### BUSINESS INFORMATION

- Business Federal Tax Returns for the last three years
- Business Financial Statements for the last three years, if available
- Interim Financial Statement dated within the last 60 days
- Existing property lease(s)
- Articles of Incorporation and Bylaws (if corporation)
- Partnership Agreement (if partnership)
- Fictitious Business Name Statement and Business License (if proprietorship)
- Articles of Organization and Operating Agreement (if LLC)

### PERSONAL INFORMATION (each owner of 20% or more)

- Personal Federal Tax Returns for the prior three years

### REAL ESTATE INFORMATION

- Purchase Agreement
- Construction cost breakdown and/or equipment bids

### OTHER BUSINESS OPERATIONS/INVESTMENTS

- Business Federal Tax Returns for the last three years
- Interim Financial Statement dated within the last 60 days, if available

## AUTHORIZATION TO RELEASE INFORMATION

I/We authorize Mo-Kan Development, Inc. (MKDI) to make inquiries as necessary to verify the accuracy of the statements made in order to determine my creditworthiness. I authorize MKDI to share this information with the participating lender. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand false statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 10001). I/We hereby authorize the release to MKDI of any and all information they may require at any time for any purpose related to our credit transaction with them. I/We further authorize MKDI to release such information to any entity they deem necessary for any purpose related to our credit transaction with them.

I/We hereby certify that the "U.S. Small Business Administration Application For Section 502/504 Loan, Part C, Statements Required by Laws and Executive Orders" (SBA Form 1244) is enclosed for my/our review (if applicable).

I/We hereby certify that the enclosed information (plus any attachments or exhibits) is valid and correct to the best of my/our knowledge.

\_\_\_\_\_  
Signature of applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of applicant

\_\_\_\_\_  
Date

## ADDITIONAL INFORMATION AND/OR COMMENTS:

**Exhibit 12.**

**The names of affiliated (through ownership or management control) or subsidiary businesses as well as the last two fiscal year-end financial statements and federal income tax returns for the last two years (or three years, if the alternate 7(a) size standard is being used)**

**Affiliated/Subsidiary Business, through Ownership or Management.**

List business name(s) and describe the relationship of the Affiliate/Subsidiary and the Borrower.

Company Name	% Ownership

I certify that the above fairly and accurately reflects any and all affiliate or subsidiary businesses related to the borrower/s.

\_\_\_\_\_  
Borrower/s signature/s

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower/s signature/s

\_\_\_\_\_  
Date

**Exhibit 11.**

A schedule of any previous government financing received by the applicant small business concern or any affiliated company of the applicant as well as any associate (as defined by §120.10) or principal of the applicant. Include the name of the agency, the original date and amount, the outstanding balance, status of the loan (**C**urrent, **D**elinquent, **P**AID in full, or **C**Harged off), and collateral securing the loan.

**If you have never received any government financing, including student loans, please mark 'N/A' in the comments section of this form and sign and date it.**

Agency Name and Loan #	Date of Application	Original Amount	Outstanding Balance	Loan Status	Collateral	\$ Amount of Loss to the Government

Other information, explanations or comments:

I certify that the above fairly and accurately reflects any and all previous and current government financing.

\_\_\_\_\_  
Borrower/s signature/s

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower/s signature/s

\_\_\_\_\_  
Date

**MANAGEMENT RESUME THE FOLLOWING FORMS MUST BE COMPLETED BY EACH PRINCIPAL**

Name: \_\_\_\_\_  
First Middle Maiden Last Social Security #

Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_ Place of Birth \_\_\_\_\_

If not a U.S. Citizen - alien registration # \_\_\_\_\_ Enclose a copy of your Alien Registration Card

Home Address \_\_\_\_\_  
Street City State Zip

From \_\_\_\_\_ To present

Immediate Past Address \_\_\_\_\_  
Street City State Zip

From \_\_\_\_\_ To \_\_\_\_\_

Marital Status  Single  Married  Divorced  Widowed # of Children \_\_\_\_\_

Spouse's Name: \_\_\_\_\_  
First Middle Maiden Last Social Security #

Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_ Place of Birth \_\_\_\_\_

Are you employed by the U.S. Government?  Yes  No If yes, give name of agency and position \_\_\_\_\_

**MILITARY SERVICE BACKGROUND**

Branch \_\_\_\_\_ From: \_\_\_\_\_ To: \_\_\_\_\_

Rank at Discharge \_\_\_\_\_ Honorable?  Yes  No Job Description \_\_\_\_\_

**BE SURE TO ANSWER THE NEXT THREE QUESTIONS CORRECTLY**

Are you presently under indictment, on parole or probation? .....  Yes  No

Have you ever been charged with or arrested for any criminal offense other than a minor motor vehicle violation? .....  Yes  No

Have you ever been convicted of any criminal offense other than a minor vehicle violation? .....  Yes  No

If yes, to any of the above, furnish details in a separate exhibit.

## EDUCATION

College or Technical Training Name and Location	Dates Attended		Major	Degree or Certificate
	From	To		
1. _____	_____	_____	_____	_____
Comments _____				
2. _____	_____	_____	_____	_____
Comments _____				
3. _____	_____	_____	_____	_____
Comments _____				

## WORK EXPERIENCE

List chronologically, beginning with present employment.

Name of Company \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

From: \_\_\_\_\_ To: \_\_\_\_\_

Title: \_\_\_\_\_ Duties: \_\_\_\_\_

Name of Company \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

From: \_\_\_\_\_ To: \_\_\_\_\_

Title: \_\_\_\_\_ Duties: \_\_\_\_\_

Name of Company \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

From: \_\_\_\_\_ To: \_\_\_\_\_

Title: \_\_\_\_\_ Duties: \_\_\_\_\_

AUTHORIZATION TO RELEASE INFORMATION

I/We have submitted a loan application to Mo-Kan Regional Council and/or Mo-Kan Development, Inc. (hereinafter referred to as Mo-Kan) to obtain small business financing, and I/we understand that Mo-Kan must assimilate certain information, which may be personal in nature, including, but not limited to, personal and business financial information in the processing of this loan application. I/We hereby agree to provide and disclose all information pertinent to this application as may be requested by Mo-Kan, its affiliates or agents.

In addition, as regards this loan application, I/we hereby:

1. AUTHORIZE Mo-Kan and its affiliates and agents, to make all inquiries it deems necessary to verify the accuracy of all information provided them and to determine my/our credit worthiness for any purpose related to this loan transaction.
2. AUTHORIZE Mo-Kan, its affiliates and agents, to furnish relevant information to all necessary sources including various federal, state, county agencies, and private lending institutes to obtain the best sources of funding for the project.
3. AUTHORIZE Mo-Kan, its affiliates and agents, to furnish relevant information to its Loan Review Committee and to its Board of Directors and affiliate Council in processing this loan application.
4. AUTHORIZE Mo-Kan, its affiliates and agents, to report statistical and business financial information to the appropriate organizations as a part of its routine reporting requirements.
5. CERTIFY that the enclosed application information, including attachments and exhibits, is valid and correct to the best of my/our knowledge.
6. FURTHER agree that I/we shall indemnify and hold Mo -Kan, its affiliates and agents, harmless from any claim or cause of action arising because of incorrect, inaccurate or incomplete information furnished by me/us, whether the furnishing of such incorrect, inaccurate or incomplete information was accidental or intentional and in consideration of Mo-Kan's assistance, I/we waive all claims against Mo-Kan, its affiliates and agents arising from this assistance.

\_\_\_\_\_  
Signature: Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature: Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature: Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature: Borrower

\_\_\_\_\_  
Date

# 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 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) 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.

#### **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.

**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 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.

**Certification as to Non-relocation**

Regulations issued by SBA prohibit the making of loans that will result in 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 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.

**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 assistance is outstanding.

**Other Agreements and Certifications**

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.

**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.**

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 therefore, 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 \$250,000 or imprisoned for up to 5 years, or both, pursuant to the Federal law at 18 U.S.C. 1001 and 3571.

(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