

LOAN APPLICATION ASSISTANCE AGREEMENT

BETWEEN THE BORROWER AND TWIN CITIES-METRO CDC

SBA 504 DEBENTURE PRICING

SBA 504 Loan fees are financed as part of the debenture. Except for Legal Closing Costs, the fees are calculated as a percentage based on the SBA portion of the project (the net debenture amount). The fees are described as follows:

<i>SBA 504 LOAN FEES:</i>	PAID TO:	SAMPLE DEBENTURE (Net) \$400,000
Guaranty Fee (0.50%)	SBA	\$ 2,000
Funding Fee (0.25%)	Central Servicing Agent (CSA)	\$ 1,000
CDC Processing Fee (1.50%)	TCM	\$ 6,000
Legal Closing Costs (\$1,950)	TCM Closing & Legal Review	\$ 1,950
Underwriters Fee ¹ (0.40%)	Varies	\$ 1,652
SUBTOTAL:		\$ 12,602
Rounded to next highest thousand (refunded to Borrower):		\$ 398
TOTAL GROSS DEBENTURE:		\$413,000

¹The Underwriters fee is based on the **gross** debenture amount. The rate is 0.40% for 20 year debentures and 0.375% for 10 year debentures.

CDC PROCESSING FEE

A CDC processing fee of 1.5% is included in the debenture pricing and TCM receives this fee at the time of SBA funding. Two thirds of this fee is considered earned when the 504 loan authorization is issued by SBA. If for any reason the Borrower cancels or fails to satisfy the terms and conditions of the Loan Authorization, Borrower will be obligated to pay TCM 1% of the SBA net debenture.

SERVICING FEES

Servicing fees are reflected in the effective interest rate and included in the monthly payment amount. These servicing fees are distributed to three entities: SBA (0.2475%), TCM (0.625%) and the CSA (0.1%). At inception, these servicing fees are based on the total loan amount (gross debenture); the fees are then reduced at each five-year interval, at which time they are based on the new outstanding loan balance.

LENDER PARTICIPATION FEE

This fee is equal to one-half percent (0.5%) of the principal amount of the senior mortgage and/or lien associated with the 504 Loan and shall be submitted to TCM at the lender's closing. The Lender Participation Fee will be withheld from TCM's CDC Processing Fee at the time of SBA funding. If for any reason the Borrower cancels or fails to satisfy the terms and conditions of the Loan Authorization, these funds will be applied toward the earned portion of the CDC Processing Fee.

PREPAYMENT PREMIUM

The Borrower may repay the entire outstanding loan balance prior to the maturity date, but may not make partial prepayments. If the Borrower prepays during the first half of the term, there will be a prepayment premium. This premium is equivalent to one year's interest in the first year of the loan term, declining to zero at the midpoint of the loan term. A schedule of the precise dollar amounts of the premium for each loan is provided after the sale of the Debenture.

LOAN SERVICING

TCM is responsible for loan servicing during the entire term of the loan. Requests to the borrower will be made on at least an annual basis to obtain current financial information, proof of insurance coverage, and evidence of real estate tax payments (as appropriate). TCM reserves the right to obtain this information from the Participating Lender along with current information on the associate debt. Should the borrower become delinquent on the SBA loan, TCM may order credit reports on the borrower, operating company, and individual guarantors, and perform site visits as appropriate. In the event of a default that results in an SBA loss, the names of the small business and the guarantors will be reported to a federal database which may affect eligibility for future financial assistance.

By signing this agreement, Borrower certifies that they have read, understood, and agree to its provisions.

By _____
Borrower

Date _____

Rates and fees are subject to change