



SBA 504 LOAN PROGRAM

What is the SBA 504 Loan Program?

The SBA 504 is a direct loan program of the U.S., Small Business Administration which is available through the South Eastern Economic Development Company of PA *(SEEDCo), a regional, private, non-profit economic development company. SEEDCo works with other economic development organizations in Pennsylvania to enable companies to access the 504 program.

Advantages to Business Owners

- Low down payment allows business to keep more working capital
- 10 or 20 year fixed interest rate provides stability of future costs
- Long term of loan keeps monthly payments affordable
- Assumable loans

Advantages to Lenders

- Provides customer with up to 90% financing
- Creates 50% Loan-to-value through first lien on property
- Independent credit decisions made with no SBA paperwork
- CRA (Community Reinvestment Act) credit available for projects

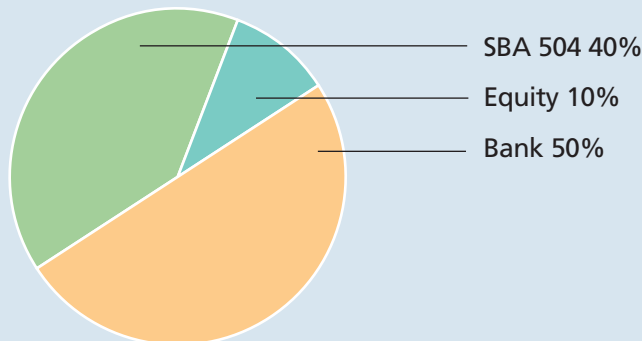
Eligible Applicants

- For profit
- Less than 500 employees
- Net worth not to exceed \$7 million
- Average net income after taxes not to exceed \$2.5 million

Eligible Uses

- Building acquisition, expansion, construction
- Land & site improvements
- Machinery & equipment
- Lease hold improvements

Financing Structure



Loan Amounts

- 40% of project cost (start up and special use facility 35%)
- Maximum SBA Loan of \$1,500,000 or \$2,000,000 (Special Cases) and \$4,000,000 for manufacturing
- Minimum Total Project Cost \$200,000

(continued on reverse)



Term	<ul style="list-style-type: none"> • 20 years for real estate • 10 years for machinery & equipment
Collateral Required	<ul style="list-style-type: none"> • Second lien on assets being financed • Personal guarantees for all 20% owners • Other collateral when applicable
Job Creation	<ul style="list-style-type: none"> • One new or retained job for every \$50,000 borrowed from SBA 504 • 2 years to create jobs
Service Benefits	<ul style="list-style-type: none"> • Seedco serves as customer interface with Small Business Administration • Seedco reduces paperwork through experienced loan processing • Seedco's experienced lending team provides creative solutions with a responsive turn-around time
Types of Projects	<ul style="list-style-type: none"> • Manufacturing • Auto Dealerships • Medical Practice • Convenience Stores • Veterinary Hospitals • Fitness Centers • Franchises • Restaurants

Partners

<p>Bucks County Economic Development Corporation Two East Court Street Doylestown, PA 18901 (215) 348-9031, tel. (215) 348-8829, fax www.bcedc.com</p>	<p>Greater Hazleton Community Area New Development Organization, Inc. CAN DO, Inc. One South Church Street 200 Renaissance Center Hazleton, Pennsylvania 18201 (570) 455-1508, tel. (570) 454-7787, fax www.hazleton.org</p>	<p>Pocono Mountains Industries 556 Main Street Stroudsburg, PA 18360 (717) 476-8953, tel. (717) 476-8954, fax www.poconomtsindustries.com</p>
<p>Delaware County Commerce Center 200 East State Street Media, PA 19063 (610) 566-2225, tel. (610) 566-7337, fax www.delcopa.org</p>	<p>Luzerne County Industrial Development Authority 54 West Union Street 3rd Floor Wilkes Barre, PA 18711 (717) 823-9899, tel.</p>	<p>Schuylkill Economic Development Corporation, SEDCO Schuylkill Economic Development Corp. 91 S. Progress Ave, PO Box 659 Pottsville, PA 17901 (570) 622-1943, tel. (570) 622-2903 fax (570) 640-5937 cell www.sed-co.com</p>
<p>Economic Development Company of Lancaster County P. O. Box 1558 100 South Queen Street Lancaster, PA 17608 (717) 397-4046, tel. (717) 293-3159, fax www.edclancaster.com</p>	<p>Montgomery County Industrial Development Corporation 420 West Germantown Pike East Norriton, PA 19403 (610) 272-5000, tel. (610) 253-6114, fax www.mcidc.com</p>	<p>Wyoming County Industrial Foundation 1 Courthouse Square Tunkhannock, PA 18657 (570) 996-2261, tel. (570) 836-5797, fax www.wyomingcountypa.com</p>
<p>Greater Berks Development Fund PO Box 8621 19 North Sixth Street Suite 200 Reading, PA 19603-8621 (610) 376-6739, tel. (610) 478-9553, fax www.readingpa.com</p>	<p>Pike County Industrial Development Company PO Box A Milford, PA 18337 (570) 296-7332, tel. (570) 296-2852, fax www.pidco.com</p>	

A few benefits of SBA 504 Loans...

Found that perfect building, but your banker says you need 30% down? Can't afford 30%? Plus pay for renovations and soft costs and still have enough working capital left over for the expansion? Well, a 504 certified development company can help you by making you a loan to buy that building through the SBA 504 loan program. Only 10%* down by you. All project costs are included-land, building, renovation and soft costs. The loans are long term and provide a low fixed interest rate. The SBA 504 loan program can even finance the machinery you need to buy. Interested?

***Please Note:** Equity of 15-20% is required for start-ups and businesses with irregular profitability, lack of historical debt service ability, a short track record or for single purpose properties.

- You often need only **10%* down**
- Lets you keep more of your cash for working capital during your expansion
- Long term -- low fixed interest rate
- Finance your soft costs including accountant fees, title, insurance, attorney closing fees, etc.

The Role of the Certified Development Company

Certified Development Companies (CDC's) are regional economic development organizations that are licensed by the U.S. Small Business Administration (SBA). CDC's cover various geographic regions that can range from a single county in a state to a multi-state region. CDC's make loans under the SBA 504 loan program to assist small business. The CDC processes, approves, closes and services the loans. Funding is arranged by the CDC issuing a bond, and in all ways, the CDC is the direct lender for the SBA 504 loan program.

Eligibility for SBA 504 Loans

- Organized as a for-profit business. The only not-for-profit companies eligible for SBA 504 loans are sheltered workshops.
- Legal entity-corporation, partnership, sole proprietor, limited liability company.
- Any type of legitimate business- manufacturing, wholesale, service, professional service or retail.
- Located in or planning to locate in any area of the United States.
- Small business - either: net worth under \$7 million & net profits after taxes under \$2.5 million or meet SBA's other size standards (by sales or number of employees depending on NAICS code).
- Planning to use the loan proceeds for capital investment (land, building, leasehold improvements, renovation, construction, machinery & associated soft costs). The SBA 504 loan program is not a working capital program. See uses of loan proceeds section for more details.
- Another lender must be willing to participate in the financing. The SBA 504 loan finances up to 40% of the total project cost and the other lender finances 50%. The business or its owner typically puts in 10%. Economic development

goals must be achieved through the project being financed. See section on economic development requirements.

- Owner-user of the project being financed (51% occupancy if existing building; 60% occupancy if new construction) Two or more unrelated small businesses may receive a 504 loan to buy or construct a building as long as they, together, will occupy at least 51% an existing building or 60% of new construction.

Companies that are **not** eligible for SBA 504 loans are: not-for-profit businesses (except sheltered workshops); businesses engaged in lending (such as banks, finance companies); passive holders of real estate and/or personal property; life insurance companies -- however an insurance agency is eligible;) businesses located in a foreign country or owned by aliens; businesses selling through a pyramid plan; illegal businesses; businesses which restrict patronage; government owned entities (excluding Native American Tribes); businesses engaged in promoting religion; consumer and marketing cooperatives (producer cooperatives are eligible); businesses engaged in loan packaging; businesses owned by persons of poor character; equity interest by lender, CDC or associates in applicant concern; businesses providing prurient sexual material; businesses that have previously defaulted on a Federal loan; businesses engaged in political or lobbying activities; and speculative businesses.

What are the Permitted Uses of 504 Loan Proceeds?

- Acquisition of vacant land for construction of a building
- Acquisition of land and building
- Leasehold improvements
- Renovation of building; addition to building
- Construction of a building
- Acquisition of a commercial fishing vessel or party boat
- Acquisition of heavy duty machinery & equipment (such as printing press)
- Associated soft costs: title searches & insurance; attorneys fees; appraisals; environmental reports; architects; permits; surveys; installation of machinery; points on bridge loans, small amount of furniture and fixtures
- Not permitted are mortgage broker fees; points on permanent financing; moving expenses.
- Refinancing is not permitted except to take out financing on property acquired within last 9 months with interim funds.

Economic Development Requirements

SBA 504 is a community lending program designed to improve the locality. Eligibility requires either:

1) Job creation or retention (one job per every \$50,000 borrowed from CDC under SBA 504)

OR

2) **One** of the following public policy goals to:

- Revitalize a business district of a community with a written revitalization or development plan
- Expand exports
- Expand minority business development (owned 51% or more by minority business person)
- Aiding rural development
- Change necessitated by federal budget cutbacks
- Change required by mandated standard re health, safety, environment
- Increase productivity & competitiveness (retooling, robotics, or modernization)
- Expand woman-owned business development
- Expand veteran-owned business development

One of the following community development goals to:

- Help to improve, diversify or stabilize the economy of the locality
- Stimulate other business development in the community
- Bring new income into the community
- Assist manufacturing firms
- Assist businesses in a labor surplus area.

SBA 504 is not a real estate investment tool. It exists to help the community by helping small business have an impact on the community-by creating jobs or in other ways benefiting the community.

Deal Structure -- Financing

You determine the total project cost (hard and soft costs). A bank or other financial institution finances 50% of the cost and takes a first mortgage (lien) position on the assets financed. The CDC, through the SBA 504, finances 40% of the project cost up to a cap and takes a second mortgage position. You can put in as little as 10% equity.

Typical Project:

Cost

Acquisition of building	\$800,000
Renovations	\$100,000
Machinery	\$50,000
Soft costs	\$50,000
Total	\$1,000,000

Financing

Bank - first mortgage	\$500,000 permanent loan
SBA 504 - second mortgage	\$400,000 permanent loan
Equity	\$100,000
Total	\$1,000,000

Note: the seller can provide the 50% permanent financing but, under current regulations, the seller must be co-equal to or subordinate to the SBA 504 loan. The

50% can come from a variety of nonfederal sources such as banks, non-bank institutions, and government agencies.

Amount of 504 Loan

The CDC can lend you up to 40% of the project cost with a dollar cap of \$1,500,000. CDC can exceed \$1,500,000 and go up to \$2,000,000 of SBA 504 financing under the following conditions:

- the project will help revitalize a business community with a written revitalization plan or
- the project will help your company to expand its exporting or
- your company is 51% or more minority, woman or veteran owned or
- you are locating in a rural area or
- the project will increase productivity and competitiveness by retooling, modernization or assistance in competing with imports or
- your business was affected by federal budget cutbacks (such as defense downsizing).

CDCs can also lend up to \$4,000,000 for eligible manufacturing projects

Rates and Terms

The rate on the SBA 504 portion is set when the CDC sells the bond to fund your loan. The rate is then fixed for the loan term. 504 bonds are amortized securities. For comparable rates, look at treasury rates. The SBA 504 rates can be found in the About DCFC Section of this web site. The effective rate (APR) will include program fees and a loan loss subsidy.

Loans are ten or twenty years; self liquidating. In order for the CDC to do a 20-year loan, the lender doing the 50% permanent first mortgage must have at least a ten year term. That lender can have a longer payout. Typically, lenders will lend with a 15-20 year term and 20-year payout. For a CDC to do a ten-year loan, the 50% lender must have a term of at least 7 years. Many lenders will match CDC's ten year term.

Principals (owners)

Owners must be US citizens or registered aliens with green card.

Owners cannot be convicted felons currently on probation.

Anyone who owns 20% or more of the operating company must personally guarantee (unsecured general guarantee).

Liquid assets of the principals are taken into account in determining eligibility. Too much liquid assets owned by a principal could disqualify the loan because it will be deemed that the project could be financed by the principal without SBA 504 assistance.

Collateral

The CDC takes a subordinate (second mortgage) to secure its 40% portion of the financing, and the CDC takes a security interest in assets financed. Key Man life insurance is generally not required unless there is no succession of management. Other assets of the business or principals are generally not required. (unless the company is a startup or the credit is unusually risky or the asset being financed is considered a single purpose asset or doesn't appraise high enough).

Fees and Payments

All of the fees on the SBA 504 loan are added to the loan amount so that you can amortize their cost over the loan term. You will sign a note for the 40% of project cost plus the fees. Fees are based on the 40% of project cost: 1.5% of the 40% goes to CDC as its processing fee; .5% of the 40% is a reserve deposit; 1/4 of 1% of the 40% is a funding fee; loan loss coverage fee; various closing costs will be included; an amount for CDC's title insurance and recording fees can be added to the loan. In addition, when the loan closes, your monthly payment will include servicing fees based on the declining balance of the SBA 504 loan: 5/8% to CDC; 1/8% to SBA; 1/10% to central servicing agent. NOTE: MAR 2006 ALL IN RATE FOR A 20 YEAR LOAN IS 6.75%--INCLUDES ALL COMPONENTS ABOVE

Payments on the SBA 504 loan are made by ACH debit to the borrowers designated checking account on the first of each month after the loan closes. Payments on the 504 loan are separate from your payments on the 50% first mortgage loan.

Special Notes

There is a prepayment penalty for the first half of the loan term on the SBA 504 loan. In start up situations or single purpose buildings being financed, an equity injection of 15% is required.

The Certified Lender is a permanent lender only. This means the 50% first mortgage lender will have to bridge the Certified Lender's 504 loan portion until the project is complete. The Certified Lender will sell its bond and fund its loan when the c.o. is issued. Interest and fees on the bridge loan can be included in the project costs to be financed.

Process

Call your CDC and talk to a loan officer to discuss your project. Talk to your bank of account to see if the bank wants to participate by doing the permanent first mortgage and bridge loan. Meet with the CDC loan officer and structure the deal. Submit the CDC application which consists basically of the same materials you will submit to your bank. Basic application materials include:

- 3 years of financial statements and federal tax returns on the company (if in existence for 3 years);
- if there is no historical cash flow ability to service the proposed new debt, submit 2-3 years financial projections;
- personal financial statement (assets and liabilities) on the owners of the company;
- written history of the business, reasons for expansion, plans;
- copy of contract of sale;
- personal history statement of principals indicating citizenship status, etc.

The CDC's staff will investigate and evaluate you and your company. The CDC will draw credit reports, do supplier, bank and trade checks, visit your existing and proposed operations/facilities; assess your credit ability and character. Once your bank or other 50% first lien lender has indicated an interest in financing the 50%, the CDC staff prepares a loan memorandum and presents it to CDC's Board which meets at least once per month (more often if necessary). Once the board approves the project, the CDC presents the application to the SBA to acquire its agreement to guarantee the CDC's bond. This generally takes a few days. The CDC then issues a commitment and your bank closes its first mortgage loan and bridge loan. You take the bank's funds to complete the project. When the project is complete, you close with the CDC and the CDC wires its money to the bridge lender. You then pay the CDC back for the SBA 504 loan. The CDC services the loan for its life.

Advantages of SBA 504 over Conventional Financing

Low downpayment. Just 10%. Lets you preserve your cash for your working capital. Most banks will lend only 60-70% of the appraised value of the project leaving you to sink in 30-40% plus the cost of renovations plus the soft costs.

Fixed rate on the SBA 504 portion. You don't have to worry about the prime lending rate going up. You can plan because you know the amount of your mortgage payments for the next 20 years.

Long term. CDC 504 loans are for 10 or 20 years. Because the CDC is in second lien position, the bank or other lender doing the 50% first lien loan are willing to lend at a longer term. Longer terms make your monthly payments lower.

Low interest rate. Even with all the fees and closing costs included in the rate, it is still a low rate for a subordinate mortgage loan, particularly for small business. The blended rate as between the bank portion and the Certified Lender's 504 portion makes the project affordable for you.

For the banker wishing to participate as the 50% lender, you get CRA credits; you lend at a lower loan to value ratio; you keep a growing customer happy; you have lower risk because the SBA 504 loan is in second position behind you. The community gets the advantage of keeping or attracting a healthy, growing small business that will be creating jobs and doing other wonderful things in the community.

SBA 504 Loans are a Win-Win for Everyone!

Financing Checklist

The SBA requires essentially the same information as the bank.

Please provide a copy of the bank submission packet which should include the items listed below.

1. Background Information (*may be provided by the Bank*)

- A. Borrower Contact Information: Name, Address, Phone Number
- B. Operating Company Name (as registered)
 - Date Formed
 - Ownership %
 - Federal Tax ID #
 - Management Team and resumes of Principals
 - Number of Employees (pre and post project)
 - Market Area and Market Strategy
 - 5 Largest Customers and Competitors
 - 3 Largest Suppliers
- C. Real Estate Partnership Name (when applicable)
 - Date Formed
 - Ownership %
 - Federal Tax ID #

2. Financial Information (*all exhibits must be signed and dated*)

- A. Operating Company
 - 3 years of financial statements and Federal Income Tax Returns
 - Interim financial statements (Internally prepared) dated within 30 days of submission
 - Aging of Accounts Receivable and Payable dated within 30 days of submission
 - Projections (*when applicable or if there was a loss in the past three years*)
 - Itemization of all long term debt (*original note, payment, rate and maturity*)
- B. Guarantors (*anyone who owns 20% or more of either entity*)
 - Personal Financial Statement (*dated and signed within 30 days of submission*)
 - Personal Federal Income Tax Returns for past two years
- C. Real Estate Partnership and Affiliated Co. (*any company majority- owned or controlled by principals*)
 - 2 years of Federal Income Tax Returns

3. Project Information

- A. Project Description
 - Current location and size of facility (lease expiration)
 - Proposed location and size of facility (*% of occupancy and other lease information*)
- B. Sales Agreement
- C. Bids or Quotes to support construction (when applicable)
- D. Independent Appraisal (*assigned to Bank and SeedCo/SBA*)
- E. Environmental Assessment (*assigned to Bank and SeedCo/SBA*)
- F. Signed Bank Commitment Letter to include permanent and interim financing

4. SBA Required Forms (*signed by all entities and dated within 30 days of submission*)

- A. Form # 1244 Statements of Executive Orders
- B. Form #912 Statement of Personal History
- C. Form #4506-T Request for Transcript of Tax Return

ELIGIBLE PROJECT COSTS

Land.....	_____
Land Improvements (grading, parking lots, street improvements, utilities, landscaping).....	_____
Building Construction or Acquisition.....	_____
Building Improvements.....	_____
Professional Fees (surveying, appraising, engineering, legal, consulting, architectural, environmental).....	_____
Accountant Fee (relating to this project only).....	_____
Machinery & Equipment (useful life of 10 yrs).....	_____
Office Furniture & Equipment.....	_____
Interest on Interim Loan.....	_____
Bank Commitment Fee on <u>Interim Loan Only</u>	_____
Title Insurance & Recording Fees.....	_____
Transfer Tax.....	_____
TOTAL PROJECT COST	_____

FINANCING STRUCTURE

Bank Loan (50%).....	_____
SBA 504 Loan (40%).....	_____
Equity (10%).....	_____ **
Total Project Cost.....	_____

****SOURCE OF EQUITY (Check all applicable)**

- _____ Cash from company
- _____ Cash from personal holdings
- _____ Home equity loan
- _____ Investors (attach letters confirming amount)
- _____ Project Land Cost
- _____ Other



United States of America
SMALL BUSINESS ADMINISTRATION
STATEMENT OF PERSONAL HISTORY

Please Read Carefully - Print or Type

Each member of the small business or the development company requesting assistance must submit this form in TRIPLICATE for filing with the SBA application. This form must be filled out and submitted by:

1. By the proprietor, if a sole proprietorship.
2. By each partner, if a partnership.
3. By each officer, director, and additionally by each holder of 20% or more of the ownership stock, if a corporation, limited liability company, or a development company.

Name and Address of Applicant (Firm Name)(Street, City, State, and ZIP Code)	SBA District/Disaster Area Office	
	Amount Applied for (when applicable)	File No. (if known)
1. Personal Statement of: (State name in full, if no middle name, state (NMN), or if initial only, indicate initial.) List all former names used, and dates each name was used. Use separate sheet if necessary. First _____ Middle _____ Last _____	2. Give the percentage of ownership or stocked owned Social Security No. or to be owned in the small business or the development company	
	3. Date of Birth (Month, day, and year)	
	4. Place of Birth: (City & State or Foreign Country)	
	5. U.S. Citizen? <input type="checkbox"/> YES <input type="checkbox"/> NO If No, are you a Lawful Permanent resident alien: <input type="checkbox"/> YES <input type="checkbox"/> NO If non- U.S. citizen provide alien registration number: _____	

Name and Address of participating lender or surety co. (when applicable and known)	5. U.S. Citizen? <input type="checkbox"/> YES <input type="checkbox"/> NO If No, are you a Lawful Permanent resident alien: <input type="checkbox"/> YES <input type="checkbox"/> NO If non- U.S. citizen provide alien registration number: _____	
6. Present residence address: From: To: Address: Home Telephone No. (Include A/C): Business Telephone No. (Include A/C):	Most recent prior address (omit if over 10 years ago): From: To: Address:	

PLEASE SEE REVERSE SIDE FOR EXPLANATION REGARDING DISCLOSURE OF INFORMATION AND THE USES OF SUCH INFORMATION.

IT IS IMPORTANT THAT THE NEXT THREE QUESTIONS BE ANSWERED COMPLETELY. AN ARREST OR CONVICTION RECORD WILL NOT NECESSARILY DISQUALIFY YOU; HOWEVER, AN UNTRUTHFUL ANSWER WILL CAUSE YOUR APPLICATION TO BE DENIED.

IF YOU ANSWER "YES" TO 7, 8, OR 9, FURNISH DETAILS ON A SEPARATE SHEET. INCLUDE DATES, LOCATION, FINES, SENTENCES, WHETHER MISDEMEANOR OR FELONY, DATES OF PAROLE/PROBATION, UNPAID FINES OR PENALTIES, NAME(S) UNDER WHICH CHARGED, AND ANY OTHER PERTINENT INFORMATION.

7. Are you presently under indictment, on parole or probation? <input type="checkbox"/> Yes <input type="checkbox"/> No (If yes, indicate date parole or probation is to expire.)
8. Have you ever been charged with and or arrested for any criminal offense other than a minor motor vehicle violation? Include offenses which have been dismissed, discharged, or not prosecuted (All arrests and charges must be disclosed and explained on an attached sheet.) <input type="checkbox"/> Yes <input type="checkbox"/> No
9. Have you ever been convicted, placed on pretrial diversion, or placed on any form of probation, including adjudication withheld pending probation, for any criminal offense other than a minor vehicle violation? <input type="checkbox"/> Yes <input type="checkbox"/> No
10. I authorize the Small Business Administration Office of Inspector General to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, and the Small Business Investment Act.

CAUTION: Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan, surety bond, or other program participation. A false statement is punishable under 18 USC 1001 by imprisonment of not more than five years and/or a fine of not more than \$10,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

Signature	Title	Date
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Agency Use Only 11. <input type="checkbox"/> Fingerprints Waived _____ Date _____ Approving Authority _____ <input type="checkbox"/> Fingerprints Required _____ Date _____ Approving Authority _____ Date Sent to OIG _____	12. <input type="checkbox"/> Cleared for Processing _____ Date _____ Approving Authority _____ 13. <input type="checkbox"/> Request a Character Evaluation _____ Date _____ Approving Authority _____ (Required whenever 7, 8 or 9 are answered "yes" even if cleared for processing.)
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PLEASE NOTE: The estimated burden for completing this form is 15 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. OMB Approval 3245-0178. **PLEASE DO NOT SEND FORMS TO OMB.**



Form **4506-T**

Request for Transcript of Tax Return

(Rev. April 2006)

Department of the Treasury
Internal Revenue Service

▶ **Do not sign this form unless all applicable lines have been completed.**
Read the instructions on page 2.

▶ **Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.**

OMB No. 1545-1872

Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use **Form 4506**, Request for Copy of Tax Return. There is a fee to get a copy of your return.

<p>1a Name shown on tax return. If a joint return, enter the name shown first.</p>	<p>1b First social security number on tax return or employer identification number (see instructions)</p>
<p>2a If a joint return, enter spouse's name shown on tax return</p>	<p>2b Second social security number if joint tax return</p>

3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code

4 Previous address shown on the last return filed if different from line 3

5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.

Seed Co. 610-458-5700
737 Constitution Drive
Exton, PA 19341

*Attn:
L. Mulgrew*

Caution: If a third party requires you to complete Form 4506-T, do not sign Form 4506-T if lines 6 and 9 are blank.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ _____

a Return Transcript, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days

b Account Transcript, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days

c Record of Account, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days

7 Verification of Nonfiling, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days

8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2003, filed in 2004, will not be available from the IRS until 2005. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

_____ / ____ / _____ _____ / ____ / _____ _____ / ____ / _____ _____ / ____ / _____

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, either husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

Sign Here	Signature (see instructions)	Date	Telephone number of taxpayer on line 1a or 2a ()
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	

U.S. SMALL BUSINESS ADMINISTRATION

Part C

Statements Required by Laws and Executive Orders

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 Congress, by 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, 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 the third parties. All requests under this Act are to be addressed to the nearest SBA office and must 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 by name or social security numbers. Requests for information about another party may be denied unless SBA has 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.

Rights to Financial Privacy Act of 1978 (12 U.S.C. 3401)

This is notice to you, as required by the Right to 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 institution participating in a loan or loan guaranty. 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 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 access. 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 guaranty, as necessary to process, service or foreclose on a loan or loan guaranty or to collect a defaulted loan or loan guaranty. 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 a 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 the law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Executive Order 11738 -- Environmental Protection (38 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 listed 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 on 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 and 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 the 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 Reform and Control Act of 1986 (Pub. L. 99-603)

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 Immigration and Naturalization Service 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 or Section 504 of the Small Business Investment 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 SW, 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 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 a 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, Debarment and Suspension (13 CFR 145)

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 the 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 other 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 Acknowledgement

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 the Small Business Administration makes in connection with the approval of my loan request and to comply, whenever applicable, with the limitations contained in this notice

Certification as to Application Accuracy

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 therefor, 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 \$10,000 or imprisoned for up to 5 years, or both, pursuant to the Federal Law at 18 U.S.C. 1001.

(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

SEED CO./SBA 504 Costs

1. \$1,500 application fee that is returned upon funding of the Debenture.
2. 2.5% points n the principal amount of the loan that are capitalized, added to, as part of the loan note and repaid over the length of the loan.
3. \$3,000 to \$4,000 SEED Co.'s legal fees associated with closing the SBA portion of the transaction.
4. Your legal fee, the SBA requires that your attorney issue an opinion of counsel letter.
5. Title insurance at re-issue rate. See if your Bank will keep the policy open as it will save money.
6. Collateral assignment of life insurance if life insurance is not currently in place.
7. If new construction, the SBA requires a letter from the original appraiser indicating the value of the "as completed" basis. The appraiser may charge for this letter.
8. The SBA requires an environmental report and appraisal. We do not accept a copy of the Bank's.

Please acknowledge that you have read and understand the above by signing where indicated.

Acknowledgement:

By: _____

By: _____

**South Eastern Economic
Development Company of Pennsylvania**

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