

**CERTIFIED DEVELOPMENT COMPANY 504 LOAN APPLICATION
AND LEGAL FEE AGREEMENT**

This Certified Development Company 504 Loan Application and Legal Fee Agreement ("Application") is dated as of the ____ day of _____ 20____. The undersigned borrower ("Borrower") has applied or will be applying for a U.S. Small Business Administration ("SBA") Certified Development Company 504 Loan ("504 Loan"). The Wisconsin Business Development Finance Corporation ("WBD"), a Wisconsin non-stock corporation, has been certified by the SBA as a 504 Certified Development Company charged with, among other things, processing 504 Loan applications.

By signing below, effective as of the date above, Borrower and WBD acknowledge and agree with the following terms and conditions:

- 1.. **504 Loan Amount and Net Debenture Proceeds.** By delivering a fully-executed copy of this Application, Borrower is making application for a 504 Loan in the approximate principal amount of \$_____ (the "Net Debenture Proceeds").
2. **WBD Processing Fee.** The WBD 504 Loan processing fee ("WBD Processing Fee") is 1.5% of the Net Debenture Proceeds of the Loan. Two-thirds (2/3) of the WBD Processing Fee (i.e., 1.0% of the Net Debenture Proceeds of the Loan is deemed earned by WBD on the date of the SBA Authorization and Guarantee for the Loan (the "Authorization"), and the remaining one-third (1/3) of the WBD Processing Fee (i.e., .5% of the Net Debenture Proceeds of the Loan is deemed earned by WBD on the date the Loan is funded.
3. **Payment and Refund of WBD Processing Fee.**
 - a. **Receipt of Signed Application:** Upon receipt of the Application, WBD will begin to prepare a credit analysis and the 504 Loan application package. Borrower agrees to promptly provide WBD with all items necessary to complete the WBD application package, including but not limited to financial reports and tax-related documentation, as requested by WBD, and acknowledges that WBD's credit review process may include personal and business, credit and tax inquiries with credit reporting organizations and the Internal Revenue Service.
 - b. **Withdrawal of Application by Borrower.** Borrower may withdraw this Application from WBD at any time it chooses to terminate its request for the Loan. Such requests to terminate the application process must be submitted in writing to WBD (the "Notice"). However, if such written request is received by WBD on or after the date WBD receives the Authorization, Borrower agrees that WBD has earned the 1% of the net debenture proceeds as outlined in paragraph e. below.
 - c. **WBD Withdrawal from Loan.** WBD retains the right to, at any time and for any reason, withdraw from processing the Loan. If the reason for WBD's withdrawal is due to the Borrower's failure to provide full and accurate application information, or Borrower's failure to disclose a material adverse fact, then the withdrawal by WBD shall be treated as if the Borrower has withdrawn the Loan request pursuant to Section 3.b above. Unless otherwise indicated by WBD, the date on which WBD sends written notice to Borrower of WBD's intent to withdraw from processing the Loan shall serve as the Notice date for purposes of applying the procedures in Section 3.b.
 - d. **SBA Rejection of Loan.** WBD shall not be held liable for SBA rejection of loan application.
 - e. **Payment of the WBD Processing Fee.** Borrower agrees that the WBD Processing Fee (1.5% of the net debenture proceeds) is deemed fully earned by WBD in exchange for WBD's efforts in obtaining the Authorization. Borrower agrees to pay this fee in two installments. The first installment, which is equal to 1% of the net debenture proceeds, is due within ten (10) days following the date of the invoice. In the event that the Loan fails to fund for any reason, Borrower acknowledges that WBD shall make no refund of the first installment of the WBD Processing Fee.
 - f. **Payment of Final Portion of the Processing Fee.** At time of funding of the Loan, WBD is deemed to have earned the second installment of the WBD Processing Fee, which is equal to .5% of the net debenture proceeds.
 - g. **Reconciliation.** At the time that the Loan is funded, the WBD Processing Fee and the WBD Legal Fees shall be included as eligible costs and paid out of the Loan proceeds. Accordingly, within thirty (30) days following WBD's receipt in full of the WBD Processing Fee and WBD Legal Fees from the proceeds of the Loan, WBD shall refund to Borrower the WBD Application Fee and the WBD Legal Fee Deposit paid by Borrower to WBD prior to the funding of the Loan, less any out-of-pocket expenses paid by WBD related to the Loan.

4. **WBD Legal Fees.**

- a. WBD Legal Fees. All legal fees incurred by WBD, whether attributable to WBD in-house or outside counsel, in regard to the Loan (the "WBD Legal Fees") or incurred by Borrower are the responsibility of the Borrower, whether or not the Loan funds.
- b. WBD Legal Fees Deposit. Borrower shall, within ten (10) days following the date of the invoice, deliver to WBD a deposit (the "WBD Legal Fees Deposit") in the amount of \$2,500.00 against the WBD Legal Fees. WBD Legal Fees in excess of the WBD Legal Fees Deposit shall be paid to WBD from Borrower out of the proceeds of the Loan. Any amount of WBD Legal Fees Deposit in excess of the WBD Legal Fees shall be returned to Borrower at the funding of the Loan. The typical legal fee for a 504 Loan closing is approximately equal to the amount of the WBD Legal Fees Deposit. However, extraordinary legal issues in funding the Loan, including but not limited to, proposed additional changes to the Authorization may incur WBD Legal Fees well in excess of the WBD Legal Fees Deposit. WBD shall make reasonable efforts prior to the funding of the Loan to inform Borrower of WBD Legal Fees incurred in excess of the WBD Legal Fees Deposit.

5. **Borrower's Representations and Consents.**

- a. WBD shall have a right of access to financial records held by the financial institutions that provide interim and/or permanent first mortgage financing for the project (The Project) being financed with the loan or Project assets, and such financial records will be available to WBD without further notice or authorization. (This paragraph is intended to effect WBD's compliance with applicable provisions of the Financial Privacy Act of 1978.) No further acknowledgement shall be required for subsequent access by WBD or the SBA in order to obtain financial records of Borrower during the processing of this Application or during the subsequent term of SBA's guaranty of any Debenture issued in connection with this Application.
- b. WBD may release any information obtained by WBD to any financial institution as WBD deems necessary for the purpose of processing or servicing the loan.

6. **Final Authority of the SBA.** The SBA is an independent federal agency and is solely responsible for all final eligibility criteria, credit evaluation and determination regarding changes to the Authorization.

7. **Governing Law.** The terms of this Application shall be governed by the internal laws of the State of Wisconsin.

8. **Counterparts; Facsimile Signatures.** This Application may be executed in counterpart, with all counterparts constituting but one agreement. Signature by a party and transmission of the same by facsimile shall be binding upon the party whose signature is so transmitted.

Borrower _____
 By: _____
 Print Name: _____
 Print Title: _____

Wisconsin Business Development Finance Corporation
 By: _____
 Print Name: _____
 Print Title: _____