

Applicant Notifications

Please initial each section indicated by an X and sign and date at the bottom.

1. The undersigned applicant (the "Applicant") has on this date made formal application to SEDA-Council of Governments ("SEDA-COG") for a loan through the PA Department of Community and Economic Development ("DCED") and in conjunction therewith agrees as follows:
 - a. The Applicant acknowledges that SEDA-COG charges a one-time application fee, which amounts to one percent (1%) of the DCED loan(s) being requested.
 - b. The Applicant further acknowledges that for loans above \$400,000, DCED also charges a one percent (1%) commitment fee on the amount of the loan(s) to be remitted along with the executed DCED commitment letter.
 - c. In conjunction with the approval of the loan(s) by DCED and the issuance of a commitment letter, the Applicant hereby agrees to the terms of this agreement and will pay SEDA-COG the amount of their application fee within thirty (30) days from the date of the DCED commitment letter.

It is expressly acknowledged that SEDA-COG makes no representation or warranty as to the probability of success of obtaining financing for Applicant's business. It is further acknowledged that SEDA-COG is under no obligation, either contractual or otherwise, to provide or locate funds needed by the Applicant in its business. Except as expressly set forth in writing, SEDA-COG makes no commitment that any such funding will be made available.

INITIALS: _____

2. The undersigned applicant (the "Applicant") has on this date made formal application to the SEDA-COG Local Development Corporation ("SEDA-COG") for a U.S. Small Business Administration (SBA) 504 loan (also referred to as debenture), and in conjunction therewith agrees as follows:
 - a. In conjunction with the acceptance of the SBA loan application by SEDA-COG, the applicant hereby agrees to accept the terms of this agreement and will deposit with SEDA-COG the sum of \$2,500 or 1% of the net debenture proceeds being sought, whichever is less.

- b. If either SEDA-COG or the SBA subsequently declines the application, the entire amount of the deposit shall be refunded to the Applicant within ten (10) days after all approval rights have been exhausted or waived.
- c. If the Applicant withdraws its loan application at any time between initial approval by SEDA-COG and the funding of the SBA 504 loan, SEDA-COG shall have the right to charge its reasonable and necessary costs incurred in packaging and processing the loan application against the said deposit, provided that SEDA-COG shall have an obligation to document all such costs. After deduction of such documented costs, any remaining deposit balance shall be remitted to the Applicant within ten (10) days of such withdrawal.
- d. If the SBA loan fails to close and fund due to an adverse financial condition or any other adverse change, the entire amount of the deposit shall be deemed earned and will not be refunded.
- e. If the Applicant's request for a loan is approved by the SBA, the amounts deposited may be refunded or applied toward the Third-Party Lender Fee after the SBA 504 loan funds. The deposited fee will not be refunded until SEDA-COG has all of the closing documents (i.e. final title policy).

It is expressly acknowledged that SEDA-COG makes no representation or warranty as to the probability of success of obtaining financing for Applicant's business. It is further acknowledged that SEDA-COG is under no obligation, wither contractual or otherwise, to provide or locate funds needed by the Applicant in its business.

INITIALS: _____

3. The SBA requires that the Applicant contribution be in the form of cash, equity in the property that is part of the Project Property, or borrowed funds not derived from an SBA business loan program. If the contribution is borrowed, the interest rate is reasonable and any liens on the Project assets are subordinate to the liens securing the 504 loan, and the loan will not be repaid at a faster rate than the 504 loan. I certify that the required equity contribution into the project will be from the following source(s). Mark all that apply.

- _____ Cash
- _____ Real estate equity in project property
- _____ Borrowed funds not from an SBA Business Loan Program

INITIALS: _____

4. For SEDA-COG loans involving real estate as collateral, including any non-project real estate taken as additional collateral, please be advised that title insurance on the property(ies) will be required for closing.

In addition, if any property tax bills have been issued for the property (or any other properties owned by the same individual/business in the same County as the SEDA-COG collateral, whether taken as additional collateral or not), they must be paid in full prior to or at closing for the title company to provide a clean title.

Finally, as long as the SEDA-COG loan(s) has/have a balance, the Applicant agrees to provide SEDA-COG sufficient documentation on an annual basis showing that the property taxes have been paid.

INITIALS: _____

On this _____ day of _____, 20____, the undersigned, as the authorized representative(s) of the Applicant, have been made aware and agree to the above notifications.

Name of Applicant

Owner, Title

Owner, Title