B:Side Capital Disclosure Statement

A summary of the Small Business Administration 504 Loan Program

The SBA 504 LOAN PROGRAM
The US Small Business Administration's (SBA) 504 loan program offers eligible small businesses a way to help finance expansion using long-term, fixed-rate financing. A 504 loan, offered in partnership with a regular loan from a participating private sector lending institution, is able to provide a business with up to 90% of a project's total financing requirements.

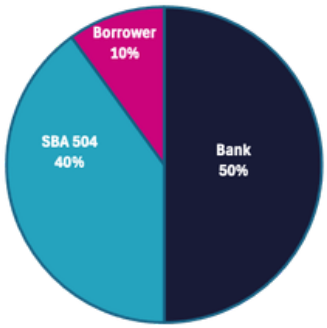
The SBA relies on the services of a "certified development company" like B:Side Capital to package, close, fund and service 504 loans. B:Side Capital provides small businesses with access to the 504 loan program throughout Colorado, Arizona, Utah, and New Mexico.

This Disclosure Statement highlights rules and requirements associated with the 504 loan program but is not intended to be a comprehensive listing. This document is for informational purposes only.

1. NO REPRESENTATIONS
The funding of a 504 loan is subject to satisfactory compliance with the terms and conditions set forth in a loan commitment document known as the SBA's Terms and Conditions for Debenture Guarantee. By signing this Disclosure Statement, a small business applicant acknowledges that he/she has not relied upon any representation made by B:Side Capital and/or its agents, and that B:Side Capital and/or its agents have made no representations or promises to the applicant and its agents regarding a formal B:Side Capital or SBA approval of a loan or of qualifications to receive a loan through the 504 loan program.

2. HOW THE SBA 504 PROGRAM WORKS
The 504 loan program is a unique example of a private/ public sector financing program. A 504 loan is a second deed of trust/second mortgage loan that sits behind a conventional private sector (but not a seller) loan. Typically, the private sector lender will finance 50% of the project cost and the 504 loan will finance up to 40% of the project cost. The borrower will have at least 10% at risk in the project and end up with two loans and two loan payments as a result of the financing structure. If a small business has been in operation for two years or less, 15% equity

Typical 504 Loan Structure



is required (reducing SBA financing to 35%). If the project involves a special purpose or limited use structure (like a gas station, car wash, hotel, etc.), 15% equity is required, again reducing SBA financing to 35%. If both circumstances apply, 20% equity is required, reducing SBA financing to 30%.

3. TWO STAGE PROCESS
There are two distinct stages involved with securing financing under the 504 loan program. The Application stage involves the application, underwriting and submission of the request to the Small Business Administration to generate a loan approval. The Funding stage occurs once all the collateral conditions that were included in the SBA loan approval have been met. The funding of the 504 loan will only occur once a project is complete and all costs have been fully disbursed. This requires a partner private sector lender to provide a short term bridge or construction loan equivalent to the 504 share of the project while documents are prepared and submitted to the bond market in New York (the source of 504 proceeds) for the actual 504 loan funding.

4. APPLICATION PROCESS
In order to begin the application process, the following information is required:

- Completed 504 application, including execution of this Disclosure Statement
- Completed personal financial statement for any owner owning 20% or more of business
- Most recent two years of business tax returns and current year interim financial statements OR two years of projections with written assumptions if business is less than two years old

The above is not a comprehensive list of information required for a loan decision to be made. For a more

comprehensive list, please refer to the 504 Loan Application Document Checklist within the SBA 504 Application.

5. INTEREST RATES

As the partner certified development company associated with processing, approving and funding a 504 loan, B:Side Capital will facilitate the sale of a "debenture" (a bond) to provide the 504 financing share of an approved project.

Individual requests for financing under the 504 loan program are aggregated each month into a single pool with requests across the United States. This pool becomes an individual debenture which receives the full faith and backing of the U.S. Government and is then offered to institutional investors. A 504 loan pool is sold once a month on the New York market. At the time of sale, a FIXED Interest Rate will be assigned to that debenture pool and stays with the individual loans included in that pool, for the life of the loan or until that loan is paid off.

It is important to remember that the 504 interest rate cannot be set for a borrower until their loan request has been included in a specific debenture offering, which is then subsequently sold and funded. So, unlike the private sector lender loan in the senior position on a 504 project, a borrower won't actually know what their final 504 interest rate will be until the 504 debenture funds.

6. FEES AND COSTS

The 504 loan program is intended to be a taxpayer-neutral program in the sense that minimal or no taxpayer dollars are used to maintain the program. Borrowers pay fees to secure their 504 loans (in the same way that banks charge borrowers fees) and these fees ensure that the program remains largely independent of taxpayer subsidization. The majority of the fees associated with the 504 program are defined by statute as part of the federal budgeting process that occurs each year.

Generally speaking, there are two broad categories of fees associated with securing a 504 loan, and these are separate and independent of any fees a partner bank or other private sector lender might charge for their loan. There are one-time 504 loan program fees, usually built into the 504 loan, and there are fees built into the interest rate a borrower pays when a 504 loan funds.

The below fees are effective for loans approved by SBA on or after October 1, 2026.

ONE TIME FEES ASSOCIATED WITH ORIGINATING, CLOSING & FUNDING A 504 LOAN

- Funding Fee: 0.25%
  This fee, paid to the fiscal agent in New York who assembles the monthly 504 debenture pool, is a percentage of the 504 share of the financing and must be financed as part of the 504 debenture.

- Guaranty Fee: 0.50%
  This fee, paid directly to the SBA, is a percentage of the 504 share of the financing and must be financed as part of the 504 debenture. The fee is subject to change each SBA Fiscal Year beginning October 1st.

  This fee is WAIVED for select businesses in manufacturing and food supply chain industries. as well as businesses located in a rural area, effective through September 30, 2027.

- Processing Fee: 1.50%
  This fee is paid directly to the SBA, is a percentage of the 504 share of financing and must be financed as part of the 504 debenture. The fee is subject to change each SBA Fiscal Year beginning October 1st.

- Closing Fee: $2,500
  This fee is a flat fee charged to reimburse attorney and other closing costs specific to B:Side Capital and can either be financed as part of the 504 debenture or paid separately by the borrower out-of-pocket.

- Other Fees, varying with loan size.
  Title insurance, miscellaneous recording fees, and other minor out-of-pocket fees are a function of every commercial real estate transaction. These costs can either be financed as part of the 504 debenture or paid for separately by the borrower, out-of-pocket.

- Underwriter's Fee: 0.400% (20 or 25 year 504 loans) 0.375% (10 year 504 loans)
  This fee, paid to the underwriting firm in New York who markets and sells the monthly 504 debenture, is a percentage of the actual 504 loan (not the 504 share of the financing) and must be financed as part of the 504 debenture.

- Balance to Borrower
  This will actually be a reimbursement to the borrower of an amount between $1 and $999. When a 504 loan funds, the percentage of the 504 share of the financing plus all the above fees, is the amount that will actually be financed. Whatever this adds to will be rounded up to the next even thousand dollars because the bond market will only work with loan amounts in even thousand dollar amounts. The difference between this rounded number and the actual number will be reimbursed to the borrower by ACH soon after the debenture funds in New York.

- Bank Participation Fee: 0.50%
  This fee, charged to the partner private sector lender and paid to SBA, is a percentage of that lender's share of the financing project. This fee is collected in addition to any other origination fees or points charged by that lender to the borrower. The small business will typically be responsible for paying this fee and any other origination fees a partner lender charges. Only fees associated with the interim or construction loan portion of the lender financing can be included in the total project cost calculation for determining relative financing shares under a 504 project. Bank fees associated with the permanent senior loan may not be included in the 504 project but may be charged by the lender and paid out of pocket.

504 Loan Project Example

Use of Proceeds

Purchase land & building	$850,000
Improvements	$100,000
Buy machinery & equipment	$40,000
Professional Fees	$10,000
TOTAL PROJECT COST	$1,000,000

504 Financing Structure

Bank's Conventional Loan	50%	$500,000
Net 504 Loan Proceeds	40%	$400,000
Borrower's Contribution	10%	$100,000

504 Loan Program Fees

Net 504 Loan Proceeds		$400,000
B:Side Capital Processing Fee	1.50%	$6,000
Fiscal Agent Funding Fee	0.25%	$1,000
SBA Reserve Gty Amount	0.50%	$2,000
Closing Fee (example)	set	$4,550
Bond Underwriting Fee*	0.40%	$1,661
	Total	$415,211
Gross 504 Loan (rounded up)		$416,000
Balance Returned to Borrower		$789

**The Underwriting fee is a percentage of the Actual 504 loan*

FEES INCLUDED IN THE 504 LOAN PROGRAM EFFECTIVE INTEREST RATE

The interest rate a borrower pays under the 504 loan program is a function of the underlying cost of the debenture sold to fund that individual 504 loan ("debenture note rate") plus three additional fees that ensure the 504 program remains relatively tax payer neutral.

The effective 504 interest rate will vary each month in response to market pressures. The rate appearing on the front page of the B:Side Capital web site is always the most recent rate INCLUSIVE of the following three fees.

- Servicing Agent Fee: 0.100%
  This fee is paid to the servicing agent in New York who collects the loan payment from the borrower and remits it, en masse, to the institutional investor who purchased a specific debenture.

- SBA Guaranty Fee
  - Regular/Refi with Expansion: 0.203%
  - Refinance without Expansion: 0.204%

  This fee is paid to the SBA on all 504 loans approved during the federal fiscal year. This fee may vary each year as a result of the annual budget process and is set to ensure that the 504 loan program remains relatively taxpayer neutral.

  The fee is WAIVED for or select businesses in manufacturing and food supply chain industries. as well as businesses located in a rural area, effective through September 30, 2027.

- CDC Servicing Fee: 0.625%
  This fee is paid to B:Side Capital from loan payment proceeds after the SBA first withholds 0.125%. The remaining balance, 0.500%, compensates B:Side Capital for servicing actions associated with managing the loan on behalf of and in conjunction with the SBA. Statute allows a CDC servicing fee to be 0.625%, 1.000%, 1.500% or even 2.000%, but B:Side Capital only charges the statutory minimum fee of 0.625%.

7. APPLICATION FEE

B:Side Capital does NOT charge application fees or require any deposit on a 504 loan. A fee is earned only when a 504 loan successfully funds.

8. PREPAYMENTS OF 504 LOANS

Just as a 504 loan can only fund once a month, so too a borrower may only pay-off a 504 loan once a month, typically on the third Thursday of that month. This is a function of the particular bond instrument sold to finance 504 loans. Because of these timing issues, a borrower is encouraged to plan ahead and contact B:Side Capital at least 30+ days in advance of an anticipated pay-off date.

Another unique characteristic of the 504 bond is the prepayment penalty that is attached to the 504 loan for half of the term. Borrowers accessing the program get a significantly lower interest rate if the debenture that is sold to raise the funds for their loan has a prepayment penalty. As a result, borrowers who anticipate paying off a 504 loan within a few years of funding may not find it an economically viable loan to consider. The premium associated with the early payment of a 504 loan is a function of two things: the debenture note rate (the underlying cost of funds associated with a 504 loan), and, the length of time since the loan was funded. The 20 and 25 year debenture options have a 10 year prepayment penalty. The 10 year debenture option has a 5 year prepayment penalty.

For purposes of illustration, the following prepayment premiums are associated with 504 loans that approved in September 2021. A unique prepayment schedule is provided to every borrower soon after their loan funds. This illustration assumes a 25 year 504 loan. Prepayment Premium based on a debenture note rate of 5.47% (effective rate of 6.82%).

Year 1	= (100% x 5.47%) x outstanding 504 loan principal
Year 2	= (90% x 5.47%) x outstanding 504 loan principal
Year 3	= (80% x 5.47%) x outstanding 504 loan principal
Year 4	= (70% x 5.47%) x outstanding 504 loan principal
Year 5	= (60% x 5.47%) x outstanding 504 loan principal
Year 6	= (50% x 5.47%) x outstanding 504 loan principal
Year 7	= (40% x 5.47%) x outstanding 504 loan principal
Year 8	= (30% x 5.47%) x outstanding 504 loan principal
Year 9	= (20% x 5.47%) x outstanding 504 loan principal
Year 10	= (10% x 5.47%) x outstanding 504 loan principal

There is no prepayment premium after year 10. Partial or additional payments may not be made under the 504 loan program (because the investors in the bond have no way of tracking or accounting for extra payments).

9. ELIGIBLE PROJECT COSTS

For the purposes of identifying and calculating the "total project cost" for a 504-eligible project, expenditures on the following are considered ELIGIBLE COSTS under the 504 loan program:

- Purchase of land and building(s);
- Building improvements and construction costs,
- including FF&E costs if these items are necessary and integral to operation of the business, and a minor part of the overall project;
- Related project expenditures, e.g. appraisal, engineering, architectural and/or any environmental reporting costs;
- Construction interest and any associated interim loan fees;
- Purchase of eligible machinery and equipment with a useful life of ten or more years;
- A "limited amount" of refinancing where this is defined by the amount of the new expansion project. As a general rule, for every $1 in new eligible costs, the 504 loan program may refinance $1 of existing eligible costs if the financing will provide a "substantial benefit" to the borrower, the borrower has been current on all payments for at least 12 months previous AND the refinancing will provide better terms or rates.
- Refinancing of a loan that has been in place and secured by a 504 eligible fixed asset for six months that would otherwise have been originally eligible for financing under the 504 loan program.

10. SPECIAL PROVISIONS FOR REFINANCING

There are two types of refinancing 504 loans programs available: one that allows a limited amount of refinancing in conjunction with a business expansion (504 Refinance + Expansion); and a program that allows for the refinancing of existing conventional loans (504 Refinance).

The SBA defines the eligible debt that can be refinanced as debt (one or more existing loans) that was for the benefit of the small business seeking the financing and where 75% or more of the original proceeds of the indebtedness were used to acquire/improve/construct a building or purchase equipment (costs that would have originally been eligible under the 504 loan program).

504 Refinance + Expansion

- The project may include debt refinance up to a maximum amount matching the expansion costs. Existing SBA 504 or 7(a) loans may be refinanced if they meet the "substantial benefit" requirement of a lowered payment on that portion of refinance.
- The debt to be refinanced must have been current for the previous 12 months.
- If the property is special purpose real estate or the business has less than two years of operations, the private sector loan must be at 50% or more of the total project cost. The SBA 504 loan can't exceed 40% of total project costs or the amount of the private sector loan.

504 Refinance

- The operating business must have operated and generated revenue for two or more years.
- The existing note(s) proposed for refinance must have been in place for at least six months with no additional draws or disbursements, on permanent terms with ongoing payments and secured by the eligible fixed assets for those six months. Existing SBA 504 or 7(a) may be eligible for refinance if there is a substantial benefit to the borrower.
- The business may secure additional funds for. eligible business expenses or for the payoff of debt secured by the eligible fixed asset(s) and used for eligible business expenses. Eligible business expenses include employee salaries, rent paid to the real estate holding entity, utilities, inventory or other operating expenses due but not yet paid or will become due within eighteen months of the loan application.
- The SBA 504 loan can go up to a maximum 40% of the appraised value of the fixed asset(s) being refinanced, not to exceed the new private sector loan amount. The combination of the private sector loan plus the SBA 504 loan may not exceed 90% of the appraised value.
- Appraisals must be dated with 12 months of the date of the application.
- A copy of the payment transcript on any debt to be refinanced is required in order to analyze whether the applicant is current on all payments due, the applicant's history of delinquency and if the current creditor is in a position to sustain a loss.

11. MAXIMUM & MINIMUM LOAN AMOUNTS

The maximum share of a total project that can be financed under the SBA 504 loan program is limited to 40% of the total eligible project costs, up to a maximum dollar gross debenture amount (which equals the share of the project plus all associated fees built into the bond when it is sold on the market). This maximum dollar gross debenture amount is aggregate any other outstanding SBA 504 debt and is as follows:

Regular 504 loans, 504 Refinance + Expansion loans, 504 Refinance loans	$5,000,000
Projects involving Small Manufacturers (A business with NAICS Code of 31, 32, 33 with all production facilities located within the United States). The maximum is allowed per project for each 504 loan.	$5,500,000
Projects resulting in a 10% or greater reduction in borrower's energy consumption, or 15% generation from renewable energy sources.	$5,500,000

The minimum dollar gross debenture 504 amount available is $25,000.

In situations where a business applicant chooses to contribute more than the minimum 10% required for a multi-purpose/existing business expansion project, the additional contribution may reduce the partner private sector lender share, the 504 share or both providing that the 504 share of the financing project is NEVER a larger percentage of the total project than the partner private sector lender's share of the financing.

If the project results in a $500,000 or less gross debenture and meets the Small Business Administration (SBA) eligibility requirements, the project may be processed under SBA 504 ALP Express, subject to approval by the B:Side Loan Review Committee and SBA. The ALP Express program is under the SBA 504 loan program with identical terms, rates and fees, and potentially provides a faster SBA review time. If approved under ALP Express, the gross debenture cannot exceed $500,000. Any project increase would require financing through additional bank lender financing or borrower equity.

12. LOAN TERMS
504 financing is provided through the sale of a monthly 20- year or 25-year debenture. A bimonthly 10-year debenture is also available. Expansion projects only involving the purchase of machinery/equipment are financed with a debenture term that matches or exceeds the assets useful life. Real estate projects may be financed using 25-year, 20- year, or 10-year debentures.

13. LEASING EXCESS SPACE POLICY
If a project involves the acquisition of an existing building, a small business applicant(s) must occupy at least 51% of the total rentable property, which includes all interior and exterior spaces actively used in the business operations. 504 loan program proceeds may not be utilized to tenant finish any portion of the building not being immediately occupied by that small business.

On an expansion project involving new construction, the small business applicant(s) must initially occupy 60% of the total rentable property (as defined above), intend to occupy additional space within three years, and, reasonably expect to occupy at least 80% of the total rentable property within ten years. No more than 20% of the total rentable property may be permanently leased out. As for an existing building project, 504 loan proceeds may not be utilized to tenant-finish any portion of the building not being initially occupied by the small business applicant(s).

During the life of the loan, the real estate pledged as Collateral for the Loan will not be leased to or occupied by any business that Borrower or Operating Company knows is engaged in any activity that is illegal under federal, state or local law or any activity that can reasonably be determined to support or facilitate any activity that is illegal under federal, state, or local law.

14. ECONOMIC DEVELOPMENT OBJECTIVES
The overall objective of the 504 program is to create and preserve job opportunities and stimulate growth, expansion and modernization of small businesses. As indicators of this, B:Side Capital will consider how many "job opportunities" might reasonably be created or retained by a small business within two years of receiving 504 funds and/or whether a proposed project meets either a SBA Community Development or Public Policy objective.

As a general guideline, B:Side Capital must demonstrate that as a result of a 504 loan, it is helping a small business to create or retain at least 1 job for every $95,000 for project debenture financing (or $150,000 for Small Manufacturers or projects meeting an Energy Public Policy goal).

SBA Community Development objectives include: improving, diversifying or stabilizing a local economy; stimulating other business development; bringing new income into an area; or, assisting businesses in labor surplus areas. SBA Public Policy objectives include assisting businesses primarily owned and operated by veterans, women, minorities, are exporters, or, businesses located in rural communities, labor surplus areas, or designated economic enterprise zones.

15. REAL ESTATE OWNERSHIP
An "Eligible Passive Concern" or EPC (a passive, single purpose real estate holding entity) and certain types of trusts are permitted to hold title to real estate and lease a project facility to an eligible small business Operating Company. A copy of a master lease between the EPC and the eligible small business Operating Company will be required as part of documents collected prior to the disbursement of 504 loan proceeds. In these situations, although the borrower is a passive real estate holding company, the 504 loan is being made on the demonstrated strength of the active Operating Company, which must be either a co-borrower or guarantor on the loan.

The project facility must be wholly leased to the Operating Company. The rent payments from the Operating Company to the passive real estate holding company cannot exceed the amount necessary to make the loan payments and cover the direct expenses of holding the property, such as routine maintenance, utility expenses, insurance, and property taxes.

If the building contains third party tenants other than the Operating Company, these third party tenants must sub lease their space(s) from the active Operating Company and not from the EPC.

16. "DO-IT-YOURSELF" CONSTRUCTION
Situations where the borrower is also the project contractor have generally proved to be an unsatisfactory arrangement on loans. However, do-it-yourself" construction and / or the installation

of machinery and equipment, or situations where the borrower acts as its own contractor, may be permitted as long as it is possible to justify and document the following:

- The borrower/contractor is experienced in the type of construction and has all appropriate licenses;
- The cost is the same as, or less than, what an unaffiliated contractor would charge as evidenced by two (2) independent bids on the work; or a single estimate provided by a 3rd party construction management firm or by the Third Party Lender's existing internal construction management department; and
- The borrower/contractor will not earn a profit on the construction.

17. SIZE ELIGIBILITY REQUIREMENTS

A small business applicant, together with its affiliates (an affiliation generally occurs when the applicant or a majority owner has majority ownership in another business in the same industry), may not have a tangible net worth in excess of $20 million, and, may not have an average net income after taxes in excess of $6.5 million (two year average). Some exceptions are allowed to this general rule.

18. FRANCHISE

A small business applicant that operates under a franchise or similar agreement (per FTC definition and including fuel supply) must be listed on the SBA Franchise Directory. If any conditions to SBA eligibility are listed on the Directory, these must be met as a condition of SBA financing.

19. PERSONAL/CORPORATE GUARANTEES

Personal guarantees are required from EVERY person/entity owning 20% or more of an eligible small business applicant(s) or EPC owning any of the project real estate, machinery or equipment. A personal guarantor is required on EVERY 504 loan, even if no one owns more than 20%.

20. LIFE INSURANCE

If the on-going viability of a business is dependent on a sole proprietor or the business is a single member LLC, as a condition of approval, an acknowledged collateral assignment of key-person life insurance is required, up to the amount required based on the SBA collateral shortfall calculator.

21. 504 LOANS MAY BE ASSUMED

All 504 loans are fully assumable. Applicants will still need to be qualified and the SBA assesses a 1.0% fee on the outstanding indebtedness for all assumption actions.

22. PRIOR BANKRUPTCIES

Full disclosure of prior bankruptcies is required. B:Side Capital reserves the right to withhold approval of applications where a business or its principals have taken prior bankruptcy protection from creditors.

23.PRIOR CRIMINAL OFFENSES/ARRESTS

SBA Form 1244 must be completed by all owners of the business. This is defined as sole proprietors, general partners, owners, and members owning 20% or more equity in any applicant business and any trustor, if any applicant business is owned by a trust. Any business with an owner that is incarcerated or under indictment for a felony or any crime involving or relating to financial misconduct, or a false statement is not eligible for SBA 504 financing.

24. CITIZENSHIP REQUIREMENTS

To be eligible for an SBA 504 loan, the business must have 100% beneficial ownership by legal U.S. U.S. Citizens, U.S. Nationals or Naturalized Citizens who have their principal residence in the United States, its territories, or possessions. No owner may be a citizen of the People's Republic of China, or the Special Administrative Region of Hong Kong.
All entity owners must be created, organized, or incorporated in the United States, its territories, or possessions. All businesses reporting under the Applicant entity's tax return must meet these requirements as well.

25. BUSINESSES EMPLOYING UNDOCUMENTED NONCITIZENS

As a government loan program, 504 loans are not available to businesses that knowingly hire undocumented non-US citizens.

26. CHILD SUPPORT COMPLIANCE

No principal who owns at least 50% of the ownership or voting interest in a company applying for financing under the 504 program, may be delinquent more than 60 days under the terms of any (1) administrative order, (2) court order, or (3) repayment agreement that requires payment of child support. A certification of compliance will be required before any funds will be disbursed under the 504 loan program.

27. ENVIRONMENTAL REPORT
Prior to the final disbursement of funds, evidence must be provided that a project property is free and clear of environmental hazards. Either a Records Search Risk Assessment report plus an environmental questionnaire completed by the seller, a Transactional Screening Analysis (TSA), a Phase I or a Phase II report may be required. Any TSA, Phase I or Phase II reports must be accompanied by a reliance certification provided by the environmental company using a standardized SBA form. All reports should name the U.S. Small Business Administration/B:Side Capital, in addition to the bank lender.

28. APPRAISALS
An appraisal will be required on all projects involving the purchase, improvement or construction of real estate when the value of the property is greater than $500,000. All appraisals must use at least two valuation methods. All appraisals must be ordered by the participating partner lender, performed by a state-certified appraiser and must name the U.S. Small Business Administration in addition to the bank lender.

If the value of the property is $500,000 or less, typically a valuation from the partner lender in lieu of an appraisal is acceptable, subject to review and approval by B:Side Capital.

Any projects involving used machinery or equipment will require an appraisal, unless purchased from a licensed equipment dealer. In some cases where the majority of the project is going to used machinery and/or equipment, a formal appraisal review or 2nd equipment appraisal may be necessary.

29. FLOOD & EARTHQUAKE HAZARDS
Flood insurance must be purchased if any building or equipment acquired, installed, improved or constructed with loan proceeds is located in a special flood hazard area. Newly constructed facilities must be constructed to conform with the National Earthquake Hazards Reduction Program.

30. APPROVAL PROCESS
The approval process is a two step process. Once all documents have been submitted to B:Side Capital, the loan will be underwritten and presented to our Loan Review Committee for consideration. If approved, the loan will be submitted to the Small Business Administration (SBA) for their review and approval.

31. INTERIM OR CONSTRUCTION FINANCING
Due to the nature of 504 loans, interim or construction financing is typically required and provided by a private sector lender to cover the period of time between the approval of a financing application and the sale of a debenture in New York to fund the 504 share of the financing project.

32. TIMING OF FUNDING 504 DEBENTURES
Once all the necessary SBA loan documents have been executed, there is a minimum six week period until a SBA loan is actually funded. 504 debentures are only sold once each month (usually on the Wednesday after the second Sunday). Funds received from this sale are wire-transferred directly to the participating partner lending institution on the same day the
debenture funds.

33. METHOD OF 504 LOAN PAYMENTS
Monthly loan payments on the 504 portion of a financing project must be made by an automatic electronic transfer ("ACH debit") from a bank account designated by the small business borrower. Payments are due on the first working day of each month, beginning the month immediately following the actual sale of a debenture.

34. EQUAL CREDIT OPPORTUNITY
B:Side Capital is an equal credit opportunity lender and does not discriminate on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), handicap, 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.

B:Side Capital shall not deny, restrict, or withdraw access to loans or other financial services on the basis of an applicant's affiliations, beliefs, or ideological viewpoints, except as required to comply with the Code of Federal Regulations, SBA Standard Operating Procedures, SBA regulations, or other applicable federal law

35. IDENTIFICATION PROCEDURES
To help the government fight the funding of terrorism and money laundering activities, federal law requires B:Side Capital to obtain, verify and record information that identifies each person who applies for a loan. This means we will ask for a name, address, date of birth and other information. We will also ask for a copy of a driver's license or other identifying document.

36. NO ADDITIONAL PROVISIONS
An applicant(s) will indemnify and hold B:Side Capital and/ or its agents harmless from any and all loss or injury, including reasonable attorney fees, resulting or arising from failure by the applicant to receive such loan and/ or any loss or liability to applicants or the business of the applicant. All parties agree that there are no other promises, terms or agreements (oral or written) between B:Side Capital and that program rules and fees are subject to change at any time.

37. FINANCIAL PRIVACY
B:Side Capital is committed to protecting all personal information provided during the loan application process. Information is collected and disclosed during the normal course of business as required by the Small Business Administration (SBA) and as permitted by law. As part of the application and funding process, B:Side Capital is required to obtain a credit report for all applicants under its loan programs.

By signing below, the applicant acknowledges and consents to this requirement and understands that B:Side Capital employs physical, electronic, and procedural safeguards meeting current federal requirements to protect personal information. B:Side Capital does not sell or trade personal information for marketing purposes and only shares such information with third parties as required by law, regulation, or for program administration and compliance (e.g. with the SBA, auditors, or authorized partners). Written consent from the applicant is required prior to B:Side Capital sharing any personal information with any prospective third party lenders.

The undersigned also acknowledges and consents to B:Side Capital's use of information provided by the Third Party Lender or other parties, both prior to and after signing this Disclosure Statement, for purposes related to the loan application.

38. LOAN CLOSING
Your loan application and any other documents we request from you during the loan closing process, or have you sign before or at closing will be reviewed by B:Side Capital, its employees, representatives, and/or its closing attorneys. B:Side Capital's employees, representatives, or closing attorneys do not represent you or your interests. During the loan closing process, B:Side Capital's employees, representatives, or closing attorneys may make or request that you make changes to documents. Any changes made or requests for changes to any document by B:Side Capital, its employees, representatives, or closing attorneys, may have important legal implications and consequences and it is recommended that you consult with your own attorney about any legal implications and consequences of any document or changes to any documents before making or signing any document during your loan application or the loan closing process.

39. CREDIT ALERT VERIFICATION REPORTING SYSTEM (CAIVRS)
If the applicant(s) defaults on the SBA-guaranteed 504 loan and SBA suffers a loss, the names of the small business, the guarantors of the SBA-guaranteed loan, and any associate(s) that control the small business will be referred for listing in the CAIVRS database, which may affect their eligibility for further financial assistance.

40. SYSTEM FOR AWARDS MANAGEMENT'S (SAM) EXCLUDED PARTIES LIST SYSTEM for Awards
B:Side Capital is required to consult the System for Awards Management's (SAM) Excluded Parties List System for each loan applicant and all associates including but not limited to the passive real estate entity, the operating company, each 20% or greater owner of either and each key employee. If any are listed as suspended, debarred, revoked or otherwise excluded by SBA or another Federal agency, the small business will be ineligible for SBA financing.

41. USE OF LOAN BROKER OR AGENT
The use of an agent or broker for packaging, referring a loan application to B:Side or a private sector lender, or for any other purpose is not required by the SBA or B:Side Capital. Use of an agent or broker is at the discretion of the applicant.

Company: _____

Signed: _____

Name:

Date: