



SBA 504 Terms and Conditions

ETRAN Data Entry Guide

Terms and Conditions

The following pages cover a section-by-section breakdown of the **Terms and Conditions** document (formerly Loan Authorization) and where those data fields are mapped in ETRAN.

ETRAN interface buttons and the document title shown below now reflect ***Terms and Conditions***.

E-Lend Origination

Reports

Search

New Application

Copy

E-Tran

Documents

SBA Only

Terms and Conditions

Validate

Credit Report

History

App Review

Submit

Withdraw

Servicing

Post Servicing

Terms and Conditions Document

Validation of Terms and Conditions #10957320

Validation errors were detected

#	Error Code	Error Text
2	4038	Loan Documents Missing Authorization from CDC (1001)
3	4038	Loan Documents Missing Electronic Credit Memo (1004)
4	4038	Loan Documents Missing Form 1244 (1006)
5	4038	Loan Documents Missing EX 14 - Cost Documents (1011)
6	4038	Loan Documents Missing EX 17 - Bank Letter (1014)

Generate Terms and Conditions PDF Document

Renamed Buttons

New Document Title

U.S. Small Business Administration

TERMS AND CONDITIONS (504 Basic)

SBA Loan #	
SBA Loan Name	Nagle Companies
Approval Date	

CDC: U.S. Small Business Administration (SBA):

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Click any topic below to navigate directly to the correct slide.

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General Loan Info & Preamble

	T&C Language	ETRAN Category and/or Field Location
1	SBA loan name	DBA name (if applicable) or Operating Company name
2	CDC Office Address	This information is tied to your Location ID in ETRAN. The PIMS module is where you would update your Org name and address.
3	SBA District Office Information	Auto-populates based on project property address
4	Debenture Term	Application Info > Debenture Maturity
5	Debenture Amount	Application Info > Total Debenture Amount

SBA Loan #	[MISSING DATA]
SBA Loan Name 1	Death Star Enterprises
Approval Date	

CDC: 2

U.S. Small Business Administration (SBA) 3

SAN DIEGO DISTRICT OFFICE
550 West C Street
Suite 550
San Diego, CA 92101 -3500 4

SBA will guarantee, under the following terms and conditions, a 25 year Debenture ("Debenture") in the amount of \$954,000.00 to be issued by CDC and used to fund a 504 Loan (the "Loan") to assist: 5

New Lender

Application Info

Use of Proceeds

Lender Comments

Project Info

Borrowers

1. * Death Star Enterprises

Principals

1. Anakin Skywalker

Personal Financials

2. Padme Skywalker

Underwriting

Underwriting Authority SBA

504 Name Death Star Enterprises, Inc.

* Total Debenture Amount 5 \$954,000.00

* SBA Guaranty Percentage 100.00 %

* Debenture Maturity 4 300 months

* Interest Structure Fixed

General Loan Info & Preamble

	T&C Language	ETRAN Category and/or Field Location
1	Borrower	Borrowers
2	Operating Company	Borrowers or Guarantors

1

Borrower EPC:
1. Mill Valley Holdings, Inc. (EPC)
0228 MAGEE AVE
MILL VALLEY, CA - 94941

2

Operating Company
1. Mill Valley Taco Shop, LLC dba
Foggy Tacos (Guarantor)
0228 MAGEE AVE
MILL VALLEY, CA - 94941
2. Mill Valley Ice Cream, LLC dba
Foggy Creamery (Guarantor)
0228 MAGEE AVE
MILL VALLEY, CA - 94941

1

Project Info

Borrowers

1. Mill Valley Holding

New Borrower

Guarantors

1. Mill Valley Taco Shop, I

2. Mill Valley Ice Cream, L

3. Millie Q La Valley

Personal Financials

New Guarantor

Tax ID:

* Name

Mill Valley Holdings, Inc.

(Doing business as) Trade Name

test

* Primary Business?

☐ Yes ☒ No

* EPC or Operating Company?

EPC

* Legal Organization Type

Corporation

Borrower Information, Application

2

New Borrower

Guarantors

1. Mill Valley Taco Shop

2. Mill Valley Ice Cream, L

3. Millie Q La Valley

Personal Financials

Tax ID:

* Name

Mill Valley Taco Shop, LLC

(Doing business as) Trade Name

Foggy Tacos

* Operating Company?

☒ Yes ☐ No

Guarantor Information, Application

Section A: Project to be Financed

	T&C Language	ETRAN Category and/or Field Location
1	A.1. Project Property	Use of Proceeds > Sub Proceeds
2	A.2. Project Costs	Use of Proceeds
	SubProceeds selected in Construction/Remodeling will affect Occupancy Requirements	

A. PROJECT TO BE FINANCED:

1. Project Property ("Project Property")

Debenture Proceeds will be used as a part of financing for:

- 1 a. the purchase of land and existing improvements and located at 0228 MAGEE AVE, MILL VALLEY, CA - 94941

2. Project Costs ("Project Costs") include:

a. Purchase Land	\$0.00
b. Purchase Land & Building	\$500,000.00
c. Construction/Remodeling	\$0.00
d. Purchase/Install Equipment	\$0.00
e. Debt to be refinanced	\$0.00
f. Eligible Business Expenses under Debt Refinancing	\$0.00
g. Other Expenses (construction contingencies, interim interest)	\$0.00
h. Professional Fees	\$0.00
i. TOTAL Project Cost	\$500,000.00

Eligibility

Third Party Lenders

1. Bank of America, Natic

2. Bank of America, Natic

New Lender

Application Info

Use of Proceeds

Lender Comments

Project Info

Borrowers

1. Mill Valley Holding

Principals

1. Cooper Shaw

Personal Financie

Use of Proceeds , Application

Code - Description	Proceed Reference	Value
E01 - Land only	Proceed Amount	
[+] Add		
E02 - Purchase Land and Existing Building, if applicable	Proceed Amount	\$500,000.00
	Comment	
[+] Add		
Sub Proceeds Description		Amount
1 [1] the purchase of land and existing improvements and located at 0228 MAGEE AVE, MILL VALLEY, CA 94941-1000.		\$500,000.00
E04 - Building (Construction.		



TIPS

- Eligible Business Expenses added to the project costs
- Fixtures Removed
- Refinanced Debt lender removed from A.2. and moved to A.1.

Section B: Project Financing Debt Proceeds

T&C Language	ETRAN Category and/or Field Location
B.1. Debt Proceeds	Application Info > Debt Pricing

Primary Lender
Eligibility
▼ Third Party Lenders
1. Bank of America, Natic
2. Bank of America, Natic
New Lender
Application Info
Use of Proceeds
Lender Comments
Project Info
▼ Borrowers
1. Mill Valley Holding
▼ Principals
1. Cooper Shaw
Personal Financ
New Principal
New Borrower

Debt Pricing

From SBA Form 1244 (09-16 Previous editions obsolete)

* Net Debt Amount

* CDC Processing Fee Paid Separate? ☐ Yes ☒ No

A. SBA Share of Project Cost

B. Administrative Costs

1.	SBA Guaranty Fee	\$1,000.00
2.	Funding Fee	\$500.00
3.	CDC Processing Fee	<input type="text" value="\$3,000.00"/>
4.	* Closing Costs	<input type="text" value="\$2,500.00"/>
5.	Other Closing Costs	<input type="text" value="\$0.00"/>
6.	Total (Sum of B1 through B5)	\$7,000.00
7.	Underwriters Fee	\$832.00
8.	Total (B6 plus B7)	\$7,832.00
C.	Gross Debt Amount (A plus B8)	\$208,000.00
D.	Balance to Borrower	\$168.00

B. PROJECT FINANCING

1. **Debt Proceeds:** Debt Proceeds will be used to pay Administrative Costs and the final 40.00% of the total Project Cost. Prior to the Debt sale, the CDC conducts a 504 Loan Closing ("504 Loan Closing"), and forwards copies of the closing documents to SBA. After review and approval, CDC forwards the closing documents for Debt Sale. At or prior to the 504 Loan Closing, Borrower, Operating Company and CDC must sign a Servicing Agent Agreement certifying as to the actual use of the Debt Proceeds and authorizing a Central Servicing Agent ("CSA") to handle all disbursements and payments under the Debt.

- a. SBA/CDC Share: 40.00% of total Project Cost
("Net Debt Proceeds") \$200,000.00
- b. Administrative Costs ("Administrative Costs")
- | | |
|--|-----------------------|
| 1. SBA Guaranty Fee (a. x 0.005) | \$1,000.00 |
| 2. Funding Fee (a. x 0.0025) | \$500.00 |
| 3. CDC Processing Fee | |
| i. CDC Processing Fee | \$3,000.00 \$3,000.00 |
| 4. Closing Costs | |
| i. CDC Closing Fee (not to exceed \$2,500) | \$2,500.00 |
| ii. Other Out of Pocket Closing Costs (excluding legal fees) | \$0.00 \$2,500.00 |
| 5. Subtotal(b.1 through b.4) | \$7,000.00 |
| 6. Underwriters Fees* | \$832.00 |
| 7. Total (b.5 plus b.6) | \$7,832.00 |
| c. Total Debt Amount ("Gross Debt Proceeds")
(a. Plus b.7, rounded up to next thousand) | \$208,000.00 |
| d. Balance to Borrower (c. minus (a. plus b.7)) | \$168.00 |

* Underwriters fee calculated as follows: For 20 and 25 year Debentures, the sum of a. and b.5 divided by 0.99600; round this number up to the next highest thousand; multiply this number by 0.00400.
For 10 year Debentures, the sum of a. and b.5 divided by 0.99625; round this number up to the next highest thousand; multiply this number by 0.00375.

Section B: Project Financing Interim Financing

T&C Language	ETRAN Category and/or Field Location
1 B.2. Interim Financing	Third Party Lenders > Type of Lender > Interim
NOTE: The Interim Lender Name is tied to their Location ID within ETRAN. The name cannot be modified unless the lender modifies their name within the PIMS module.	
2 Interim Lender Amount	Application Info > Net Debenture Amount

2. Interim Financing (paid off by the Debenture):

- Interim Lender:** An interim loan in the total principal amount of \$200,000.00 will be provided by the following lender(s) ("Interim Lender"):
 - Bank of America, National Association in the principal amount of \$200,000.00.
- Application of Net Debenture Proceeds to Interim Loan:** Upon sale of the Debenture, the Net Debenture Proceeds (the portion of Debenture Proceeds that finance Project Cost) will be applied to pay off the balance of the interim loan. If the Interim Lender is also the Third Party Lender, this payment will reduce the total balance owed to Third Party Lender to the amount specified in Paragraph 3.a below.
- Required Certifications Before 504 Loan Closing:** Following completion of the Project, but no earlier than the 5th day of the

Expand | Collapse

▼ Mill Valley Holdings, Inc.'s

- Primary Lender
- Eligibility
- 1 Third Party Lenders
- 1. Bank of America, Natic
- 2. Bank of America, Nat
- New Lender
- Application Info
- Use of Proceeds
- Lender Comments
- Project Info

Third Party Lender #2, Application

* Type of Lender: Interim

Partner Info: SBA Partner ID: 582 SBA Partner Location ID: 9551

1 Lender Name: Bank of America, National Association

Lender TaxId: 94-1687665

Country: US

Street1: 100 N Tryon St, Ste 170

Street2: NS test 1585

City / State / Zip: CHARLOTTE, NC 28202 -

1. Bank of America, Natic

2. Bank of America, Natic

New Lender

Application Info

Use of Proceeds

Lender Comments

Project Info

Borrowers

Debenture Pricing

From SBA Form 1244 (09-16 Previous editions obsolete)

2 * Net Debenture Amount: \$200,000.00

* CDC Processing Fee Paid Separate? ☐ Yes ☒ No

A. SBA Share: 40.00% of Project Cost

B. Administrative Costs

1. SBA Guaranty Fee: \$1,000.00

2. Funding Fee: \$500.00

Section B: Project Financing

Permanent Third Party Lender

T&C Language	ETRAN Field / Category Location
B.3. Permanent Third Party Lender Loan	Third Party Lenders > [Choose Lender] > Type of Lender > Participating

3. Permanent Third Party Lender Loan:

a. **Permanent Loan:** A permanent loan in the total principal amount of \$250,000.00. This amount is 50.00% of the total project cost. The permanent loan will be provided by the following lender(s) ("Permanent Lender"):

1. Bank of America, National Association in the principal amount of \$250,000.00.

b. The Third Party Lender's note and loan documents must not:

1. allow future advances except advances made for the reasonable costs of collection, maintenance, and protection of the Third Party Lender's lien;
2. be cross-collateralized with other financing provided by Third Party Lender;
3. have an early termination provision;
4. be payable to a party other than the borrower;
5. have a term of less than 10 years;
6. have any covenants, conditions, or provisions that are inconsistent with the requirements of the SBA.

TIPS

- The Etran interface will allow for multiple Third Party Lender Loans to be a part of the project
- **Application Info** menu will show TPL loans and amounts summary

Primary Lender

Eligibility

1. Third Party Lenders

1. Bank of America, National Association

2. Bank of America, National Association

New Lender

Application Info

Use of Proceeds

Lender Comments

Project Info

Borrowers

1. Mill Valley Holding

Principals

1. Cooper Shaw

Personal Financial

2. (name not entered)

Personal Financial

New Principal

New Borrower

Guarantors

Third Party Lender #1, Application

* Type of Lender: Participating

Partner Info: SBA Partner ID: 582 SBA Partner Location ID: 9551

Lender Name: Bank of America, National Association

Lender Taxid: 94-1687665

Country: US

Street1: 100 N Tryon St, Ste 170

Street2: NS test 1585

City / State / Zip: CHARLOTTE, NC 28202 -

Lender Taxid: 94-1687665

* Interest Rates

Gross Interest: 3.250 Loan Servicing Fee: 0.500 SBA Guaranty Net Interest

2. Third Party Lender's Original Amount: \$250,000.00

Eligibility

Third Party Lenders

1. Bank of America, National Association

2. Bank of America, National Association

New Lender

Application Info

Use of Proceeds

Lender Comments

1. Mill Valley Holding

Third Party Loans, Detail \$

Third Party Lender Name	Amount
1. Bank of America, National Association	\$250,000.00
2. Bank of America, National Association	

Third Party Loans \$: \$250,000.00

Third Party Loan %: 50.00%

Borrower Contribution \$: \$50,000.00

Borrower Contribution %: 10.00%

Total Project Requirement \$: \$500,000.00

Total Project Requirement %: 100.00%

OPC Scheduling Fee \$:

Section B: Project Financing Borrower Contribution

T&C Language	ETRAN Category and/or Field Location
B.4. Borrower's Contribution	Application Info > Borrower Contributions > Enter amounts into respective buckets

4. Borrower's Contribution ("Borrower's Contribution"):

- At or prior to 504 Loan Closing, Borrower must contribute \$50,000.00 to the Project. This amount is 10.00% of the total project cost.
 - Contribution may be in cash, land or other property acceptable to SBA;
 - Contribution may come from Borrower's own resources, CDC, or another source;
 - If any of the contribution is borrowed and secured by any of the Project Property, the resulting obligation must be expressly subordinate to the liens securing the Promissory Note ("Note") in favor of CDC and may not be repaid at a faster rate than the Note unless prior written approval is obtained from SBA. A copy of any debt instrument evidencing the contribution must be submitted to CDC at or prior to 504

New Lender
Application Info
Use of Proceeds
Lender Comments

Borrower Contributions					
[1] Borrowed	[2] Business Cash	[3] Personal Cash	[4] Equity	[5] Gift	[6] Other
	\$50,000.00				

Borrower Contribution will flow to the read-only summaries of Financing Sources

Lenders
▼ Third Party Lenders
1. Bank of America, Natic
2. Bank of America, Natic
New Lender
Application Info
Use of Proceeds
Lender Comments
Project Info
Borrowers
▼ 1. Mill Valley Holdings

Third Party Loans, Detail \$

Third Party Lender Name	Amount
1 Bank of America, National Association	\$250,000.00
2 Bank of America, National Association	

Third Party Loans \$ \$250,000.00
Third Party Loan % 50.00%
Borrower Contribution \$ \$50,000.00
Borrower Contribution % 10.00%
Total Project Requirement \$ \$500,000.00
Total Project Requirement % 100.00%

Section B: Project Financing

Borrower Fees

T&C Language	ETRAN Category and/or Field Location
B.5. Borrowers Fees	<i>If applicable, SBA will update</i>

5. **Borrower's Fees** ("Borrower's Fees")—~~Borrower~~ must pay:
- a. An ongoing guarantee fee equal to 0.2475 of one percent per annum of the principal balance of the Note calculated at five-year intervals beginning with the first payment. This guarantee fee will be made until the loan is terminated. It will be included with the payment on the Note made each month to the CSA.
 - b. A servicing fee, as stated on the Servicing Agent Agreement at the time of 504 Loan Closing, calculated on the outstanding principal balance at five-year intervals. The fee will be included in the monthly loan installment paid to the CSA.
 - c. A late fee of 5 percent of the late payment or \$100.00, whichever is greater, for payments received by the CSA after the 15th day of the month.

Section C: The Note

	T&C Language	ETRA Category and/or Field Location
1	Amount	Application Info > Gross Debenture
2	Term	Application Info > Debenture Maturity
3	Prepayment	Boilerplate verbiage. Language will automatically adjust for 25-year loans (see inset)
4	Mandatory State Provisions	If applicable, state specific verbiage will populate

C. THE NOTE

At or prior to 504 Loan Closing, the Borrower must execute a Note in favor of CDC. The CDC must assign the Note to SBA. Borrower must make payments by Automated Clearinghouse (ACH) or wire transfer. The Note and Debenture will include the following terms:

1. **Amount:** \$205,000.00. 1
2. **Term:** 20 years. 2
3. **Repayment Terms:** At the date the Debenture is sold, the interest rate will be set and the amount of the monthly principal and interest installment for the term of the Note and the semi- annual principal and interest installment for the term of the Debenture will be established.
4. **Prepayment:** If Borrower prepays during the first half of the stated term there will be a prepayment premium, calculated by applying a declining percentage of the Debenture interest rate to the outstanding principal balance of the Note. 3

2. **Term:** 25 years.
3. **Repayment Terms:** At the date the Debenture is sold, the interest rate will be set and the amount of the monthly principal and interest installment for the term of the Note and the semi- annual principal and interest installment for the term of the Debenture will be established.
4. **Prepayment:** If Borrower prepays during the first ten (10) years of the stated term, there will be a prepayment premium, calculated by applying a declining percentage of the Debenture interest rate to the outstanding principal balance of the Note. A schedule of the dollar amount of the premium will be provided after the sale of the Debenture.
5. CDC must include in the Note the following language for residential property located in California securing the Note:
 - a. the balance owing on the Note as of the next semi-annual debenture payment date; and
 - b. any prepayment premium required under the Note and Debenture.
 To prepay, Borrower must give prior written notice to the CDC according to the terms of the Note.
4. "Borrower acknowledges this Note is secured by a Deed of Trust in favor of CDC on real property located in MARIN County, State of California. That Deed of Trust contains the following due-on-sale provision:..." (CDC must add to the Note the due on sale clause exactly as it appears in the Deed of Trust.)

Section D: Collateral Conditions Real Estate

T&C Language	ETRAN Category and/or Field Location
D.1. Real Estate Liens	Collateral Register > <i>[Select Collateral]</i>
1 Lien Position and Prior Lienholder	Based upon prior lien section
2 Lien Instrument	Based on state-specific user selection
3 Address	Matches collateral address
4 State-Specific Lien Options	Based upon user selections
5 State-Specific Title Options	Based upon user selections
6 Mandatory State Provisions	Automatically added based on the collateral's state location

3. **Third Mortgage** (including due on sale clause) on land and improvements located at **4499 GOTHAM PLACE FAIRFAX, VA 22030 - 0986**. This property is Commercial.

a. Subject only to prior lien(s) as follows:

- (1) First: Gotham Bank in the amount of \$1,000,000.00.
- (2) Second: First Gotham Bank & Trust in the amount of \$500,000.00.

b. Prior open ended lien(s) closed in writing according to applicable state law. Revolving line(s) of credit limited in writing to the amount stated.

c. Written agreement from prior lienholders to provide CDC with 60 days written notice before commencing foreclosure of prior lien.

d. Prior lienholder written verification (a) of amount owing on prior obligation, (b) that prior obligation is current on payments, and (c) that prior obligation is not otherwise in default.

e. Evidence of title and priority of lien must be based upon:

- (1) Title and/or Lien Search or other evidence of proper ownership and lien position.

f. CDC must obtain in recordable form written subordination agreements from any tenants occupying any of the Project real property required as collateral. Appropriate subordination language may be included in the Lease as an alternative.

10. **Arizona Mandatory Provision** — The following language must appear in all guarantees (SBA Form 148 or 148L) signed by Arizona residents:

"The undersigned waives any rights it may have pursuant to ARS Section 12-1641 et seq., and agrees pursuant to ARS Section 33-814 that the obligations of the undersigned may be enforced regardless of whether or not any Trustee's sale of security for this debt is held."

Section D: Collateral Conditions Real Estate

Details

1 Type of Instrument
Drop-down options based upon the collateral's state.

2 Optional Real Estate Conditions

3 Evidence of Title and Priority Liens
Drop-down options based upon the collateral's state.

4 Security Survey Questions: Options and fields are based upon the selection in *Evidence of Title and Priority Lien based upon*

Collateral Description: Real estate

☐ Shared Part Passu

The lien is limited to \$

* Type of Instrument **1**

☐ Including Water Rights

☐ Including Assignment of Rents

Optional Real Estate Conditions **2**

☐ Prior open ended lien(s) closed in writing according to applicable state law. Revolving line(s) of credit must be limited in writing to the amount stated.

☐ Prior Lienholders written verification (a) of amount owing on prior obligation, (b) that prior obligation is current on payments, and (c) that prior obligation is not otherwise in default.

Evidence of Title and Priority of Lien **3**

Evidence of Title and Priority of Lien based upon

Security Survey Questions

Title Amount **4**

Endorsements

☐ Without Standard Exception

☐ Without Standard Survey Exceptions

☐ Not Contain MGL Section 21(e) Exception

Write your own

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

Font Size

Words: 0

Section D: Collateral Conditions Real Estate

T&C Language	ETRAN Category and/or Field Location
Lien Position and Prior Lienholder	Based upon prior lien section

D. COLLATERAL CONDITIONS

The Note must be secured by the following collateral. All collateral must be assigned to SBA. CDC must obtain a lien on 100% of the interests in the following collateral and properly perfect all lien positions.

1. **Second Deed of Trust** (including due on sale clause) on land and improvements located at **10228 MAGEE AVENUE MILL VALLEY, CA 94941**. This property is Commercial.
 - a. Subject only to prior lien(s) as follows:
 - (1) **First: Third Party Lender in the amount of \$250,000.00.**
 - b. Evidence of title and priority of lien must be based upon:
 - (1) ALTA Loan Policy, CDC and assigns, in the amount of \$500,000.00, with 110.1 and 100 endorsements,
 - c. CDC must obtain in recordable form written subordination agreements from any tenants occupying any of the Project real property required as collateral. Appropriate subordination language may be included in the Lease as an alternative.
 - d. At the time of Closing, either:
 - (1) There must be no contractors, mechanics or

TITLE REPORT Ordered Date Received Date

	Lienholder Name	Lien Position	Balance Owning	Lien Status	Lien Comment	Revolving Indicator	Limit Amount
1	Third Party Lender	1	\$250,000	Not Sele ▼		<input type="checkbox"/>	
2				Not Sele ▼		<input type="checkbox"/>	
3				Not Sele ▼		<input type="checkbox"/>	

Section D: Collateral Conditions

Personal Property Liens

T&C Language	ETRAN Category and/or Field Location
Section D.2. UCC's (if applicable)	Collateral Register > [Select Collateral]

* Collateral Type **1** Machinery and Equipment

* Collateral Sub Type Personal Property

Collateral Description: Test Equipment 2

☐ Whether now owned or later acquired

2 ☒ Acquired with loan or project proceeds, including all replacements and substitutions

☐ Landlord's Waiver required to protect this interest

☐ Shared Pari Passu

The lien is limited to \$

TITLE REPORT

Ordered Date

Received Date

	Lienholder Name	Lien Position	Balance Owning	Lien Status
1	testbanko 3	1	\$54,000.00 4	Not Selec <input type="text"/>
2				Not Selec <input type="text"/>
3				Not Selec <input type="text"/>

3. Second perfected security interest, in the following personal property (including any proceeds and products), acquired with loan or project proceeds, including all replacements and substitutions wherever located: Equipment. **1** **2** **3**
- a. Subject only to the prior lien of testbanko in the amount of **4** \$54,000.00 on the following collateral: Equipment
- b. Any prior lien that is open ended as to future advances must be closed, in writing, according to applicable state law.
- c. CDC must obtain a list of all equipment and fixtures that are collateral for the Loan. For items with a unit value of \$5,000 or more, the list must include a description and serial number, if applicable.
- d. Lender must obtain an appropriate Uniform Commercial Code lien search evidencing all required lien positions. If UCC search is not available, another type of lien search may be substituted.
- e. At the time of Closing, there must be no circumstances adversely affecting the value of the property. There must be no lien on the Property, including a lien which might possibly be filed after Closing, which impairs the stated priority of the CDC/SBA lien.

Section D: Collateral Conditions

EPC/OC Assignment of Rents

T&C Language	ETRA Category and/or Field Location
Section D. Assignment of Rents from Eligible Passive Company, if applicable	N/A – Automatically added when Borrower is an EPC

Borrower EPC: 1. Mill Valley Holdings, Inc. (EPC) 0228 MAGEE AVE MILL VALLEY, CA - 94941	Operating Company 1. Mill Valley Taco Shop, LLC dba Foggy Tacos (Guarantor) 0228 MAGEE AVE MILL VALLEY, CA - 94941 2. Mill Valley Ice Cream, LLC dba Foggy Creamery (Guarantor) 0228 MAGEE AVE MILL VALLEY, CA - 94941
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6. **Assignment of Rents from Eligible Passive Company.** CDC must obtain a perfected assignment of all rents paid under the lease on the project property between the Eligible Passive Company and the Operating Company. The term of lease, with options to renew exercisable solely by the Operating Company, must be for at least the term of the Loan. The lease must be subordinate to CDC's Security Interest, Deed of Trust or Mortgage. Lease payments must be no more than is necessary to amortize debt plus pay expenses related to holding the property.

Section D: Collateral Conditions Guarantee(s)

T&C Language	ETRAN Category and/or Field Location
Section D. Individual Guarantees	Borrower > [Select Entity] > Principals > [Select Person] > Guarantee Type OR Guarantors > [Select Person] > Guarantee Type

- lease must be subordinate to CDC's Security Interest, Deed of Trust or Mortgage. Lease payments must be no more than is necessary to amortize debt plus pay expenses related to holding the property.
1. 6. Guarantee on SBA Form 148, by Cooper Shaw, resident in .
 7. ~~7. Guarantee on SBA Form 148, by Mill Valley Taco Shop, LLC, resident in CA.~~
 8. Guarantee on SBA Form 148, by Mill Valley Ice Cream, LLC, resident in CA.
 2. 9. Guarantee on SBA Form 148, by Millie Q La Valley, resident in CA.
 10. ~~10. Assignment to SBA. CDC must execute a satisfactory written assignment to SBA of its interest in the Note, lease and all collateral~~

Principal Person Information, Application

Tax ID: 658-99-7895

* First Name: Cooper

Middle Initial:

* Last Name: Shaw

Suffix:

Title:

* Controlling Interest Management: Not Selected Yet Controlling Interest?

Ownership in the Business:

Borrower	Percentage	If < 20%, Is this principal guaranteeing the loan? E
Mill Valley Holdings, Inc.	100.00%	<input checked="" type="radio"/> Yes <input type="radio"/> No

* Guarantee Type: Full Unsecured Guarantee

Guarantor Person Information, Application

Tax ID: 658-25-9869

* First Name: Millie

Middle Initial: Q

* Last Name: La Valley

Suffix:

* Guarantee Type: Full Unsecured Guarantee

Date of Birth: 12/09/1983

Place of Birth: Manassas

* Citizenship: U.S. Citizen

Section D: Collateral Conditions Guarantee(s)

T&C Language	ETRAN Category and/or Field Location
Section D. Entity Guarantees	Guarantors > [Select Entity] > Guarantee Type

- lease must be subordinate to CDC's Security Interest, Deed of Trust or Mortgage. Lease payments must be no more than is necessary to amortize debt plus pay expenses related to holding the property.
6. ~~Guarantee on SBA Form 148, by Cooper Shaw, resident in~~
- 1 7. **Guarantee on SBA Form 148, by Mill Valley Taco Shop, LLC, resident in CA.**
8. Guarantee on SBA Form 148, by Mill Valley Ice Cream, LLC, resident in CA.
9. Guarantee on SBA Form 148, by Millie Q La Valley, resident in CA.
10. **Assignment to SBA.** CDC must execute a satisfactory written assignment to SBA of its interest in the Note, lease and all collateral

Guarantor Information, Application

Tax ID: 84-8459966

* Name: Mill Valley Taco Shop, LLC XL NAME Super remix

(Doing business as) Trade Name:

* Operating Company? ☒ Yes ☐ No

* Legal Organization Type: Limited Liability Company(LLC)

* DUNS 1: 987456321

* Guarantee Type: Full Unsecured Guarantee

Does the borrower currently do any exporting or will the borrower start exporting pursuant to this loan? ☐ Yes ☒ No

Section D: Collateral Conditions Guarantee(s)

T&C Language	ETRAN Category and/or Field Location
Section D. Limited Guarantee options: <ul style="list-style-type: none"> Limited Unsecured Limited Secured 	Guarantors > [Select Entity] > [Select Guarantee Type] > Select Guarantee Subtype

4. Limited Secured Guarantee

Limited Guarantee on SBA Form 148 (use 148L if available), by [Name of guarantor], resident in [State/Country Name].

Select One And Only One Of The Following Paragraphs

BALANCE REDUCTION LIMITATION: The Guarantee is of all amounts owing under the Note, and will continue until the total of all amounts owing under the Note is reduced below \$[Amount], at which time Guarantor will be released from liability if the Note is not in default.

PRINCIPAL REDUCTION LIMITATION: The Guarantee is of all amounts owing under the Note, and will continue until the outstanding principal balance of the Note is reduced below \$[Amount], at which time Guarantor will be released from liability if the Note is not in default.

MAXIMUM LIABILITY LIMITATION: The Guarantee is limited to Guarantor's payment of \$[Amount].

PERCENTAGE LIMITATION: The Guarantee is limited to Guarantor's payment of [Percent]% of all amounts owing under the Note at the time demand is first made on Guarantor, plus the same percentage of any accrued interest and other costs charged to the Note after demand, until Guarantor fully performs this Guarantee.

TIME LIMITATION: The Guarantee is of all amounts owing under the Note. The Guarantee will continue until [number of years] year(s) after the date of the Note (the "Guarantee Period"). If Borrower is in default at the end of the Guarantee Period, the Guarantee will continue until all defaults are cured.

COLLATERAL/RECOURSE LIMITATION: The Guarantee is limited to the amount Lender obtains from the following collateral pledged by Guarantor: [Collateral]

COMMUNITY PROPERTY OR SPOUSAL INTEREST LIMITATION: The Guarantee is limited to Guarantor's community property or spousal interest in collateral pledged to secure the Note or any guarantee.

The screenshot shows the ETRAN application interface. On the left, a sidebar lists navigation items: Application Info, Use of Proceeds, Lender Comments, Project Info, Borrowers, 1. Mill Valley Holding, Principals, 1. Cooper Shaw (highlighted), New Principal, New Borrower, and Guarantors. The main area shows the 'Guarantee Type' dropdown set to 'Limited Secured Guarantee'. Below it, the 'Select Guarantee Subtype' dropdown is open, displaying a list of limitation options. The '1. Cooper Shaw' guarantor is highlighted in the list on the left.

Section D: Collateral Conditions

State-Specific Verbiage

T&C Language	ETRN Category and/or Field Location
Section D. State Specific language	Automatically added based on the collateral's state location

Collateral Item #2, Application

* Collateral Description: COLLATERAL DESCRIPTION HERE

* Collateral pledged by following Guarantors:

* Property Address

Country: US

Zip-4 Code: 94941 - 1010 [Lookup Zip](#) [Lookup for ZIP-4 code](#)

Street 1: 10228 Magee Avenue

Street 2:

City Name: MILL VALLEY

County Code: 041 (County Name: MARIN) (State: CA)

11. **California Mandatory Provision** —The following language must appear in a guarantee if the guarantor, any borrower, or any real estate collateral is located in California:

"Guarantor waives its rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to the guarantor by reason of California Civil Code Sections 2787 to 2855, inclusive. The guarantor waives all rights and defenses that the guarantor may

Section E: Additional Conditions Insurance Requirements - Collateral

T&C Language	ETRAN Category and/or Field Location
Section E. 1. Insurance Requirements: <ul style="list-style-type: none"> • Real Estate Hazard • Personal Property Hazard 	Collateral Register > <i>[Select Collateral] ></i> <i>[Select Insurance requirements]</i>

- 1** b. Real Estate Hazard Insurance coverage on all real estate that is collateral for the Loan in the amount of the full replacement cost. If full replacement cost insurance is not available, coverage must be for maximum insurable value. Insurance coverage must contain a MORTGAGEE CLAUSE (or substantial equivalent) in favor of CDC and SBA. This clause must provide that any action or failure to act by the mortgagor or owner of the insured property will not invalidate the interest of CDC and SBA. The policy or endorsements must provide for at least 10 days prior written notice to CDC of policy cancellation.
- 2** c. Personal Property Hazard Insurance coverage on all equipment, fixtures or inventory that is collateral for the Loan, in the amount of full replacement costs. If full replacement cost insurance is not available, coverage must be for maximum insurable value. Insurance coverage must contain a LENDER'S LOSS PAYABLE CLAUSE in favor of CDC and SBA. This clause must provide that any action or failure to act by the debtor or owner of the insured property will not invalidate the interest of CDC and SBA. The policy or endorsements must provide for at least 10 days prior written notice to CDC of policy cancellation.

▼ Guarantors

1. Mill Valley Taco Shop, L

2. Mill Valley Ice Cream, L

▼ 3. Millie Q La Valley

Personal Financials

New Guarantor

▼ Collateral Register

2. CA - Commercial Real E

3. Cash Collateral

Additional Conditions

Insurance Requirements

1

2

Flood Insurance [Use if loan is secured by real or personal property] ☒ Yes ☐ No

Real Estate Hazard Insurance [Use if loan is secured by real property] ☒ Yes ☐ No

Personal Property Hazard Insurance [Use if loan is secured by personal property] ☒ Yes ☐ No

Full Marine Insurance ☐ Yes ☒ No

Section E: Additional Conditions

Insurance Requirements – Collateral (cont'd)

T&C Language	ETRAN Category and/or Field Location
Section E. 1. Insurance Requirements: Flood Insurance	<i>Flood Insurance is required for all collateral, thus language is added automatically on all loans</i>

a. Flood Insurance. Based on the Standard Flood Hazard Determination (FEMA Form 81 93):

(1) If any portion of a building that is collateral for the Loan is located in a special flood hazard area, CDC must require Borrower to obtain flood insurance for the building under the NFIP.

(2) If any equipment, fixtures, or inventory that is collateral for the Loan ("Personal Property Collateral") is in a building any portion of which is located in a special flood hazard area and that building is collateral for the Loan, CDC must require Borrower to also obtain flood insurance for the Personal Property Collateral under the NFIP

(3) If any equipment, fixtures, or inventory that is collateral for the Loan ("Personal Property Collateral") is in a building any portion of which is located in a special flood hazard area and that building is not collateral for the Loan, CDC must require Borrower to obtain available flood insurance for the Personal Property Collateral. CDC may request a waiver of this requirement from the Sacramento Loan Processing Center. The CDC must submit with its request a written justification that fully explains why flood insurance is not economically feasible or, if flood insurance is not available, the steps taken to determine that it is not available.

Insurance coverage must be in amounts equal to the lesser of the insurable value of the property or the maximum limit of coverage available. Insurance coverage must contain a MORTGAGEE CLAUSE/LENDER'S LOSS PAYABLE CLAUSE (or substantial equivalent) in favor of CDC. This clause must provide that any action or failure to act by the debtor or owner of the insured property will not invalidate the interest of CDC and SBA. (Borrower will be ineligible for any future SBA disaster assistance or business loan assistance if Borrower does not maintain any required flood insurance for the entire term of the Loan).

Section E: Additional Conditions Insurance Requirements - Entity

T&C Language	ETRAN Category and/or Field Location
Section E. 1. Insurance Requirements: <ul style="list-style-type: none"> • Liability • Product Liability • Dram Shop/Host Liquor Liability • Malpractice • Works Comp • Other Insurance 	Borrower > [Select Entity] > [Select Insurance] OR Guarantors > [Select Entity] > [Select Insurance]

- e. Liability Insurance in an amount and with an insurance company satisfactory to CDC.
- f. Product Liability Insurance in an amount and with an insurance company satisfactory to CDC.
- g. Dram Shop/Host Liquor Liability Insurance in an amount and with an insurance company satisfactory to CDC.
- h. Malpractice Insurance in an amount and with an insurance company satisfactory to CDC.
- h. Workers' Compensation Insurance in an amount meeting state law requirements and with an insurance company satisfactory to CDC.
- i. Disability Insurance covering Cooper Shaw in an amount and with an insurance company satisfactory to CDC.
- j. Other insurance: Taco Insurance.



Liability Insurance	<input checked="" type="radio"/> Yes <input type="radio"/> No
Product Liability Insurance	<input checked="" type="radio"/> Yes <input type="radio"/> No
Dram Shop/Host Liquor Liability Insurance	<input checked="" type="radio"/> Yes <input type="radio"/> No
Malpractice Insurance	<input checked="" type="radio"/> Yes <input type="radio"/> No
Workers Comp Insurance	<input checked="" type="radio"/> Yes <input type="radio"/> No
Other Insurance (Ex. State Specific, etc.)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Name(s) of insurance:	Taco Insurance

Section E: Additional Conditions

Insurance Requirements - Individual

T&C Language	ETRAN Category and/or Field Location
Section E. 1. • Life Insurance • Disability Insurance	Borrower > [Select Entity] > Principals > [Select Person] > [Select Insurance] <u>OR</u> Guarantors > [Select Person] > [Select Insurance]

- 1 d. Life Insurance, satisfactory to CDC:
 (1) on the life of Cooper Shaw in the amount of \$250,000.00.
 CDC must obtain a collateral assignment of each policy with CDC and SBA as assignees. CDC must also obtain acknowledgment of the assignment by the Home Office of the Insurer.
 CDC must assure that Borrower pays the premium on the policy.
- 2 e. Disability Insurance covering Cooper Shaw in an amount and with an insurance company satisfactory to CDC.

Lender Comments
 Project Info
 ▼ Borrowers
 1. Mill Valley Holdings:
 ▼ Principals
 1. Cooper Shaw
 New Principal
 New Borrower
 ▼ Guarantors
 1. Mill Valley Taco Shop, L
 2. Mill Valley Ice Cream, L

Life Insurance

1

☒ Yes ☐ No

Life Insurance Amount

\$250,000.00

Insured Name (if not person listed above)

Cooper Shaw

Disability Insurance

2

☒ Yes ☐ No

List insured Individual(s)(if not person listed above,seperated by a comma if more than one)

Cooper Shaw

Section E: Additional Conditions Environmental

T&C Boilerplate
verbiage

T&C Language	ETRAN Category and/or Field Location
Section E. Environmental	Collateral Register > [Select Collateral] > Environmental Requirements <ul style="list-style-type: none"> If Yes; verbiage populates onto Auth If No; paragraphs b. and c. do not appear

2. Environmental Requirements

- a. CDC must not close the Loan until it has:
- (1) completed the review for potential environmental contamination required in SOP 50-10(5) ("Environmental Investigation") on each business real property site that is taken as collateral. and:
 - (2) sufficiently minimized the risk from any adverse environmental findings discovered in the Environmental Investigation, or otherwise, as required by SOP 50-10(5), Subpart C, Chapter 3 (Environmental Policies and Procedures) and applicable appendices.

Insert the following paragraph (b) when CDC did not submit the results of the Environmental Investigation.

- b. Immediately after CDC review, the CDC must submit the results of the Environmental Investigation to SBA's Sacramento Loan Processing Center for SBA approval prior to 504 Loan Closing. If CDC or SBA determines from the Environmental Investigation that there is potential environmental contamination, CDC may not forward the Debenture until SBA is satisfied that the risk has been sufficiently minimized. Adverse environmental findings may lead to cancellation of this Authorization.
- c. CDC should consult with the local SBA office where the real property is located to ascertain any state or local environmental requirements.

Additional Conditions

Insurance Requirements

Flood Insurance [Use if loan is secured by real or personal property] ☐ Yes ☐ No

Real Estate Hazard Insurance [Use if loan is secured by real property] ☐ Yes ☐ No

Personal Property Hazard Insurance [Use if loan is secured by personal property] ☐ Yes ☐ No

Full Marine Insurance ☐ Yes ☐ No

Environmental Requirements

Environmental Investigation NOT yet approved by SBA and MUST be approved prior to disbursement. ☒ Yes ☐ No

Section E: Additional Conditions

T&C Language	ETRAN Category and/or Field Location
Section E. Purchase-Sale Agreement	Removed
Section E. Bulk Sales or Transfer	Project Info > Agreements and Certifications
Section E. Non-Compete	Borrower > [Select Entity] > [Select Principal] > Agreement and Certifications

- b. Prior to 504 Loan Closing, CDC must obtain from Borrower and Operating Company:
- (1) **Ownership**—Evidence that ownership and management have not changed without CDC's approval since the application was submitted.

Paragraphs (2) to (8) are optional

Note: Paragraph (4), (5), (6), (7) and (8) may be repeated if necessary

- (2) **Purchase-Sale Agreement**—Executed Purchase-Sale Agreement [**OPTION**—(to include satisfactory non-compete agreement)].
- (3) **Bulk Sales or Transfer**—Evidence that seller has complied with Bulk Sales or Transfer provisions of state law, if applicable, or has arranged to protect Borrower's purchased assets from claims of seller's creditors.
- (4) **Non-Compete**—Evidence that [Principal's Name] does not have a Non-Compete Contract with [Competitor's Name].

Lender Comments

Project Info

Borrowers

1. * Death Star Enterpr

Principals

1. Anakin Skywalker

Agreements and Certifications

Lender Consent Required for Additional Location Acquisition: ☐ Yes ☐ No

Lender Consent Required for fixed assets Acquisition: ☐ Yes ☐ No

Lender Consent Required for Compensation Increase: ☐ Yes ☐ No

Evidence of compliance with Bulk Sales or Transfer provisions of state law ☒ Yes ☐ No

Project Info

Borrowers

1. * Death Star Enterpr

Principals

1. Anakin Skywalker

2. Padme Skywalker

Evidence that Principal does not have a Non-Compete Contract with Competitor ☒ Yes ☐ No

Competitor's Name

Life Star Enterprises, Inc.

Reset Clear Save Save / Next

Section E. Additional Conditions Other Funding Sources

T&C
Boilerplate
verbiage

T&C Language	ETRAN Category and/or Field Location
Section E.2.b. Optional Funding Language	
1 Subordinate Funding	1-3: Application Info > Injection Table (see Page 32 for additional details.)
2 Other Funding (loan)	
3 Other Funding (grant or gift)	
4 Other Funding (Line of Credit)	

b. Prior to 504 Loan Closing, CDC must obtain from Borrower and Operating Company:

- (1) **Ownership**—Evidence that ownership and management have not changed without CDC's approval since the application was submitted.

Paragraphs (2) to (8) are optional

Note: Paragraph (4), (5), (6), (7) and (8) may be repeated if necessary

- (2) **Purchase-Sale Agreement**—Executed Purchase-Sale Agreement [OPTION—(to include satisfactory non-compete agreement)].
- (3) **Bulk Sales or Transfer**—Evidence that seller has complied with Bulk Sales or Transfer provisions of state law, if applicable, or has arranged to protect Borrower's purchased assets from claims of seller's creditors.
- (4) **Non-Compete**—Evidence that [Principal's Name] does not have a Non-Compete Contract with [Competitor's Name].
- 1 (5) **Subordinate Funding**—Evidence that Borrower has received the proceeds of a loan from [Name] in the amount of \$ [Amount], for a term of not less than [Term] years. This loan must be subordinate to the Loan.
- 2 (6) **Other Funding (loan)**—Evidence that Borrower has received the proceeds of a loan from [Name] in the amount of \$ [Amount], for a term of not less than [Term] years.
- 3 (7) **Other Funding (grant or gift)**—Evidence that Borrower has received the proceeds of a grant or a gift from [Name] in the amount of \$ [Amount].
- 4 (8) **Other Funding (line of credit)**—Evidence that Borrower has received access to a line of credit from [Name] in the amount of \$ [Amount].

Section E: Additional Conditions Optional Lease Language

T&C Boilerplate verbiage

Lease (OPTIONAL)

Use this provision if any Project machinery and equipment is being placed in leased premises.

Paragraph d. is the general rule; use **paragraph e.** only if CDC has approval to allow a lease of less than the term of the loan; use **paragraph f.** to protect leasehold improvements; use **paragraph g.** if you are trying to keep the Borrower in the present location regardless of where the collateral is located.

SOP 50-10(5), pg. 299, Subpart "C", Chapter 5, Paragraph 1.g.

- 1 d. Lease—Current lease(s) on all business premises where collateral is located with term, including options, at least as long as the term of the Loan.
- 3 e. Lease—Current lease(s) on all business premises where collateral is located, with an adequate term, including options, appropriate to the maturity of the Loan, considering location, type of business, and type of leasehold interest.
- 4 f. Lease—Current lease(s) on all business premises where collateral is located with term, including options, at least as long as the term of the Loan plus [number of years] years.
- 2 g. Lease—Current lease(s) on all business premises with a term, including options to renew exercisable by the Borrower, at least as long as the term of the Loan.

T&C Language	ETRAN Category and/or Field Location
<p>Section E. Optional Lease Language</p> <ol style="list-style-type: none"> 1 General Rule—Lease it at least as long as the term of the loan Keep the Borrower in present location regardless of where Collateral is located 2 3 Lender and SBA have agreed to allow a lease of less than the term of the loan 4 Protect lease hold improvements. Lease is at long as the term of the loan plus__. 	<p>The optional lease language shown below is for machinery and equipment.</p>

* Collateral Type **Machinery and Equipment**

Collateral exists on leased premises: **Not Selected Yet**

* Collateral Sub Type

Collateral Description: Test Equipment

Whether now owned or later acquired

- 1 General Rule--Lease it at least as long as the term of the loan
- 2 Keep the Borrower in present location regardless of where Collateral is located
- 3 Lender and SBA have agreed to allow a lease of less than the term of the loan
- 4 Protect lease hold improvements. Lease is at least as long as the term of the loan plus

Section E. Additional Conditions Franchise

T&C Language	ETRAN Category and/or Field Location
E. Franchise	Field located within Project Info > <i>Franchise</i> If Yes is selected other fields will appear for you to answer. The Terms and Conditions will populate with the line shown on this screen

d. **Franchise Requirement**-Prior to closing CDC must obtain the executed Franchise Agreement, the SBA Addendum to Franchise Agreement (SBA Form 2462), or the SBA Negotiated Addendum, and all other documents the franchisor requires the franchisee to sign.

Use of Proceeds

Lender Comments

Project Info

Borrowers

1. Mill Valley Holding

Principals

1. Cooper Shaw

Personal Finance

2. (name not en

Personal Finance

New Principal

New Borrower

Guarantors

1. Mill Valley Togo Shop

* Franchise? * ☒ Yes * ☐ No

* Franchise Number (lookup) Franchise Trade Name:

* SBA Access ☒ Yes ☐ No to Franchisor's Books:

* Defer ☐ Yes ☐ No payment of fees upon default:

* 30 Day ☐ Yes ☐ No Termination notice required:

* Lender ☐ Yes ☐ No opportunity to cure defaults:

Section E. Additional Conditions

Additional Injection

...New Lender

Application Info

Use of Proceeds

Lender Comments

Project Info

* CDC can make loans outside their area of operation? ☐ Yes ☒ No

* Application Structured with Eligible Passive Company? ☒ Yes ☐ No


* Is the Loan Collateralized? ☒ Yes ☐ No

Life Insurance Required? ☒ Yes ☐ No

* Reconsideration? ☐ Yes ☒ No

* Injection Required? ☒ Yes ☐ No

The Injection Table is triggered by the **Injection Required** indicator.



Borrower Injection: Per the Terms and Conditions & ETRAN, this refers to an *additional* injection into the business *beyond* any required project equity (i.e., Borrower's Contribution). Although the industry commonly uses it interchangeably with the project equity requirement, it refers *exclusively* to the optional sections while entering data to the ETRAN Terms and Conditions.

	Type of Injection	Amount	Term (Years)	Comment/Description/Lender Info
1	Non-cash Assets			
2	Cash-Borrower			
3	Cash-Debt [+] Add Agreement			
4	Subordinate Funding [+] Add Agreement			
5	Cash-Gift [+] Add Agreement			
6	Pari Passu Financing [+] Add Agreement			
7	Standby Debt			
8	Other			

Section E. Additional Conditions

Additional Injection (cont'd)

T&C Language	ETRAN Category and/or Field Location
Section E. Optional Injection Language	Application Info > Injection Table (see Page 32 for additional details.)
1 Cash Injection	
2 Standby Debt Injection	
3 Equity Injection / Standby Debt Injection	
4 Asset Injection	

T&C Boilerplate verbiage

Borrower Injection: Per the Terms and Conditions & ETRAN, this refers to an *additional* injection into the business *beyond* any required project equity (i.e., Borrower's Contribution). Although the industry commonly uses it interchangeably with the project equity requirement, it refers *exclusively* to the optional sections below while entering data to the ETRAN Terms and Conditions :

5. Injection into the Business (in addition to Borrower's Contribution)

CDC must obtain evidence that prior to 504 Loan Closing:

Select one or more of the following paragraphs (a to d)

- a. **Cash Injection**—At least \$ [Amount] cash has been injected into the business as equity capital. This cash is for [Description].
- 1 b. **Standby Debt Injection**—At least \$ [Amount] cash has been injected into the business. This cash is for [Description]. Borrower may obtain this cash from a loan that is Standby Debt until Borrower pays CDC in full.
- 2 c. **Equity Injection / Standby Debt Injection**—At least \$ [Amount] cash has been injected into the business. The cash is for [Description]. Borrower may obtain cash from personal resources or from a loan that is Standby Debt until Borrower pays CDC in full. Any such debt must be covered by a standby agreement substantially equivalent to SBA Form 155, with no payment permitted.
- 3 d. **Asset Injection**—Assets described as [Description] with a fair market value of not less than \$ [Amount] have been injected into the business as equity capital.
- 4

Section E. Additional Conditions

Mapping of Additional Funding and Additional Injection

	Type of Injection	Terms and Conditions Additional Funding Sources	Terms and Conditions Additional Injection
1	Non-cash Assets		5d) Asset Injection Inserts “Asset Injection” language into the Terms and Conditions (Section <i>E. 5.d of Boilerplate</i>)
2	Cash-Borrower		5a) Cash Injection Inserts “Cash Injection” language into the Terms and Conditions (Section <i>E.5.a. of Boilerplate</i>).
3	Cash-Debt	5c) Other Funding (Loan or line of credit) Inserts “Other Funding (loan) or “Other Funding (line of credit)” language into the Terms and Conditions (Section <i>E.2.b(6) or (8) of Boilerplate</i>).	
4	Subordinate Funding	5) Subordinate Funding Inserts “Subordinate Funding” language into the Terms and Conditions (Section <i>E.2.b.(5) of Boilerplate</i>).	
5	Cash-Gift	7) Other Funding (grant or gift) Inserts “Other Funding (grant or gift)” language into the Terms and Conditions (Section <i>E.2.b.(7) of Boilerplate</i>).	
6	Pari Passu Financing	6) Pari Passu Financing (Loan) Inserts Pari Passu Financing language	
7	Standby Debt		5b) Standby Debt Inserts “Standby Debt Injection” and “Standby Agreement” language into the Terms and Conditions (Section <i>E.5.b. of Boilerplate</i>).
8	Other		

Section E. Additional Conditions Standby Debt

6	Pari Passu Financing		
7	Standby Debt		
8	Other		

T&C Boilerplate
verbiage

6. Standby Agreement

The following section must be repeated for each standby creditor

- a. At or prior to 504 Loan Closing, CDC to obtain Standby Creditor's Agreement from [Name], for \$[Amount], plus all accrued and future interest (Standby Debt).
[SELECT one of the following repayment options -
- No payment of principal or interest is to be made on Standby Debt during the term of the Loan.
 - OR Monthly payments of interest on Standby Debt, at [Rate]% per year, may be made if Borrower is not in default under the Note.
 - OR Monthly payments of \$[Amount], consisting of principal and interest on Standby Debt, at [Rate]% per year, may be made if Borrower is not in default under the Note.
 - OR Monthly payments of \$[Amount], consisting of principal and interest on Standby Debt, at [Rate]% per year, beginning [Begin Date] may be made if Borrower is not in default under the Note.
 - OR (Write Your Own)]
- Standby Creditor must subordinate any lien rights in collateral securing the Loan to CDC's rights in the collateral, and take no action against Borrower or any collateral securing the Standby Debt without CDC's consent. CDC must attach a copy of the Standby Note evidencing the Standby Debt to the Standby Creditor's Agreement. CDC may use its own form or SBA Form 155.

Standby Debt

Entering information for Standby Debt will **trigger additional fields** to appear on the interface which will populate Section E's Standby Agreement section. Multiple agreements can be added or removed.



Standby Agreement

[Add New Agreement](#)

* Creditor's name * Amount Owed

* Repayment option

* Yearly rate

[Remove this Agreement](#)

Section E: Additional Conditions Appraisal

T&C Language	ETRAN Category and/or Field Location
Section E. Appraisal	Collateral Register > [Select Collateral] > Current Market Value + Market Value Sources

7. **Appraisal**
Prior to 504 Loan Closing, and in accordance with SOP 50-10(5), CDC must obtain and submit to SBA:
- a. Real Estate Appraisal on the real property located at 0228 MAGEE AVE MILL VALLEY, CA 94941 1000, showing a fair market value of at least \$500,000.00.

The screenshot shows the ETRAN system interface. On the left is a sidebar with a tree view containing the following items: 3. Millie Q La Valley, Personal Financials, New Guarantor, Collateral Register, 2. CA - Commercial Real Estate (highlighted with a red box), 3. Cash Collateral, 4. Test Equipment 2, and 5. (description not entered). The main area displays the 'Appraisal' form with the following fields: 'Current Market Value' with a value of '\$500,000.00' (highlighted with a red box), 'Ordered Date' with an empty date field, 'Market Value Source' with a dropdown menu set to 'Appraisal' (highlighted with a red box), and 'Collateral Type' with a dropdown menu set to 'Real Estate Commercial' (highlighted with a red box). A red arrow originates from the 'Current Market Value' field and points upwards towards the '7. Appraisal' section in the text above.

Section E: Additional Conditions Construction Provisions

T&C Language	ETRAN Category and/or Field Location
Section E. - Construction Provisions	<p><i>The Construction Provision paragraphs are triggered automatically when the following construction-related Sub Proceeds categories are selected:</i></p> <ul style="list-style-type: none"> <i>on real estate, new improvements or additions</i> <i>on real estate, new improvements or additions, and renovations</i> <i>on leased real estate, new improvements or additions</i> <i>on leased real estate, new improvements or additions, and renovations</i>
CDC Interim Financing	Language automatically added when CDC is the Interim Lender

CONSTRUCTION PROVISIONS (MANDATORY if project includes construction)

13 CFR 120.174; 13 CFR 120.890 and 120.891; 13 CFR 120.961/SOP 50-10(5), pg. 299-301, Subpart "C", Chapter 5, Paragraph 1.h.—Construction Loan Requirements.

For 504 Wizard users: This section is automatically inserted by (A.2) includes construction or remodeling.

T&C Boilerplate verbiage

8. Construction Provisions

- Building Standards**—In the construction of a new building or an addition to an existing building, the construction must conform with the "National Earthquake Hazards Reduction Program Recommended Provisions for the Development of Seismic Regulations for New Buildings" (NEHRP), or a building code that SBA has identified as having substantially equivalent provisions. At or prior to 504 Loan Closing, CDC must obtain from Borrower evidence of compliance with these requirements. Examples of evidence include a certificate issued by a licensed building architect, construction engineer or similar professional, or a letter from a state or local government agency stating that an occupancy permit is required and that the local building codes upon which the permit is based include the Seismic standards.
- Required Documentation**—At or prior to 504 Loan Closing if any proceeds will be used to repay interim construction financing, CDC must obtain a copy of the Occupancy Certificate, final inspection report, or other evidence that the contractor has substantially completed construction and the property complies with all zoning and necessary governmental permit and licensing requirements. CDC must certify that construction has been completed in accordance with the final plans and specifications. CDC may rely upon a certification by the Interim Lender, except that if an "as completed" appraisal was obtained prior to construction, CDC must also get a certification from the appraiser after construction is completed to determine if the appraisal needs to be adjusted to reflect substantial changes in the final project from the original plans and specifications.

The following paragraph must always appear if a CDC provides the interim financing for construction

- CDC Interim Financing**—If the interim financing for construction comes from a CDC, then:
 - Mortgages must be recorded prior to beginning construction;
 - Inspections must be made by a qualified engineer, appraiser, or other party satisfactory to SBA prior to all progress disbursements;
 - The small business must furnish a firm construction contract to the CDC from an acceptable contractor at a specified price, including a provision that no material changes are to be made without the prior written consent of the CDC;
 - The contractor must furnish builder's risk and workers' compensation insurance;
 - One complete set of plans and specifications of the proposed construction must be submitted to the CDC;
 - Where the CDC or the small business is to inject funds into the construction project, these funds must be used prior to the disbursement of the interim financing;
 - The CDC must make and document periodic inspections of construction; and
 - When loan funds will be used to improve buildings on leased land, assignment of the lease must be obtained.

Section E: Additional Conditions

Yearly Financials Requirement

T&C Language	ETRAN Category and/or Field Location
Section E. - Yearly Financials requirement	Borrowers > <i>[Select Entity] ></i> <i>{bottom of page} ></i> <i>Furnish [select] to CDC</i> <i>within [select]</i>

- b. At or prior to 504 Loan Closing, CDC must require Borrower to certify that it will:
- (1) **Reimbursable Expenses**—Reimburse CDC for expenses incurred in the making and administration of the Loan.
 - (2) **Books, Records, and Reports**—
 - (a) Keep proper books of account in a manner satisfactory to CDC;
 - (b) Furnish Year-End statements to CDC within 120 days of fiscal year end;
 - (c) Furnish additional financial statements or reports whenever CDC requests them;
 - (d) Allow CDC or SBA, at Borrower's expense, to:
 - 1. Inspect and audit books, records and papers relating to Borrower's financial or business condition; and
 - 2. Inspect and appraise any of Borrower's assets; and
 - 3. Allow all government authorities to furnish reports of examinations, or any records pertaining to Borrower, upon request by CDC or SBA.

▼ Borrowers

▼ 1. Mill Valley Holdings

▼ Principals

Business--Total payments less than total amount of credit card purchases ☐ Yes ☐ No

Furnish

Year-End Statements

▼

to Lender within

120

days of fiscal year end.

Section E: Additional Conditions Occupancy

T&C Language	ETRA Category and/or Field Location
E. Occupancy	<p>Language automatically added based on:</p> <ol style="list-style-type: none"> 1. EPC/OC Structure 2. Project Costs > E04 Building (Construction, Remodeling, L/H Improvement, etc) > Proceed Sub: <ol style="list-style-type: none"> a. on real estate, new improvements or addition ; or b. on real estate, new improvements or additions and renovations

E04 - Building (Construction, Remodeling, L/H Improvement, etc.)	Proceed Amount	\$120,302.00
	Comment	

[+] Add

Add Description

Proceed Sub:

- on real estate, new improvements or additions
- on real estate, new improvements or additions
- on real estate, renovations
- on real estate, new improvements or additions, and renovations
- on leased real estate, new improvements or additions
- on leased real estate, renovations
- on leased real estate, new improvements or additions

Description:

Address:

Proceed Amount:

Proceed sub preview

new Improvements or additions described as [Description] and on real estate located at

0228 MAGEE AVE, MILL VALLEY, CA 94941-1000

Add Description Cancel

- (6) **Occupancy**—Occupy, at all times during the term of the Loan, at least 51% of the total Rentable Property and 100% of the renovated Rentable Property. Borrower will not use Loan proceeds to improve or renovate any of the property leased to third parties.
- (7) **Occupancy**—Comply with the following provisions: (a) Borrower must lease 100% of the Rentable Property to Operating Company; (b) Operating Company may sublease up to 49% of the Rentable Property; (c) Borrower will not use Loan proceeds to improve or renovate any of the Rentable Property to be sub-leased.
- (8) **Occupancy**—(a) Immediately occupy at least 60% of the Rentable Property; (b) Continue to occupy at least 60% of the Rentable Property for the term of the Loan; (c) Lease long term no more than 20% of the Rentable Property to one or more tenants; (d) Plan to occupy within three years some of the remaining Rentable Property not immediately occupied or leased long term; (e) Plan to occupy within ten years all of the Rentable Property not leased long term.
- (9) **Occupancy**—Comply with the following provisions: (a) Borrower must lease 100% of the Rentable Property to Operating Company; (b) Operating Company must immediately occupy at least 60% of the Rentable Property; (c) Operating Company will lease long term no more than 20% of the Rentable Property to one or more tenants; (d) Operating Company must plan to occupy within three years some of the remaining Rentable Property not immediately occupied or leased long term; (e) Operating Company must plan to occupy within ten years all of the Rentable Property not leased long term.

Section E. Additional Conditions Limitation Conditions

T&C Language	ETRAN Category and/or Field Location
• Fixed Asset Limitation	Project Info > Agreements and Certifications
• Location Limitation	
• Limitation on Compensation	

- 1 (5) **Fixed Asset Limitation**—Acquire by purchase or lease agreement any fixed assets (totaling more than \$ [Amount] in any year).
- 2 (6) **Location Limitation**—Acquire by purchase or by lease, any additional locations.
- 3 (7) **Limitation on Compensation**—Allow total annual salaries, withdrawals or other forms of remuneration to officers or owners of Borrower and their immediate family members, to exceed \$ [Amount]

T&C
Boilerplate
verbiage

Use of Proceeds
Lender Comments
Project Info
Borrowers
1. Mill Valley Holding
Principals
1. Cooper Shaw
New Principal
New Borrower
Guarantors
1. Mill Valley Taco Shop, I
2. Mill Valley Ice Cream, I

Agreements and Certifications

2 Lender Consent Required for Additional Location Acquisition: ☒ Yes ☐ No

1 Lender Consent Required for fixed assets Acquisition: ☒ Yes ☐ No
* Yearly acquisition amount limited to:

3 Lender Consent Required for Compensation Increase: ☒ Yes ☐ No
* Amount compensation limited to:

Evidence of compliance with Bulk Sales or Transfer provisions of state law ☒ Yes ☐ No

Reset Clear Save **Save / Next**

Last modified: 12/15/2021 12:00:00 AM SBA Processing: 0.178 seconds Version: 5.2

Section F: Debenture Sale Conditions

T&C Language	ETRA Category and/or Field Location
F. Debenture Sale Conditions	Standard SBA boilerplate verbiage F.1.a. and F.1.c. will adjust to show and Operating Company if the structure is EPC/OC.

F. DEBENTURE SALE CONDITIONS

1. SBA will not authorize the sale of the Debenture until SBA is satisfied that:
 - a. there has been no unremedied adverse change in the financial condition, organization, management, operations, or assets of Borrower **and Operating Company**;
 - b. all the terms and conditions of this Authorization have been met, and;
 - c. Borrower **and Operating Company** and the CDC have complied with their responsibilities as listed below.

F. DEBENTURE SALE CONDITIONS

1. SBA will not authorize the sale of the Debenture until SBA is satisfied that:
 - a. there has been no unremedied adverse change in the financial condition, organization, management, operations, or assets of Borrower;
 - b. all the terms and conditions of this Authorization have been met, and;
 - c. Borrower and the CDC have complied with their responsibilities as listed below.
2. IT IS BORROWER'S RESPONSIBILITY TO:
 - a. Comply with other conditions, outside the Authorization, that are reasonably imposed by CDC.
 - b. Cooperate fully with CDC and SBA in closing the Loan and obtaining necessary certifications and documents.
 - c. Comply with the closing instructions provided by CDC and SBA.
 - d. Execute all documents required by CDC and SBA. All documents required to be produced by the Borrower must be satisfactory to SBA in form and substance.
 - e. Submit all required documents to CDC counsel sufficiently in advance of 504 Loan Closing (as directed by CDC counsel).
 - f. Certify that all elements of Project Costs have been paid in full and how they were paid.
 - g. Certify that any bankruptcy or insolvency proceeding involving, or pending lawsuit against, Borrower, Operating Company or any of their principals has been disclosed in writing to CDC.
3. IT IS CDC'S RESPONSIBILITY TO:
 - a. Close the Loan in accordance with the terms and conditions of this Authorization.
 - b. Obtain valid and enforceable Loan documents and all required lien positions. This includes obtaining the signatures or written consent of any obligor's spouse if such consent or signature is necessary to bind the marital community or create a valid lien on marital property.
 - c. Obtain all necessary certifications.
 - d. Obtain a legal opinion from CDC counsel or Borrower's counsel if

Section G. Signature Lines

T&C Language	ETRAN Category and/or Field Location
G. Signature Line	Borrowers Guarantors menu (if applicable)

The ETRAN Terms and Conditions auto-generates a signature block for:

- SBA
- CDC
- Borrower
- Operating Company, if applicable

G. SIGNATURE LINE

ADMINISTRATOR
SMALL BUSINESS ADMINISTRATION

By: Authorized SBA Representative

_____ Date

In consideration for the provision by SBA of financial assistance to CDC for the benefit of Borrower, and intending to be bound, Borrower Operating Company and CDC accept and agree to comply fully with the terms and conditions of this Authorization for Debenture Guarantee. Each person signing below represents and warrants that he or she is fully authorized to execute this Authorization in the capacity indicated.

This Authorization should be executed by all parties within 10 days of Loan approval.

The terms and conditions of this Authorization survive 504 Loan Closing and Debenture sale.

Evergreen Business Capital

(Corporate Seal if Required)

By (name, title):

_____ Date

Attest or Witness, as required (name, title):

_____ Date

Mill Valley Holdings, Inc.

(Corporate Seal if Required)

By (name, title):

_____ Date

Attest or Witness, as required (name, title):

_____ Date

Contact Info



504LoanAuth@sba.gov

This inbox is to obtain technology help or report issues generating the ETRAN Terms and Conditions document. Any policy or procedural questions related to the elimination of the Loan Authorization should be directed to SBA HQ.