

MINNESOTA BUSINESS FINANCE CORPORATION

REFUNDABLE DEPOSIT AGREEMENT

THIS AGREEMENT between Minnesota Business Finance Corporation, "MBFC", and the undersigned, Small Business Concern, "SBC".

RECITALS:

- A. MBFC is a certified development company which provides financing under the U.S. Small Business Administration 504 Program.
- B. SBC has made application with MBFC to participate in said 504 Program.
- C. As a condition to process SBC's application, MBFC requires SBC to make a deposit.

NOW, THEREFORE, the parties agree as follows:

- 1. SBC agrees to make a deposit in the amount of \$2,500.00 or 1% of the net debenture proceeds, whichever is less, which MBFC hereby acknowledges receipt.
- 2. SBC's deposit shall be held by MBFC pending the closing of SBC's loan under the SBA 504 Program and the payment of the debenture issued after such closing. At such time, the deposit amount shall be returned to SBC or as provided by SBC upon later instructions.
- 3. SBC's deposit shall be forfeited and retained by MBFC, if SBC withdraws any time after SBA issues the debenture authorization.
- 4. SBC's deposit shall be refunded to SBC in full, within 10 days after all approval rights have been exhausted or waived, if MBFC declines the application.
- 5. MBFC may deduct from the deposit, MBFC's reasonable and necessary costs incurred in packaging and processing the loan application, if SBC withdraws its loan application at any time before SBA issues its debenture authorization. MBFC shall document such costs. Any remaining deposit balance shall be remitted to SBC within 10 days of such withdrawal.
- 6. SBC's deposit shall be forfeited and retained by MBFC, if SBC or the permanent lender, their agents, or attorneys do not furnish all documents, information and items that are required as a part of the loan closing process within six months after the loan package has been submitted to the SBA.
- 7. This agreement is intended to comply with 13 CFR §120.935.

Dated: _____, 200__.

Small Business Concern

(Signature)

Minnesota Business Finance Corporation

By _____
(print name)

(signature)

Its Loan Officer