



**MERCANTILE CAPITAL CORPORATION'S
SMARTCHOICE LOAN PROGRAM**

**MERCANTILE CAPITAL CORPORATION
940 Centre Circle, Suite 3006
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SMARTCHOICE LOAN APPLICATION



MERCANTILE CAPITAL CORPORATION

Memorandum

To: Prospective Borrower
From: Christopher G. Hurn
Re: Your SmartChoice Loan with Mercantile Capital Corporation (MCC)

Thank you for your interest in our SmartChoice Loan Program. We believe this loan program is the best financing vehicle available to small and mid-sized companies wanting to own their commercial real estate. Our goal is to make this loan application process a quick and efficient one. We believe the information on this application can be assembled and prepared completely in under two hours. **KEEP IN MIND, A FULLY COMPLETED LOAN PACKAGE ALWAYS HAS THE HIGHEST PRIORITY OF OUR CREDIT DEPARTMENT AND WILL BE UNDERWRITTEN EXPEDITIOUSLY.** Please feel free to contact an MCC Loan Officer regarding any questions you might have as you prepare your application.

Please note that the application requires detailed information on the Borrower's operating company and its principals. The loan checklist, located at the front of this package, lists additional documents that are required for loan approval. If some of the information and documentation is not readily available to you, please contact us immediately as we often can be of assistance in this regard.

Thank you again for your interest in our SmartChoice loan program, and we look forward to working with you.

Respectfully Yours,

CEO and Cofounder
Mercantile Capital Corporation

940 Centre Circle, Suite 3006
(407) 786-5040 (phone) (407) 682-1632 (fax)
email: info@mercantilecc.com
www.TheSmartChoiceLoan.com

LOAN CHECKLIST

The following information must be submitted at the time of application.

1. General information form.
2. Principal Information form.
3. Please submit a sales contract with all exhibits, copy of warranty deed and detailed list of personal property.
4. If project includes construction or renovations, please submit: copies of builder's contract or American Institute of Architects (AIA) form; projected construction cost breakdown; statement of builder's qualifications (current and past project list, references, resumes, financials, etc.); and preliminary plans and specifications.
5. Pictures of the property (Interior/Exterior).
6. **Business plan with projections for two years and projected monthly cash flow for the upcoming fiscal year of operations (for all companies in business fewer than two years and for existing businesses when historical data does not show the ability to repay).**
7. **Operating company tax returns, and accountant or company-prepared balance sheet and profit and loss statement for the previous three years. (If a change of ownership occurred, please provide seller's financial statements for past three years).**
8. **Current interim financial statement of business (balance sheet and income statement dated less than 60 days old).**
9. Aging summary of accounts receivable and accounts payable – must be dated the same date as interim financial statements.
10. **Business Schedule of Liabilities – must be dated the same date as interim financial statements.**
11. Affiliate company (if applicable) Fiscal Year End (FYE) financial statements– balance sheet and profit and loss statements and/or complete copies of tax returns for past two years and current interim financial statement of business (balance sheet and income statement dated less than 60 days old).
12. **Complete personal tax returns for previous three years on all proprietors, partners and stockholders owning 20 percent or more of voting stock, and all guarantors.**
13. **Personal financial statements on all proprietors, partners and stockholders owning 20 percent or more of voting stock, and all guarantors must be provided.**
14. Source of capital injection and/or other equity (copy of recent bank or brokerage statement, for example).
15. Environmental questionnaire to be completed by the seller of the property.
16. **Authorization to release credit.**
17. Copy of current lease (if applicable).

(Bold items are needed for a pre-approval)

GENERAL INFORMATION FORM

Operating Company Name:		
Trade Name:		
Address:		County:
City:	State:	Zip Code:
Office #:	Fax #:	Mobile #:
Operating Company Tax ID Number:		
E-Mail Address:		
Entity Type: <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Limited Liability Company or LLP		
Operating Company Start Date:		
Description of Business Activity:		
Company Web Address:		
Existing or New Business? <input type="checkbox"/> Existing <input type="checkbox"/> New		Is business engaged in exporting? <input type="checkbox"/> Yes <input type="checkbox"/> No
Is your company involved in any bankruptcy/insolvency proceedings? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Have any company officers been involved in bankruptcy/insolvency proceedings? <input type="checkbox"/> Yes <input type="checkbox"/> No		
The next six answers are not required. However, MCC may offer additional benefits for businesses owned 51 percent or more by women, minorities, veterans, or for businesses accomplishing specific public policy goals.		
Veteran-Owned? <input type="checkbox"/> Yes <input type="checkbox"/> No	Woman-Owned? <input type="checkbox"/> Yes <input type="checkbox"/> No	Minority-Owned? <input type="checkbox"/> Yes <input type="checkbox"/> No
Is project located in a community revitalization or redevelopment area? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure	Is the project located in an area affected by federal budget cutbacks? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure	Will the proceeds be used for plant re-tooling or modernization of manufacturing facilities? <input type="checkbox"/> Yes <input type="checkbox"/> No

COMPANY PRINCIPALS

A principal information sheet should be completed for each individual listed below with 20 percent or greater ownership. Information sheets can be found in the attached forms packet.

Stockholders/Owners:	Title:	Ownership % (must total 100%):

INFORMATION ON CURRENT WORK SPACE

Monthly Rent/Mortgage:
Square Footage:
Distance from new location:

INFORMATION ON PROPERTY TO BE ACQUIRED

Seller's Name:		
Property Address:		
City:	State:	Zip:
County:	Percentage of building to be occupied by the business _____ %	
Total Square footage of Building:		Size of Lot:
Type of building construction:		Year built or last up fit:
Is this building free standing?		Property Zoning

ELIGIBLE PASSIVE COMPANY (EPC) INFORMATION

(An eligible passive company is defined as a company created to hold ownership of property or real estate associated with the project.)

Are you planning on forming a Real Estate Holding Company?	<input type="checkbox"/> Yes <input type="checkbox"/> No (If no, go to next section) <input type="checkbox"/> Unsure (please fill in blanks with "To Be Determined" or "TBD")	
EPC Name:	EPC Start Date:	
EPC Ownership Percentage:		
Name:	Title:	Ownership%:

JOB CREATION (please estimate if unsure)

Number of current employees:	Jobs to be created in the next two years:
Number of jobs to be retained due to the project:	

**TOTAL LOAN AMOUNT REQUESTED (not including soft and/or closing costs)
(please estimate if unsure)**

Real Estate (Purchase Price):	\$
Construction/Renovations:	\$
Equipment, fixtures, furniture:	\$
Total:	\$

DESCRIPTION OF PROJECT

(Please describe what the proceeds of the loan will be used for. Attach an additional sheet if necessary)

NARRATIVE HISTORY OF BUSINESS

(Please describe the history of the business, competitive advantages, key customers and major competitors. Use additional sheets if necessary and/or available sales and marketing materials).

As part of this application, I/We understand that Mercantile Capital Corporation (MCC) and its authorized agents may make inquiries they deem necessary in evaluating the loan request for the Applicant and Guarantors listed below. The Applicant and Guarantors authorize MCC to undertake the following:

1. Verify at any time any information submitted to MCC by the Applicant, Guarantors, or their representatives or agents on their behalf.
2. Obtain further information concerning the credit standing of the Applicant and Guarantors.
3. Exchange such credit information with other interested parties as MCC deems necessary.

This authorization includes permission to obtain Business and Consumer Credit Reports on the Applicant and Guarantors at any time as deemed necessary by MCC.

APPLICANT NAME

GUARANTOR NAME

GUARANTOR NAME

BY: _____, as

BY: _____, as

BY: _____, as

Title: _____

Guarantor

Guarantor

PRINCIPAL INFORMATION FORMS

(Please list information on all company principals, owners and loan guarantors. Anyone who co-signs for the loan or owns more than 20 percent of stock in the operating company should be listed as a principal. Make additional copies of this blank form if necessary).

Principal 1

First Name:	Full Middle Name:	Last Name:
Aliases or maiden names (If known by more than one name, please give dates)		
1	From: (Mo/Yr)	To: (Mo/Yr)
2	From: (Mo/Yr)	To: (Mo/Yr)
Title:		
Ownership Percentage:	Date of Birth:	
Place of Birth:	Social Security Number:	
U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, provide resident alien number and a copy of front and back of resident alien card_____	Home Telephone Number:	
Home Address:	From: (Mo./Yr.)	To: (Mo./Yr.)
City:	State:	Zip Code:
Prior Home Address (if fewer than 10 years at above):	From: (Mo./Yr.)	To: (Mo./Yr.)
City:	State:	Zip Code:
Have you ever been an active member of the U.S. military? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, were you honorably discharged? <input type="checkbox"/> Yes <input type="checkbox"/> No	

DISCLOSURES

(It is important that the next three questions be answered completely. An arrest or conviction record will not necessarily disqualify you; however, an untruthful answer will cause your application to be denied. If you answer yes to any of the following three questions, furnish details on a separate sheet (please include dates, location, fines, sentences [whether misdemeanor or felony], dates of parole/probation, unpaid fines or penalties, name(s) under which charged, and any other pertinent information).

Are you presently under indictment, on parole or probation? <input type="checkbox"/> Yes <input type="checkbox"/> No (If yes, indicate date parole or probation is to expire)
Have you <u>ever</u> been charged with and or arrested for any criminal offense other than a minor motor vehicle violation? Include offenses that have been dismissed, discharged, or not prosecuted. (All arrests must be disclosed and explained on an attached sheet) <input type="checkbox"/> Yes <input type="checkbox"/> No
Have you ever been convicted, placed on pretrial diversion, or placed on any form of probation, including adjudication withheld pending probation, for any criminal offense other than a minor vehicle violation? <input type="checkbox"/> Yes <input type="checkbox"/> No

MANAGEMENT RESUME

Please fill in all spaces. If an item is not applicable, please indicate such. If you would like to submit a different version of your resume, please do so. You may include additional relevant information on a separate exhibit.

Personal information:

Name: _____ SS#: _____

Date of Birth: _____ Place of Birth: _____

Residence Telephone: _____ Business Telephone: _____

Residence Address: _____

From: _____ To: _____ Present Date.

Previous Address: _____

From: _____ To: _____

Spouse's Name: _____ SS#: _____

Are you employed by the U.S. Government? Yes No Agency/Position: _____

Are you a U.S. citizen? Yes No If no, give Alien Registration Number: _____

Education:

High School/College/Technical Name/Location	Dates Attended	Major	Degree/Certificate
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Military Service Background:

Branch of Service: _____ Dates of Service: _____

Work Experience: List chronologically, starting with present employment.

Company Name/Location: _____

From: _____ To: _____

Duties: _____

Company Name/Location: _____

From: _____ To: _____

Duties: _____

Company Name/Location: _____

From: _____ To: _____

Duties: _____

Signature: _____ **Date:** _____

AUTHORIZATION TO RELEASE INFORMATION

I/We hereby authorize the release to Mercantile Capital Corporation (MCC) and/or assigns and the U.S. Small Business Administration (SBA) (collectively, "MCC") any and all information MCC and/or assigns may require at any time for any purpose related to our credit application and/or loan transaction with MCC and/or assigns.

I/We hereby authorize MCC to release any and all information and/or data (including but not limited to personal and/or business financial statements, personal and/or business income tax returns, payment and/or credit history) to any entity MCC deems necessary for any purpose related to our credit application/loan transaction with MCC and/or assigns.

I/We hereby acknowledge that all loan approvals will be in writing and subject to the terms and conditions set forth in the Loan Authorization issued by the U.S. Small Business Administration.

Authorized Signature, Title

Date

Authorized Signature, Title

Date

Authorized Signature, Title

Date

Authorized Signature, Title

Date



AGING SUMMARY OF ACCOUNTS RECEIVABLE (A/R) AND ACCOUNTS PAYABLE (A/P)

(A/R and A/P must match interim balance sheet)

If you have your own version of an aging summary, please submit in lieu of this version.

<u>Aging:</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>
Under 30 Days	_____	_____
30 – 59 Days	_____	_____
60 – 89 Days	_____	_____
Over 90 Days	_____	_____

A/R Detail:

List any customer concentrations that are **greater than or equal to 10%** of total A/R:

<u>Name:</u>	<u>%</u>	<u>Any Issues (Collection, etc.)?</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

List any customers with A/R over 90 days and indicate whether account is collectable:

<u>Name:</u>	<u>Collectable (Y/N)</u>	<u>Extended Terms:</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

A/P Detail:

List any A/P over 90 days and indicate whether you have extended terms and list terms:

<u>Name:</u>	<u>Extended Terms (Y/N)</u>	<u>Terms:</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Applicant Signature: _____ Date: _____

BUSINESS SCHEDULE OF LIABILITIES

As of _____, 20_____.

Existing Debt Obligations. List separately all obligations of the company evidenced by note or capital lease, including drawn-upon lines of credit and vehicle loans or leases. This section requires more detail than that found on any CPA prepared financial statements. It is a critical part of the information we analyze.

Name of Creditor	Original Amount	Date	Present Balance	Rate of Interest	Monthly Pmt. (\$)	Other Pmt.	Maturity Date	Collateral
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		
_____	\$		\$	%	\$	\$		

The information contained on this schedule is a supplement to your balance sheet and should balance to the liabilities presented on that form. Please date and match this form to the liabilities listed on your interim balance sheet.

Signature: _____

Title: _____

Date: _____



PERSONAL FINANCIAL STATEMENT

AS OF _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name:	Business Phone:
Residence Address:	Residence Phone:
City, State, & Zip Code:	
Business Name or Applicant/Borrower:	

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on hand & in Banks.....	\$ _____	Account Payable.....	\$ _____
Savings Accounts.....	\$ _____	Notes Payable to Banks and Others.....	\$ _____
IRA or Other Retirement Account.....	\$ _____	(Describe in Section 2)	
Accounts & Notes Receivable.....	\$ _____	Installment Account (Auto).....	\$ _____
Life Insurance-Cash Surrender Value Only.....	\$ _____	Mo. Payments \$ _____	
(Complete Section 8)		Installment Account (Other).....	\$ _____
Stocks and Bonds.....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 3)		Loan on Life Insurance.....	\$ _____
Real Estate.....	\$ _____	Mortgages on Real Estate.....	\$ _____
(Describe in Section 4)		(Describe in Section 4)	
Automobile-Present Value.....	\$ _____	Unpaid Taxes.....	\$ _____
Other Personal Property.....	\$ _____	(Describe in Section 6)	
(Describe in Section 5)		Other Liabilities.....	\$ _____
Other Assets.....	\$ _____	(Describe in Section 7)	
(Describe in Section 5)	\$ _____	Total	\$ _____
Total	\$ _____	Net Worth (Assets minus Liabilities).....	\$ _____

Section 1. Source of Income	Contingent Liabilities
Salary.....	\$ _____
Net Investment Income.....	\$ _____
Real Estate Income.....	\$ _____
Other Income (Describe below)*.....	\$ _____
	As Endorser or Co-Maker.....
	\$ _____
	Legal Claims & Judgments.....
	\$ _____
	Provision for Federal Income Tax.....
	\$ _____
	Other Special Debt.....
	\$ _____

Description of Other Income in Section 1.

*Alimony or Child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted towards total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How secured or Endorsed Type of Collateral



Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed).

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency).

Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches).

Section 7. Other Liabilities. (Describe in detail).

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and beneficiaries).

I authorize MCC and/or assigns to make inquires as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan.

Signature: _____ **Date:** _____ **Social Security Number:** _____

Signature: _____ **Date:** _____ **Social Security Number:** _____





Environmental Questionnaire

CDC Name _____

Applicant Name _____

OC Name(s) (If applicant is an EPC) _____

SBA 504 Loan Number (If assigned) _____

SBA 504 Loan Name (If assigned) _____

PART I - COLLATERAL PROPERTY

Address: _____

Current Owner: _____

Current Operator of site (if different from current Owner): _____

1. Past and Present Uses of Collateral Property:

a. Past use(s):

(1) Did the past use(s) of the property involve an environmentally sensitive industry? *(If yes, what industry?)*

b. Present use:

(1) Does the present use of the property involve an environmentally sensitive industry? *(If yes, what industry?)*

2. Hazardous Substances at Collateral Property:

a. If the property is being used for the storage, generation, treatment, emission or disposal of hazardous substances, then list what hazardous substance(s) *(otherwise, mark N/A)*:

(1) If yes, are all permits current for the storage, generation, treatment, emission or disposal of hazardous substances at the property? *(If permits are not current, please explain)*

b. List any other hazardous substances identified, either in the past or present, as being at, on, in, into, under, above, from or about the property *(if none, mark N/A)*:

3. Evidence of Contamination at Collateral Property: Is there any evidence of contamination at the property? *(If yes, please explain)*

4. Potential Sources of Contamination at Collateral Property: Are there potential sources of contamination¹ at the property? *(If yes, please explain)*
5. Past Evidence of Contamination at Collateral Property: Does the borrower, seller or CDC know of any past evidence of contamination or sources of contamination at the property? *(If yes, please explain)*
6. Lawsuits or Administrative Proceedings for Release of Hazardous Substances at Collateral Property: Does the borrower, seller or CDC know of any past, threatened or pending lawsuits or administrative proceedings concerning a release or threatened release of hazardous substances at the property? *(If yes, please explain)*
7. Regulatory Actions by Governmental Entity Involving Collateral Property: Are there, or have there been, any regulatory actions by any governmental entity for environmental conditions at the property? *(If yes, please explain)*
8. Previous Environmental Risk Studies of Collateral Property: Are there any previously performed environmental risk studies pertaining to the property? *(If yes –please attach copies)*
9. Lead-Based Pint, Asbestos or PCBs at Collateral Property: Is lead-based paint, asbestos or polychlorinated biphenyls (PCBs) present at the property? *(If yes, please explain)*

¹ Sources of contamination may include, but are not limited to, the following: (1) damaged or discarded automotive or industrial batteries; (2) pesticides, paints or other chemicals stored in individual containers greater than 5 gallons in volume or 50 gallons in the aggregate; (3) chemicals in industrial drums or sacks; (4) pits, ponds or lagoons used for waste disposal or storage; (5) fill dirt from a contaminated or unknown source; (6) underground or aboveground storage tanks; (7) vent pipes, fill pipes or access ways indicating a fill pipe protruding from the ground; (8) flooring drains or walls within a facility that are stained by substances other than water and/or are emitting noxious odors; (9) clarifiers, pits or sumps; (10) dry wells.

Owner's remarks:

Owner's signature: _____

Date: _____

Operator of site's remarks:

Operator of site's signature: _____

Date: _____

Lender's remarks:

I affirm that I have made at least one site visit to the property.

Lender's signature: _____

Date: _____

PART II – ADJOINING PROPERTY(IES)

The following must be completed for each adjoining property the border of which is shared in part or in whole with the Collateral Property, or that would be shared in part or in whole with the Collateral Property but for a street, road, or other public thoroughfare separating the properties. If needed, make additional copies of pages 4-5 for each adjoining property.

Address: _____

Location in relation to Collateral Property: _____

Current Owner: _____

Current Operator of site (if different from current Owner): _____

1. Past and Present Uses of Adjoining Property:

a. Past use(s):

(1) Did the past use(s) of the property involve an environmentally sensitive industry? *(If yes, what industry?)*

b. Present use:

(1) Does the present use of the property involve an environmentally sensitive industry? *(If yes, what industry?)*

2. Hazardous Substances at Adjoining Property:

a. If the property is being used for the storage, generation, treatment, emission or disposal of hazardous substances, then list what hazardous substance(s) *(otherwise, mark N/A)*:

(2) If yes, are all permits current for the storage, generation, treatment, emission or disposal of hazardous substances at the property? *(If permits are not current, please explain)*

b. List any other hazardous substances identified, either in the past or present, as being at, on, in, into, under, above, from or about the property *(if none, mark N/A)*:

**3. Evidence of Contamination at Adjoining Property: Is there any evidence of contamination at the property?
*(If yes, please explain)***

4. Potential Sources of Contamination at Adjoining Property: Are there potential sources of contamination² at the property? *(If yes, please explain)*

5. Past Evidence of Contamination at Adjoining Property: Does the borrower, seller or CDC know of any past evidence of contamination or sources of contamination at the property? *(If yes, please explain)*

6. Lawsuits or Administrative Proceedings for Release of Hazardous Substances at Adjoining Property: Does the borrower, seller or CDC know of any past, threatened or pending lawsuits or administrative proceedings concerning a release or threatened release of hazardous substances at the property? *(If yes, please explain)*

7. Regulatory Actions by Governmental Entity Involving Adjoining Property: Are there, or have there been, any regulatory actions by any governmental entity for environmental conditions at the property? *(If yes, please explain)*

² Sources of contamination may include, but are not limited to, the following: (1) damaged or discarded automotive or industrial batteries; (2) pesticides, paints or other chemicals stored in individual containers greater than 5 gallons in volume or 50 gallons in the aggregate; (3) chemicals in industrial drums or sacks; (4) pits, ponds or lagoons used for waste disposal or storage; (5) fill dirt from a contaminated or unknown source; (6) underground or aboveground storage tanks; (7) vent pipes, fill pipes or access ways indicating a fill pipe protruding from the ground; (8) flooring drains or walls within a facility that are stained by substances other than water and/or are emitting noxious odors; (9) clarifiers, pits or sumps; (10) dry wells.