

LICHTENSTEIN CAPITAL MARKETS

Direct Lender, Global Commercial Real Estate, Corporate Finance and Mortgage Investment Bankers

5770 Palisade Avenue Riverdale, New York 10471

Email: DoctorMortgageTM@aol.com www.DoctorMortgage.com

Telephone: (800) 242-9888, (212) 255-4888, (718) 549-5999 or Fax: (212) 255-5277

CORPORATE & BUSINESS LOANS & LINES OF CREDIT >51% OWNER OCCUPIED, REAL ESTATE SECURED

TERM LOAN APPLICATION

This checklist has been provided to assist you through the process of gathering the necessary information for the initial evaluation of your loan request. **Complete** information will be necessary to process the application. All forms are provided herein unless noted:

- A. Indicate the population of the city or town of this property. Population: _____
- ___ 1. **Loan Request Form**
 - ___ 2. **Personal Financial Statement** complete on all owners, partners, officers, directors, key employees, guarantors, and stockholders with 20% or more of total stock issued. (Photocopy for additional forms.)
 - ___ 3. **Management Resume(s)** Provide complete resumes on all individuals referred to in #2 above. (Photocopy for additional forms.)
 - ___ 4. **History of Business Form**
 - ___ 5. **Business Debt Schedule** This schedule must be dated the same as the Interim Financial Statement requested below and reflect all outstanding liabilities as shown on the interim financial statement.
 - ___ 6. **Projections Worksheet** ¹⁾ Yearly income and expense projections for a one year period. & 2) 2 page monthly worksheets.
 - ___ 7. **Environmental Questionnaire** Please complete for all commercial property to be utilized as collateral for this loan.
 - ___ 8. **Certificate of Secretary**
 - ___ 9. **Authorization to Release Information**

IN ADDITION, PROVIDE THE FOLLOWING ITEMS FOR APPLICANT BUSINESS & ALL AFFILIATES:

- ___ 10. **Business Financial Statements and Complete Tax Returns with All Schedules** Income statements, balance sheets and tax returns for three prior year-end time periods.*
- ___ 11. **Interim Business Financial Statement** Income statement & balance sheet dated no older than 45 days.*
- ___ 12. **Personal Tax Returns** Complete federal tax returns for the past three years on each individual referred to in #2.*
12A. **PERSONAL BUDGET ANALYSIS.** Each person with 20% or more interest in the business concern must
- ___ 13. **Other:** Accounts Receivable and Accounts Payable Agings, if applicable. Same dates as interim financial complete.
- ___ 14. **Other:** Copy of Purchase Agreement.
- ___ 15. **Other:** _____
- ___ 16. Photos inside & outside of the property. (photos should be in duplicate) Take photos of the street, of front & back, different areas of the business)
- ___ 17a. **Existing Businesses:** Submit a complete business plan.
- ___ 17b. **Start-up Businesses:** Submit feasibility studies scope a,b,c,d & e as outlined and **REQUIRED** probably will have to hire an outside feasibility study specialist to complete.

Please submit all forms in Ink or typewritten

*Please be advised that all financial statements and tax returns must have original signatures and dates. After photocopying financial statements and tax returns, please sign and affix current date.

LOAN REQUEST FORM

APPLICANT COMPANY

Company Name _____ Phone _____
 Address _____ City _____ State _____ Zip _____
 Property to be Financed (if applicable) _____
 Type of Business _____ Date Established _____
 Type of Entity: Corporation _____ Partnership _____ Sole Proprietorship _____
 Number of Employees: Existing _____ After This Loan _____
 Bank Name & Address _____ Phone _____
 Accountant Name _____ Phone _____
 Attorney Name _____ Phone _____
 Trade Reference _____ Phone _____

OWNERSHIP OF APPLICANT COMPANY List all officers, directors, partners, owners & co-owners, and all stockholders with 20% or more of total stock issued.

NAME	TITLE	% OF OWNERSHIP	ANNUAL COMPENSATION
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AFFILIATES List business concerns in which the applicant company or any of the individuals listed in the ownership section above have any ownership.

COMPANY NAME	OWNER (APPLICANT COMPANY OR INDIVIDUALS)	% OF OWNERSHIP
_____	_____	_____
_____	_____	_____
_____	_____	_____

ESTIMATED PROJECT COSTS

Land Acquisition*	\$ _____
Land and Building acquisition*	\$ _____
Building improvements or repairs	\$ _____
Acquisition of machinery/equipment	\$ _____
Inventory purchase	\$ _____
Working capital (including accounts payable)	\$ _____
Acquisition of all or part of existing business	\$ _____
Payoff SBA loan	\$ _____
Payoff bank loan (non-SBA associated)	\$ _____
Other debt payment (non-SBA associated)	\$ _____
Closing costs for SBA loan	\$ _____
TOTAL ESTIMATED PROJECT AMOUNT	\$ _____
MINUS OWN FUNDS TO BE USED IN PROJECT	\$ _____
EQUALS TOTAL ESTIMATED LOAN REQUESTED FOR PROJECT	= \$ _____

*How do you wish to take title to real estate being purchased? _____

PERSONAL FINANCIAL STATEMENT

As of _____, 19____

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 and each corporate officer and director, or (4) any other person or entity providing a guaranty on the loan.

Name	Business Phone ()
Residence Address	Residence Phone ()
City, State & Zip Code	
Business Name of Applicant/Borrower	

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

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

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

	Property A	Property B	Property C
Type of Property			
Name & Address of Title Holder			
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 SBA/Lender to make inquiries 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, I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature: _____ Date: _____ Social Security Number: _____

Signature: _____ Date: _____ Social Security Number: _____

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, DC 20418, and Clearance Office, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, DC 20503

SBA FORM 413 (5/91)

MANAGEMENT RESUME

(Photocopy for additional forms)

Please fill in all spaces, use full first, middle and maiden names - no initials. If an item is not applicable, please indicate so. You may include additional relevant information on a separate exhibit. Sign and date where indicated.

Name _____ SS# _____
First Middle Maiden Last

Date of Birth _____ Place of Birth _____

Residence Telephone (_____) _____ Business Telephone (_____) _____

Residence Address _____
Street City State Zip

Previous Address _____
Street City State Zip

Lived there from _____ to _____
Month and Year Month and Year

Spouse's Name _____ SS# _____
First Middle Maiden Last

Are you employed by the U.S. Government? Yes No If yes, give agency/position _____

Are you a U.S. Citizen? Yes No If no, give Alien Registration number _____

Have you ever been charged with or convicted of any criminal offense other than a misdemeanor involving a motor vehicle violation? Yes No If yes, furnish details in a separate exhibit.

Are you involved in any lawsuit at this time or have you ever filed for personal or business Bankruptcy Protection? Yes No If yes, furnish details in a separate exhibit.

COLLEGE OR TECHNICAL TRAINING

<small>Name & Location</small>	<small>Dates Attended From/To</small>	<small>Major</small>	<small>Degree or Certificate</small>
_____	_____	_____	_____
_____	_____	_____	_____

MILITARY SERVICE BACKGROUND

Branch _____ From _____ To _____ Honorable Discharge? _____

Rank at Discharge _____ Major assignment/accomplishment _____

WORK EXPERIENCE (List chronologically, beginning with present employment)

Company Name/Location _____

From _____ To _____ Title _____

Duties _____

Company Name/Location _____

From _____ To _____ Title _____

Duties _____

Company Name/Location _____

From _____ To _____ Title _____

Duties _____

Signature _____ Date _____

ONE YEAR PROJECTION OF INCOME & EXPENSES

Estimated Sales or Revenue	\$ _____
Minus: Cost of Goods Sold	- \$ _____
Gross Profit Estimated:	\$ _____
Estimated Operating Expenses:	
Payroll (owner)	\$ _____
Payroll (employees)	\$ _____
Rent (attach copy of lease)	\$ _____
Telephone	\$ _____
Gas & Electricity	\$ _____
Interest	\$ _____
Advertising	\$ _____
Postage	\$ _____
Travel	\$ _____
Vehicle Expense	\$ _____
Payroll Taxes	\$ _____
Other Taxes	\$ _____
Supplies	\$ _____
Legal & Accounting Fees	\$ _____
Insurance	\$ _____
Repairs	\$ _____
Equipment Rental	\$ _____
Depreciation	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
TOTAL ESTIMATED OPERATING EXPENSES	\$ _____
ESTIMATED NET PROFIT OR LOSS	\$ _____

* Please explain on a separate sheet of paper how you achieve this volume of sales or revenue.

Signature: _____ Date: _____

PROJECTIONS WORKSHEET

ESTIMATED INCOME AND EXPENSES

(Show total for first twelve months; attach notes on forecast assumptions)

Name of Business	1	2	3	4	5	6
MONTH						
SALES						
LESS: Cost of Merchandise Sold or Cost of Materials Used						
GROSS PROFIT						
LESS: Salaries (other than owner)						
Rent - Property						
- Equipment						
Auto & Truck Expense						
Supplies						
Advertising						
Telephone & Utilities						
Bad Debts						
Taxes & Licenses						
Repairs & Maintenance						
Depreciation						
Accounting & Legal						
Insurance						
* Interest (With this new mortgage included)						
Office Expense						
Other Expenses:						
LESS: TOTAL EXPENSES						
NET PROFIT						
LESS: OWNER'S WITHDRAWALS						
AMOUNT AVAILABLE FOR LOAN PAYMENT						
LESS: LOAN PAYMENT (principal portion only)						
BALANCE RETAINED BY BUSINESS						

* = Interest Assumptions of new debt and interest payments.

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QUALIFICATION ANALYSIS application form for: Corporate Finance of Business entities &/or Owner Occupied, for leveraged buyouts, mergers & acquisitions, equipment financing, or lines of credit

APPLYING FOR PURPOSE OF:	
DATE	
COMPANY NAME:	
ENTITY TYPE:	
SOURCE OF INFORMATION : indicate tax returns, financial statements (audited or un audited, accountant prepared or self prepared	

STATEMENT OF INCOME AND EXPENSE

	ACTUAL YEAR ANNUALIZED	ACTUAL YEAR TO DATE	MOST RECENT 3 YEARS		
			12-month period 1 year ago	12-month period 2 years ago	12-month period 3 years ago
(fill in the time periods to the right at each column top)		01/01/200_ through _/_/____			
GROSS SALES OR REVENUE less returns and allowances	\$	\$	\$	\$	\$
MINUS: COST OF GOODS SOLD	\$	\$	\$	\$	\$
GROSS PROFIT	\$	\$	\$	\$	\$
NET GAIN/LOSS from form 4797, part II, line 18, OR OTHER, specify:	\$	\$	\$	\$	\$
OTHER INCOME (LOSS), specify:	\$	\$	\$	\$	\$
TOTAL INCOME (LOSS)	\$	\$	\$	\$	\$
TOTAL OPERATING EXPENSE	\$	\$	\$	\$	\$
DEDUCTIONS on or for federal tax return*					
NET OPERATING INCOME (LOSS) = NET PRE-TAX PROFIT = EBT (EARNINGS BEFORE TAXES)	\$	\$	\$	\$	\$

*Total operating expense deductions on or for federal tax return(s): Compensation of officers, Salaries and wages less employment credits, Repairs and maintenance, Bad debts, Rents, Taxes and licenses, Interest, Depreciation, Depletion, Advertising, Pension, profit-sharing plans, Employee benefit programs, plus ALL Other deductions.

BUSINESS OWNER'S DISCRETIONARY CASH FLOW

(DISCRETIONARY CASH FLOW ADD-BACKS AVAILABLE FOR THIS NEW FINANCING,

**(for period ___/___/___ through ___/___/___ (year to date preferred) or from most recent tax Federal Tax Return
as was or will be on tax return or audited or certified statements)**

1. Net Operating Pre-Tax Income (Loss) = EBT (Earnings Before Taxes)=Net Profit Before Taxes		
ADD BACKS :		
2. Rent add back portion or all previous rent overcharges that won't be paid after this financing, or subtract for undercharge or no charge amount that will be paid in rent after this new financing) Explain:		
3. Interest Expense		
4. Depreciation/Depletion Expense		
5. Amortization Expense		
6. Extraordinary Expense / Non Recurring, explain:		
7. Other Expenses (Describe):		
8. Current Owner / Management / Principal(s) Salaries, Perks, Benefits (discretionary or obsolete): explain		
A. Owner's Salary		
B. Other Family Salaries		
C. Owner's Vehicle		
D. Owner's Insurance		
E. Owner's Medical		
F. Owner's Payroll Taxes		
G. Owner's Travel & Entertainment		
H. Non-Essential Telephone		
I. Non-Essential Utilities		
J. Non-Essential Legal		
K. Non-Essential Accounting		
L. Donations, charitable contributions		
M. Other Building Repairs		
8. Total Owner Add Backs (sum of A thru M)		
9. Total Net Add Backs to add to Pre-Tax Profit (sum 2 thru 8)		
10. ANNUALIZED EBIDTA:		
EBIDTA, APPLICANT'S DISCRETIONARY CASH FLOW (sum of 1 plus 9). THIS IS THE ACTUAL NET AVAILABLE FOR DEBT SERVICE EBIDTA = EARNINGS BEFORE INTEREST , DEPRECIATION, TAXES, AMORTIZATION, EXTRAORDINARY & DISCRETIONARY OPERATING EXPENSES		

Owner's / Seller's Discretionary Cash Flow may include: net Operating Pre-Tax Profit or (Loss) plus/minus Verifiable Non-Cash Expenses (Depreciation and/or Amortization); Owner's Salary and Benefits; One Time Non-Recurring or Unusual Expenses; and Non-Essential Expenses. Assume that the business will be sold or transferred to a new owner who may not incur the same discretionary expenses (example: insurance for owner and family members, interest and insurance on non-essential vehicles, convention trips, travel and entertainment, donations, and other non-essential expenses). An Owner's/Seller's Discretionary Cash Flow Analysis should be completed for the last three years and the most recent interim period. If the company is growing dynamically, projections may need to be provided. If you or the business own the facilities housing the business, a rent adjustment should be made if the rent will increase or decrease after this financing. Rent should be comparable to lease rates for comparable space and location.

BALANCE STATEMENT & FINANCIAL SPREAD (after proposed new financing)

		ADJUSTMENTS		
		DEBIT	CREDIT	POST-LOAN PRO-FORMA
		Previous year AS OF FISCAL YEAR END		Estimated as of: <u> </u> / <u> </u> / <u> </u>
		12/31/ <u> </u> or		

ASSETS (increases are entered on debit side, decreases on credit side)

Cash	\$	\$	\$	\$
Stocks, Bonds, Marketable Securities	\$	\$	\$	\$
Accounts Receivable and Trade Notes less allowance for bad debts	\$	\$	\$	\$
Inventories	\$	\$	\$	\$
Other Current Assets, specify:	\$	\$	\$	\$
TOTAL CURRENT ASSETS (Total above)	\$	\$	\$	\$
Loans to shareholders/owners	\$	\$	\$	\$
Receivables: Mortgage and Real Estate Loans	\$	\$	\$	\$
Other Investments, specify:	\$	\$	\$	\$
Buildings, Real Estate and other depreciable assets (net of depreciation)	\$	\$	\$	\$
Depletable Assets (net of depletion)	\$	\$	\$	\$
Land (net of any amortization)	\$	\$	\$	\$
Intangible Assets	\$	\$	\$	\$
Other Assets, specify:	\$	\$	\$	\$
TOTAL ASSETS (Total Current Assets + 8 others above)	\$	\$	\$	\$

LIABILITIES & NET WORTH OF SHAREHOLDERS' EQUITY (increases are entered on credit side, decreases on debit side)

Accounts Payable	\$	\$	\$	\$
Notes, Bonds Payable in < 1 year	\$	\$	\$	\$
Mortgages / Deeds of Trust Payable in < 1 year	\$	\$	\$	\$
Other current liabilities, specify:	\$	\$	\$	\$
TOTAL CURRENT LIABILITIES	\$	\$	\$	\$
Loans from shareholders	\$	\$	\$	\$
Mortgages / Deeds of Trust Payable in > 1 year	\$	\$	\$	\$
Notes, Bonds Payable in > 1 year	\$	\$	\$	\$
Taxes Payable	\$	\$	\$	\$
Deficiencies, liens, claims, litigations	\$	\$	\$	\$
Contingent Liabilities	\$	\$	\$	\$
Other Liabilities or SBA, specify:	\$	\$	\$	\$
TOTAL LIABILITIES (Total current liabilities + 7 others above)	\$	\$	\$	\$
Capital Stock	\$	\$	\$	\$
Additional paid-in capital	\$	\$	\$	\$
Retained Earnings	\$	\$	\$	\$
Adjustment to Shareholders' Equity	\$	\$	\$	\$
Less Cost of treasury stock	\$	\$	\$	\$
SHAREHOLDERS' EQUITY=BOOK VALUE=NET WORTH (Total Assets - Total liabilities)	\$	\$	\$	\$
TOTAL LIABILITIES & NET WORTH OF SHAREHOLDERS' EQUITY	\$	\$	\$	\$

BORROWER

ENVIRONMENTAL QUESTIONNAIRE

Please take a few minutes and fill out this environmental questionnaire as completely as possible. You might want to ask the broker or seller for any information you don't know. An answer of "unknown" is acceptable if, after reasonable inquiry, it is truly the appropriate response.

1. What are the prior, current, and proposed uses of the property?

PRIOR:

CURRENT:

PROPOSED:

2. To the extent possible, determine the prior, current, and proposed uses of all adjacent properties.

PRIOR:

CURRENT:

PROPOSED:

3. To the best of your knowledge are there:

- a. Any chemicals used in everyday operations on the property?

- b. Any above or below ground storage tanks? If so, indicate the age and contents of each tank.

- c. All relevant environmental permits in place? (Local regulatory authorities can be consulted)

4. Has the property **ever** been involved in:

a. Any citations, claims, or complaints regarding any environmental problems?

b. Any notices of violations?

c. Any environmental clean-up actions?

I acknowledge that I have responded to the questions the best of my knowledge.

Address of property:

Applicant:

Business Name

by _____
Signature / Title

CERTIFICATE OF SECRETARY

NOTE: This applies to Corporations only

I certify that I am the secretary of _____, and that the following persons hold positions in this corporation and/or own shares in this corporation in the amount and form designated.

1. **DIRECTORS**

(name) _____

(name) _____

(name) _____

2. **OFFICERS**

President (name) _____

Vice President (name) _____

Secretary (name) _____

Treasurer (name) _____

3. **SHAREHOLDERS**

<u>Name</u>	<u>Number of Shares</u>	<u>% of Shares Outstanding</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Date: _____

BY: **SECRETARY**

AUTHORIZATION TO RELEASE INFORMATION

I/We hereby authorize the release to _____ **Bank** of any and all information they may require at any time for any purpose related to our credit transaction with them. I/We further authorize _____ **Bank** to release such information to any entity they deem necessary for any purpose related to our credit transaction with them.

I/We hereby certify that the enclosed information (plus any attachments or exhibits) is valid and correct to the best of my/our knowledge.

I/We hereby acknowledge that all loan approvals will be in writing and subject to the terms and conditions set forth in a commitment letter signed by an officer of _____ **Bank**.

Signature _____ Date _____

Signature _____ Date _____

IF LOAN APPLICATION IS APPROVED, THE FOLLOWING INFORMATION MAY ALSO BE REQUIRED AS APPLICABLE:

1. Partnership Agreement.
2. Articles of Incorporation and Bylaws.
3. Lease and sublease on land and building.
4. Fictitious business name statement.
5. Construction bid and Builder's Control Agreement.
6. Bids/Purchase orders for inventory, furniture, fixtures and equipment.
7. Fire/Hazard/Liability insurance on all collateral securing loan.
8. Life Insurance.
9. Business license.
10. Other information as required by the SBA and/or _____ **Bank**.

PERSONAL BUDGET ANALYSIS

referred to as PBA

Name: _____

INCOME

Available Draw (Net Profit + Depreciation)	_____
Gross Salary / Owner Draw	_____
Spousal Salary	_____
Gross Rental Income	_____
Interest Income/Dividend Income	_____
Other Income (_____)	_____
(_____)	_____

TOTAL MONTHLY INCOME

=====

EXPENSES

Mortgage Payment (<i>residence</i>)	_____
Mortgage Payment (<i>rental property</i>)	_____
Renta Property Cash Operating Expenses	_____
Auto Loan Payment(s)	_____
Other Installment Loans	_____
Credit Card/Lines of Credit	_____
Utilities/Phone	_____
Insurance (<i>all personal</i>)	_____
Food	_____
Clothing	_____
Income Taxes (<i>historical rate</i>)	_____
Property Taxes (<i>historical rate</i>)	_____
Alimony (<i>if applicable</i>)	_____
Child Care (<i>if applicable</i>)	_____
Misc. (<i>10% of monthly income</i>)	_____
Other (Medical Expenses _____)	_____
(Alimony/Child Support, Etc. _____)	_____
(Miscellaeous Expenses)	_____

TOTAL MONTHLY EXPENSES

=====

I / we hereby certify that the above information is valid and correct to the best of my / our knowledge.

Signature: _____

Date: _____

Signature: _____

Date: _____

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This is what the Lender uses to review the PBA = Personal Budget Analysis form.

You may find this helpful in completing the Personal Budget Analysis form?

PERSONAL BUDGET ANALYSIS SPREADSHEET ("PBA")

This spreadsheet is to be used for all loan submissions to analyze the personal income requirements of all principals owning 20 % or more of the applicant SBC. The Personal Budget Analysis spreadsheet as seen in Sub Exhibit 6 herein aids in identifying the amount of income the principal(s) require from the applicant SBC, which in turn directly impacts on the SBC's ability to service its existing and proposed debt load.

The PBA is primarily a historical analysis tool, the basis of which is the most recent historical information (i.e., most recent federal tax return, a current TRW credit report, etc.) as modified to account for other recent occurrences which may have altered previous income and expense requirements (e.g., the purchase of a new home, etc.) of the individuals being analyzed. Guidelines for completing the PBA are as follows.

PBA Income Guidelines.

All verifiable, recurring sources of personal income should be included on the PBA. If necessary, verification of same may/should be required if not evident on the source documents provided.

Draw From SBC = Small Business Concern

This line item is a "plug" figure to provide, in combination with other sources of personal income, a total amount of income sufficient to cover personal expenses. Simply, this figure will calculate itself last in an amount sufficient to provide a nominal but positive net discretionary income. Note: The amount calculated as draw on the PBA will also then be the same amount used as draw in the debt service analysis of the SBC.

tenant for previous residence, include payments on previous and new residence. Previous residence expense may only be excluded when verifiably sold or when an executed lease is provided.

Mortgage payments - On Rental Property

Include mortgage payments on any/all rental properties. Other expenses relating to rental property are accounted for under "Rental Expenses." These are usually taken directly off the Schedule E real estate from the personal tax return of the person.

Installment Loans=Auto, Boat, or any loans that have a due date, term etc. Include payments for all installment debt (i.e., auto, boat, etc.) here as per PFS and TRW. Include additional amount for any funds to be borrowed from this source by individual to be injected into project.

Revolving Credit = Credit Card/Lines of Credit

Use the greater of 5% of current TRW balances or actual payment amounts as indicated on TRW. Include additional amount for any funds to be borrowed from this source by individual to be injected into project. The Lender will add 10% to this figure when doing underwriting.

Utilities/Phone

A minimum of \$200 per month and adjusted upward depending upon the size of the individual's residence, number of dependents, etc.

Insurance (All Personal)

A minimum of \$200 per month and should be adjusted upward if health insurance is not provided by the SBC or spouse's employer (as applicable).

Food/Clothing

A minimum of \$200 per month for the individual being analyzed and increase an additional \$150 per month for each additional family member.

Income Taxes

Include actual, total income taxes paid (i.e., including federal, state, self employment, etc.) for the most recent taxable year per the individual's federal tax return.

Property Taxes

As per most recent federal tax return (Schedule A) if not included in mortgage payment (PITI only).

Other- **Medical Expenses**
Include the previous three year average of all medical expenses not covered by insurance as indicated on Schedule A. If not available, include \$50 per month per family member.

Other- **Alimony/Child Care**
Include actual payments made per the most recent tax return, or per the individual if indicated on PFS but not on the tax return.

Other- **Miscellaneous Expenses**
Automatically calculated at 10% of total income to allow for contingencies and unknown expenses.

Living Standard Adjustment

To be used in situations in which there is a history of distributions or withdrawals from the SBC that is *significantly greater* than what the PBA is calculating as "Draw from SBC." This line item represents an additional buffer for an individual that is accustomed to a higher standard of living than would otherwise be possible without regular, excessive draws from the SBC. This must be used when actual distributions/draws are significantly greater than as calculated by PBA and there is not evidence of any accumulation of *discretionary* personal assets and/or wealth.

REQUIRED FOR START-UP BUSINESSES

Guide for Completion of Feasibility Studies

A feasibility study by a recognized independent consultant may be required by the Agency for start-up businesses or existing businesses when the project will significantly affect the borrower's financial operations. An acceptable feasibility study should include, but not be limited to:

(a) Economic feasibility. Information related to the project site; availability of trained or trainable labor; utilities; rail, air, and road service to the site; and the overall economic impact of the project.

(b) Market feasibility. Information on the sales organization and management, nature and extent of market and market area, marketing plans for sale of projected output, extent of competition, and commitments from customers or brokers.

(c) Technical feasibility. Technical feasibility reports shall be prepared by individuals who have previous experience in the design and analysis of similar facilities or processes proposed in the application. The technical feasibility reports shall address the suitability of the selected site for the intended use including an environmental impact analysis. The report shall be based upon verifiable data and contain sufficient information and analysis so that a determination may be made on the technical feasibility of achieving the levels of income or production that are projected in the financial statements. The report shall also identify any constraints or limitations in these financial projections and any other facility or design-related factors which might affect the success of the enterprise. The report shall also identify and estimate project operating and development costs and specify the level of accuracy of these estimates and the assumptions on which these estimates have been based. For the purpose of the technical feasibility reports, the project engineer or architect may be considered an independent party provided neither the principals of the firm nor any individual of the firm who participates in the technical feasibility report has a financial interest in the project, and provided further that no other individual or firm with the expertise necessary to make such a determination is reasonably available to perform the function.

(d) Financial feasibility. An opinion on the reliability of the financial projections and the ability of the business to achieve the projected income and cash flow. An assessment of the cost accounting system, the availability of short-term credit for seasonal business, and the adequacy of raw materials and supplies.

(e) Management feasibility. Evidence that continuity and adequacy of management has been evaluated and documented as being satisfactory.

You must prepare and submit a Business Plan. These 3 pages should be helpful in your preparation of the business plan. Follow this outline to tell the Lender the story of your business. This outline will answer most of the questions that the Lender will ask about your business.

DESIGNING YOUR BUSINESS PLAN

The business plan is really two things . . .

- It is your sales pitch to lenders or suppliers from whom you want to borrow money. It should tell the complete story about your business (past, present and future) as briefly as possible.
- It is also the guide to your business. It organizes, on paper, your thoughts as to why you are in business, who your customers and competitors are; your strengths and weaknesses, and your plans for the future. Some businesses do not have a business plan, but those that do have a much better chance of succeeding. Business plans are required by the Small Business Administration and are strongly preferred by private lenders.

You should consider the following areas when you write your business plan:

PRODUCTS/SERVICES

Describe the following, focusing on the demand and competitiveness of your idea:

- A. What products or services will you provide?
- B. How many days per week will you be open for business?
- C. What are your hours of operation?
- D. Approximately how many clients are serviced each day?
- E. How does your product/service differ from other similar products on the market?

MARKET

It is very important to know who your clients and customers are, where they come from, and what their demographics are.

- A. Who will you sell to? Retail? Wholesale? The public?
- B. Who will be the final customer for the product/service you offer?
- C. Where are they located?
- D. How many are there?
- E. Describe them. What is their average income?
- F. Are they family people? Single? Retired?
- G. How much money can you expect them to spend on this type of product/service?
- H. Why will the above customers want to buy your product/service?
- I. What is your expected share of this market? How many of these customers do you expect to reach?

LOCATION OF BUSINESS

- A. Explain where the business will be located.
- B. Is this location easily accessible by automobile, foot or public transportation?
- C. Is there parking available for the customers?
- D. What kind of businesses are around your location or close by?
- E. Any other information to describe the building?
- F. Include any maps showing location of business relative to closest competition.
- G. Explain the type of lease.

COMPETITION

It is very important to know your competitors.

- A. Where is your competition located?
- B. How far from you?
- C. How many competitors are there? Give names if possible.
- D. How profitable is their business?
- E. How are they different from your business?
- F. Do you expect to take sales from these competitors? How?

DISTRIBUTION

It is very important that you know how to reach your customers.

- A. How will you reach the people that you sell to?
- B. Would you use sales representatives? Mail orders?
- C. How would you let people know about your product/service?
- D. Would you advertise? Where?
- E. Would you use any other methods? Direct mail, personal contacts, flyers, etc.?

SALES

This section has to do with your projected sales.

- A. What will be your total monthly and annual sales for the first year of operation?
- B. What will be your cost of sales (cost of merchandise or materials)?
- C. What is the basis for your cost of sales figure?
- D. What percentage of your sales is the cost of sales?
- E. What will your average total expenses be per month?
- F. How much money do you need to draw, per month, for personal expenses?
- G. How will the loan affect your sales (if you are already in business)?
- H. How much will you have to sell to break-even?
- I. What could seriously change these sales projections (changes in the economy, demand, political environment, etc.)?

KEY PERSONNEL

This has to do with the people working for your business.

- A. Who will be in charge of the business operation?
- B. How many employees will you have? Give names of positions and titles?
- C. Describe duties and qualifications of each employee, including years of experience in assigned positions.
- D. Include personal resume of any employee who will have administrative responsibilities, such as manager, assistant manager or any other employee with authority in your business.
- E. Include information of C and D about the owner(s).

ORGANIZATION

- A. What type of organization are you (corporation, partnership, sole proprietorship)?
- B. If a corporation - Who is on the board of directors?
- C. If a partnership - Who are the partners? (give percent of ownership).
- D. Where is the headquarters of the business located?
- E. Do short-term and long-term personal goals of the owner(s) harmonize with the business requirements and objectives?

MARKETING PLAN OUTLINE

A simple marketing plan should be developed by your business to help direct your marketing plans. Like a map, it should give your marketing direction. Answer these seven questions based on the information you have already provided:

1. What is the purpose of marketing?

Example: To increase my customer base resulting in increased sales and profits.

2. Focus on the benefits and advantages of your business and describe how you will accomplish your marketing objective.

Example: This will be achieved by stressing warm person-to-person customer relations and the increased selection of high quality, imported products not available elsewhere.

3. What is my target market?

Example: If you owned a toy store, find the number of parents in the local area who buy toys for their children.

4. Marketing tools that will be employed to implement my marketing strategy are:

Example: A weekly newspaper ad in the "Neighborhood News"; a window display that changes weekly emphasizing new products; a yellow pages ad; monthly postcard mailings to the customer database; stylized logo on all bags and boxes, and seasonal promotions in the city newspaper at Christmas and Easter.

5. What is my marketing niche?

Example: A business that caters to customers who demand excellent customer service and buy high quality, educational toys.

6. What is the identity that my company will portray?

Example: A business that's seen as professional, helpful and competent in the field of children's toys; able to assist with buying decisions, phone orders, deliveries, free gift wrapping and shipping to anywhere in the world. Totally customer service oriented.

7. As a percentage of my operating budget, how much money will I commit to my marketing efforts?

Example: 20 percent of my operating budget.

Request for Copy or Transcript of Tax Form

▶ Please read instructions before completing this form.

▶ Please type or print clearly.

Note: Do not use this form to get tax account information. Instead, see instructions below.

1a Name shown on tax form	1b First social security number on tax form or employer identification number (See instructions.)
2a If a joint return, spouse's name shown on tax form	2b Second social security number on tax form
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (See instructions.)	
4 If copy of form or a tax return transcript is to be mailed to someone else, show the third party's name and address.	
5 If we cannot find a record of your tax form and you want the payment refunded to the third party, check here <input type="checkbox"/>	
6 If name in third party's records differs from line 1a above, show name here. (See instructions.) ▶	
7 Check only one box to show what you want: a <input checked="" type="checkbox"/> Tax return transcript of Form 1040 series filed during the current calendar year and the 2 preceding calendar years. (See instructions.) (The transcript gives most lines from the original return and schedule(s).) There is no charge for a transcript request made before October 1, 1995. b <input type="checkbox"/> Copy of tax form and all attachments (including Form(s) W-2, schedules, or other forms). The charge is \$14.00 for each period requested. <i>Note: If these copies must be certified for court or administrative proceedings, see instructions and check here.</i> ▶ <input type="checkbox"/> c <input type="checkbox"/> Verification of nonfiling. There is no charge for this. d <input type="checkbox"/> Copy of Form(s) W-2 only. There is no charge for this. See instructions for when Form W-2 is available. <i>Note: If the copy of Form W-2 is needed for its state information, check here.</i> ▶ <input type="checkbox"/>	
8 If this request is to meet a requirement of one of the following, check all boxes that apply. <input checked="" type="checkbox"/> Small Business Administration <input type="checkbox"/> Department of Education <input type="checkbox"/> Department of Veterans Affairs <input type="checkbox"/> Financial Institution	
9 Tax form number (Form 1040, 1040A, 941, etc.)	11 Amount due for copy of tax form: a Cost for each period \$ _____ b Number of tax periods requested on line 10 _____ c Total cost. Multiply line 11a by line 11b. \$ _____ <i>Full payment must accompany your request. Make check or money order payable to "Internal Revenue Service."</i>
10 Tax period(s) (year or period ended date). If more than four, see instructions.	

Telephone number of requester
()

Please Sign Here

Signature. See instructions. If other than taxpayer, attach authorization document. _____ Date _____

Title (if line 1a above is a corporation, partnership, estate, or trust) _____

Best time to call
8:30am to 5:30pm
Monday through Friday

Instructions

A Change To Note.—Form 4506 may be used to request a tax return transcript of the Form 1040 series filed during the current calendar year and the 2 preceding calendar years. There is no charge for a tax return transcript requested before October 1, 1995. You should receive it within 10 workdays after we receive your request. For more details, see the instructions for line 7a.

Purpose of Form.—Use Form 4506 only to get a copy of a tax form, tax return transcript, verification of nonfiling, or a copy of Form W-2. But if you need a copy of your Form(s) W-2 for social security purposes only, do not use this form. Instead, contact your local Social Security Administration office.

Do not use this form to request Forms 1099 or tax account information. If you need a copy of a Form 1099, contact the payer. However, Form 1099 information is available by calling or visiting your local IRS office.

Note: If you had your tax form filed in by a paid preparer, check first to see if you can get a copy from the preparer. This may save you both time and money.

If you are requesting a copy of a tax form, please allow up to 60 days for delivery. However, if your request is for a tax return transcript, please allow 10 workdays after we receive your request. To avoid any delay, be sure to furnish all the information asked for on this form. You must allow 5 weeks after a tax form is filed before requesting a copy of it or a transcript.

Tax Account Information Only.—If you need a statement of your tax account showing any later changes that you or the IRS made to the original return, you will need to request tax account information. Tax account information will list certain items from your return including any later changes.

To request tax account information, do not complete this form. Instead, write or visit an IRS office or call the IRS toll-free number listed in your telephone directory.

If you want your tax account information sent to a third party, complete Form 8821, Tax Information Authorization. You may get this form by calling 1-800-TAX-FORM (1-800-829-3676).

Line 1b.—Enter your employer identification number only if you are requesting a copy of a business tax form. Otherwise, enter the first social security number shown on the tax form.

Line 2b.—If requesting a copy or transcript of a joint tax form, enter the second social security number shown on the tax form.

Note: If you do not complete line 1b and, if applicable, line 2b, there may be a delay in processing your request.

Line 3.—For a tax return transcript, a copy of Form W-2, or for verification of nonfiling, if your address on line 3 is different from the address shown on the last return you filed and you have not notified the IRS of a new address, either in writing or by filing Form 8822, Change of Address, you must attach either—

(Continued on back)

Line 2b.—If requesting a joint tax form, enter your spouse's social security number.

Note: If you do not complete line 1b and, if applicable, line 2b, there may be a delay in processing your request.

Line 4.—If you have named someone else to receive the tax form (such as a CPA, an enrolled agent, a scholarship board, or a mortgage lender), enter the name of an individual and the address to ensure the copy gets to the right person. If we cannot fill your request and you want the payment for copies refunded to the third party, check the box on line 5.

Line 6.—Enter the name of the client, student, or applicant if it is different from the name shown on line 1a. For example, the name on line 1a may be the parent of a student applying for financial aid. In this case, you would enter the student's name on line 6 so the scholarship board can associate the tax form with their file. If we cannot find a record of your tax form, we will notify the third party directly that we cannot fill the request.

Line 7a.—If you are requesting a certified copy of a tax form for court or administrative proceedings, check this box. It will take at least 60 days to process your request.

Line 7b.—If you need only a copy of your Form(s) W-2, check this box. Also, on line 8 enter "Form(s) W-2 only" and on line 10c enter "no charge."

If your address on line 3 is different from the address shown on the last return you filed and you haven't filed Form 8822, Change of Address, or otherwise notified the IRS in writing of your new address, you must attach either—

- A copy of two pieces of identification that have your signature, or
- An original notarized statement affirming your identity.

Form W-2 is not available until 6 weeks after you file it with your tax return (for example, Form 1040). Otherwise, Form W-2 information is only available 18 months after it is submitted by your employer. If you lost your Form W-2 or have not received it by the time you are ready to prepare your tax return, contact your employer.

Line 8.—Enter the year(s) of the tax form you are requesting. For fiscal-year filers or requests for quarterly tax forms, enter the date the period ended; for example, 3/31/89, 6/30/89, etc., for a quarterly filed tax form. If you need more than four different tax periods, use additional Forms 4506. Tax forms that were filed 6 or more years ago may not be available for making copies. However, tax account information is generally still available for these periods. See Tax Account Information Only on page 1.

Line 10a.—Write your social security number or Federal employer identification number and "Form 4506 Request" on your check or money order. If we cannot fill your request, we will refund your payment.

Signature.—Requests for copies of tax forms to be sent to a third party must be signed by the person whose name is shown on line 1a, unless the third party has your authorization (discussed later) to receive the copies.

Copies of jointly filed tax forms may be furnished to either the husband or the wife. Only one signature is required. Sign Form 4506 exactly as your name appeared on the original tax form. If you changed your name, also sign your current name.

For a corporation, the signature of the president of the corporation, or any principal officer and the secretary, or the principal officer and another officer are generally required. For more details on who may obtain tax information on corporations, partnerships, estates, and trusts, see Internal Revenue Code section 6103.

If you are not the taxpayer shown on line 1a, you must attach your authorization to receive a copy of the requested tax form. An authorization must specifically state what tax form and period(s) is covered and that the requested tax form(s) may be given to the person designated authority by the taxpayer. You may attach a copy of the authorization document if the original has already been filed with the IRS. This will generally be a power of attorney, or other authorization such as evidence of entitlement (for Title 11 Bankruptcy or Receivership Proceedings). If the taxpayer is deceased, you must send Letters Testamentary or other evidence to establish that you are authorized to act for the taxpayer's estate.

Note: Form 4506 must be received by the IRS within 60 days after the date you signed and dated the request.

Where To File.—Mail Form 4506 with the correct total payment attached to the Internal Revenue Service Center for the place where you lived when the requested tax form was filed.

Note: You must use a separate form for each service center from which you are requesting a copy of your tax form.

If you lived in:	Use this address:
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	1040 Waverly Ave. Stop 532 Holtsville, NY 11742
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	310 Lowell St. Stop 679 Andover, MA 01810
Florida, Georgia, South Carolina	P.O. Box 47-412 Photocopy Unit Stop 91 Doraville, GA 30362
Indiana, Kentucky, Michigan, Ohio, West Virginia	P.O. Box 145500 Cincinnati, OH 45250-5500
Kansas, New Mexico, Oklahoma, Texas	3651 South Interregional Highway Photocopy Unit Stop 6716 Austin, TX 73301

Alaska, Arizona, California (counties of Alameda, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	P.O. Box 9953 TPR/Photocopy C6 Mail Stop 6734 Ogden, UT 84409
California (all other counties), Hawaii	5045 E. Butler Avenue Photocopy Unit Stop 52350 Fresno, CA 93888
Illinois, Iowa, Minnesota, Missouri, Wisconsin	2306 E. Bannister Road Annex 1, Bldg. 41 Photocopy Unit Stop 57 Kansas City, MO 64131
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	P.O. Box 2501 Stop 46 Memphis, TN 38101
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, a Foreign country, or had an A.P.O. or F.P.O. address	P.O. Box 920 Photocopy Unit Crop Point 536 Bensalem, PA 19020

Privacy Act and Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to gain access to your tax form in our files and properly respond to your request. If you do not furnish the information, we may not be able to fill your request.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	13 min.
Learning about the law or the form	7 min.
Preparing the form	21 min.
Copying, assembling, and sending the form to the IRS	17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the Internal Revenue Service, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the Office of Management and Budget, Paperwork Reduction Project (1545-0429), Washington, DC 20503. DO NOT send this form to either of these offices. Instead, see Where To File on this page.