

DEVELOPMENT COMPANY 504 DEBENTURE



Date of Issuance (1)
Date of Maturity (2)
Original Principal Amount \$ (3)
(4)

(Name of Development Company) (The "Company")
(5)

(Street) (City) (State) (Zip)

For value received, the Undersigned Company promises to pay to The Bank of New York, as Trustee under that certain Amended and Restated Trust Agreement, dated as of June 14, 2018, at such location as may be directed, the principal amount of (6) dollars (\$ (7)), together with interest on the unpaid principal computed from the Date of Issuance hereof based on a 360-day year made up of twelve (12) thirty (30) day months, until paid at the rate of (8) percent ((9) %) per annum.

Payment on this Debenture is to be made as follows:

(10) consecutive semi-annual payments of (11) dollars and (12) cents (\$ (13)) each (14) l and (15) l (the "Payment Date") beginning on (16) and ending on the Date of Maturity hereof.

This Debenture is guaranteed by SBA, pursuant and subject to Section 503 of the Small Business Investment Act of 1958, as amended, (the "Act") (15 U.S.C. 697).

The proceeds of the sale of the Debenture will be used to fund a loan or to finance property subject to a lease (such a loan or lease is referred to herein as a "loan") by the Company to the following small business concern:

Small Business Project (17) (The "Small Business Concern")

Debenture Number (18) Loan Number (19)

Each payment made on this Debenture shall be applied first to the payment of interest and then to the payment of principal and shall be in such funds as are then legal tender for the payment of debts due to the United States.

The unpaid principal balance of this Debenture, together with accrued interest, shall become immediately due and payable upon the acceleration of the Note; provided however, that the termination of a lease on property financed from the proceeds of this debenture shall not require the acceleration of this debenture as long as the Company continues to pay principal and interest when due hereunder, or as long as SBA in its sole discretion makes such payments of principal and interest to the holder of this debenture.

The Company may elect to repurchase this Debenture, as a whole and not in part, on any Payment Date prior to the maturity in the manner and at the price as next prescribed. The Company shall notify SBA in writing at least thirty (30) days prior to the date on which it wishes to repurchase this Debenture, and shall follow instructions provided by SBA to complete the repurchase. The repurchase price shall be an amount equal to the outstanding principal balance of the Debenture, plus interest accrued and unpaid thereon to the repurchase date, plus a repurchase premium ("RP"), if any, determined as follows:

$RP = D(I \times P)$, where

D = the remaining principal balance of the Debenture

I = the interest rate stated on the face of the Debenture expressed in decimal points

P = the factor set forth below for the applicable year

If the term of this Debenture is for 20 or 25 years:

<u>Year</u>	<u>P</u>
1	1.00
2	.90
3	.80
4	.70
5	.60
6	.50
7	.40
8	.30
9	.20
10	.10
11 and thereafter	0

If the term of this Debenture is 10 years the repurchase premium shall be an amount determined as follows:

<u>Year</u>	<u>P</u>
1	1.00
2	.80
3	.60
4	.40
5	.20
6 and thereafter	0

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

The rights and obligations of the parties hereunder shall be governed by and construed and interpreted in accordance with the law of the District of Columbia.

Should any provision of this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect and this Debenture shall be construed as if said provisions were not contained therein.

IN WITNESS WHEREOF, the Company has caused this Debenture to be signed by its duly authorized officer and its corporate seal to be hereunto affixed and attested by its Secretary or Assistant Secretary as of the date of issuance stated above.

CORPORATE SEAL

(20)

(Name of the Company)

Attest:

By _____ (21)

(22)

(Secretary or Assistant Secretary)

(Typed Name and Title)

GUARANTOR'S AGREEMENT LIMITING RECOURSE AGAINST THE COMPANY

All capitalized terms used herein without definition shall have the respective meanings ascribed to them in the above Debenture. In connection with its guarantee of the Debenture for which it has received as security an assignment of the Note and security interest in the Collateral, SBA, as guarantor, agrees that any claim it may have against the Company shall be without recourse except to such Note and security interest and payments on the Note, if any, received by the Company; provided, however, that this Agreement shall be of no force and effect in the event of fraud, negligence or misrepresentation by the Company in connection with any material aspect of the transactions related to the Note or Debenture.

IN WITNESS WHEREOF, SBA has caused this Agreement to be duly executed on its behalf by its authorized representative as of the Date of Issuance of the Debenture.

U.S. SMALL BUSINESS ADMINISTRATION

By: _____ (23)

INSTRUCTIONS FOR DEVELOPMENT COMPANY 504 DEBENTURE (SBA FORM 1504) (6-18)

- (1) Insert the Funding Date.
- (2) Insert the Maturity Date. The Maturity Date in the Note, Servicing Agent Agreement and Debenture must be identical.
- (3) Insert in numbers only, the amount of the 504 Loan as set forth in the Authorization, as amended.
- (4) Insert CDC name.
- (5) Insert the CDC's principal street address, city, state and zip code.
- (6) Principal Amount of Debenture: Insert in words only, the amount of the 504 Loan as set forth in the Authorization, as amended.
- (7) Principal Amount of Debenture: Insert in numbers, the amount of the 504 Loan set forth in the Authorization, as amended.
- (8) Insert Rate of Debenture textually: LEAVE BLANK; the Trustee or CSA will fill this in after the Funding Date.
- (9) Insert Rate of Debenture in numbers: LEAVE BLANK; the Trustee or CSA will fill this in after the Funding Date.
- (10) Insert number of consecutive semi-annual payments on the Debenture. Payments under the Debenture are made on a semi-annual (not monthly) basis. Accordingly:
 - (a) For a 10-year 504 Debenture, fill in "Twenty (20)"
 - (b) For a 20-year 504 Debenture, fill in "Forty (40)"
 - (c) For a 25-year 504 Debenture, fill in "Fifty (50)"
- (11) and (12) Amount of semi-annual payments on the Debenture in numbers: LEAVE BLANK; the Trustee or CSA will fill in after the Funding Date.
- (13) Amount of semi-annual payments on the Debenture in numbers: LEAVE BLANK; the Trustee or CSA will fill in after the Funding Date.
- (14) First Semi-Annual Payment Date on the Debenture: Insert the calendar month occurring six (6) months after the Funding Date. For the August 15, 2018 Funding Date, the First Semi-Annual Payment Date would be February.
- (15) Second Semi-Annual Payment Date on the Debenture: Insert the calendar month of the Funding Date. For the August 15, 2018 Funding Date, the Second Semi-Annual Payment Date would be August.
- (16) First Semi-Annual Payment Date for the Debenture: Insert the first day of the month and the year occurring six (6) months after the debenture sale. For the August 15, 2018 Funding Date, this date would be February 1, 2019.

(17) Small Business Projects/the “Small Business Concern”: Insert the name of each Borrower. For an EPC/OC structure: insert “XYZ, LLC (EPC) for the benefit of ABC, Corp. (OC)”.

(18) Debenture Number: LEAVE BLANK; the Trustee or CSA will fill this in after the debenture sale.

(19) Loan Number: Insert the SBA Loan Number.

(20) Name of Development Company: Insert the name of the CDC.

(21) CDC Signature: The Debenture must be executed by an officer of the CDC set forth in the CDC Resolution. Type the name and title of the officer below the signature line.

(22) The signature of the CDC’s officer executing the Debenture must be attested by the CDC’s Secretary; Assistant Secretary or other officer set forth in the CDC Resolution, unless state law does not require attestation. Given the nature of the document, prudent practice dictates that this document be attested.

(23) Signature of SBA. LEAVE BLANK; the Trustee or CSA will stamp.