DHFINANCING
RESULTS FROM EXPERIENCE

DH FINANCING
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SBA 504 Analysis

SBA 504

Purchase Price	$1,700,000
Improvements	$0
Other	$0
Total Project Costs	**$1,700,000**

504 Loan

Bank Loan	50%	$850,000
SBA 504 Loan *	40%	$700,520
Cash Injection	10%	$170,000
Total Financing		**$1,550,520**

**Includes financed SBA fee of $18,020 and $2,500 legal fee.*

Monthly Costs 504

	Amort.	Rate	Payment
1st Mortgage (5 year fixed)	25 yrs.	6.25%	$5,607
2nd Mortgage (SBA)	25 yrs.	6.27%	$4,630
Total Monthly Payment		**6.260%**	**$10,237**

Collateral Requirements 504

- 1st Mortgage on subject property
- 2nd Mortgage on subject property

Additional collateral may be required if appraised value is lower than purchase price.

Fees & Out of Pocket Expenses 504*

SBA Guaranteed Loan Amount	100.00%	$680,000
SBA Fee 504 Loan (Financed)	2.65%	$20,520
Bank Fee 1st Loan	1.00%	$8,500
Appraisal & Environmental Reports (Out of Pocket)		$5,000
Cash Down Payment	10.00%	$170,000
Total Out of Pocket Expenses		$183,500

**Bank Fee is estimated. SBA 504 fees are financed into the loan, est. at 2.65% plus a $2,500 legal fee. Appraisal and Environmental reports may be financed, but are shown here as out of pocket expenses.*

Prepayment Schedule (Bank)

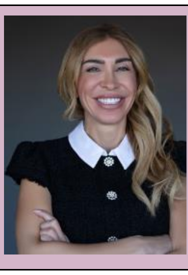
1st Year	5.00%	$34,000.00
2nd Year	4.00%	$27,200.00
3rd Year	3.00%	$20,400.00
4th Year	2.00%	$13,600.00
5th Year	1.00%	$6,800.00

Prepayment Schedule (504)

1st Year	5.01%	$34,068.00
2nd Year	4.95%	$33,660.00
3rd Year	4.90%	$33,320.00
5th Year	4.80%	$32,640.00
11th Year	0.00%	$0.00

Prepayment premium is based on a accelerated declining percentage of the bond rate (rate before fees). Each year, for 10 years, the prepayment premium decreases by 10% (ex: in year 2 the premium is 90% x Bond Rate and in year 3 it is 80% x Bond Rate). There is no penalty on the SBA loan to pay down or to pay off the 1st mortgage at any time. See bank for details about prepayment premium on the 1st mortgage.

Current Bond Rate 5.00%



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