



COMMERCIAL LOAN APPLICATION PART (1)

ABOUT THIS MORTGAGE

Loan Amount Requested
\$ _____

ABOUT THE BORROWER

The borrower is a(n)	Title will be vested as follows:
<input type="checkbox"/> Corporation	_____
<input type="checkbox"/> General Partnership	_____
<input type="checkbox"/> Individual	_____
<input type="checkbox"/> Limited Liability Corp.	_____
<input type="checkbox"/> Limited Partnership	_____
<input type="checkbox"/> Other	_____
<input type="checkbox"/> Trust	_____

Main Contact: _____

Mailing Address: _____

City: _____ **State:** _____ **Zip:** _____

Business Phone: _____

Home Phone: _____

Cell: _____

IF THIS IS A PURCHASE, PLEASE COMPLETE THIS SECTION

Purchase Price	Cash Down Payment	Source of Down Payment - cash or other; explain:
\$ _____	\$ _____	_____

Additional Financing	Interest Rate	Monthly P&I Payment	Term
\$ _____	_____ %	\$ _____	_____ mos.

Lender Name: _____





COMMERCIAL LOAN APPLICATION PART (2)

IF THIS IS A REFINANCE, PLEASE COMPLETE THIS SECTION

Acquisition Date _____	Original Cost \$ _____
Describe significant repairs/improvements made or to be made. If construction take-out, attach complete cost breakdowns.	

SUBJECT PROPERTY INFORMATION

Address _____	City _____	State _____	Zip _____
Site Square Feet _____	Rentable Square Feet _____		
# of Buildings _____	# of Stories _____		
Zoning:	Type:		
<input type="checkbox"/> Legal/Conforming	<input type="checkbox"/> Multi-family		
<input type="checkbox"/> Legal Nonconforming	<input type="checkbox"/> Industrial		
<input type="checkbox"/> Nonconforming	<input type="checkbox"/> Office		
<input type="checkbox"/> Other	<input type="checkbox"/> Retail		
	<input type="checkbox"/> Other		
Property Manager _____	Phone _____		
Address _____	City _____	State _____	Zip _____

The following is based on attached Income & Expense Statements & Lease Summary for the Subject Property:

Gross Rental Income _____	\$ _____
Other Income From _____	\$ _____
Less Vacancy [_____ %]	\$ _____
Effective Gross Income _____	\$ _____
Less Operating Expenses, including repairs & replacement reserves _____	\$ _____
Net effective Income Before Debt Service & Depreciation _____	\$ _____





COMMERCIAL LOAN APPLICATION PART (3)

BUSINESS MANAGEMENT AND OWNERSHIP

Please list names of all borrowing business entity's general partners, corporate officers, stockholders, trustees, and/or guarantors, etc., along with their title, percentage of ownership, and management activity. Enter all titles, such as President, VP, Treasurer, Stockholder, etc.

Name	Title	Ownership	Active In Management
_____	_____	_____ %	_____
_____	_____	_____ %	_____
_____	_____	_____ %	_____
_____	_____	_____ %	_____
_____	_____	_____ %	_____

BORROWER QUESTIONNAIRE

- | | Yes | No |
|--|-------|-------|
| 1. Are there any items listed below, pending against the business or any of its affiliates or principal owners?
a. Lawsuits b. Judgments c. Liens
d. foreclosure/foreclosure proceedings | _____ | _____ |
| 2. Have there ever been any liens or stop notices filed on any construction job(s)? | _____ | _____ |
| 3. Has the business or any of its affiliates or principal owners ever filed for bankruptcy, including chapter 11? | _____ | _____ |
| 4. Has the business or any of its affiliates or principal owners ever lost any real estate through a foreclosure proceeding or deeded a property to a lender in lieu of foreclosure? | _____ | _____ |
| 5. Are any of the subject property's real estate taxes, bonds and/or assessments not paid current? | _____ | _____ |
| 6. Are there any assessments or encroachment affecting the subject property that could negatively affect value? | _____ | _____ |
| 7. Are there any environmental matters affecting the subject property or any adjacent properties? | _____ | _____ |
| 8. Is the subject property in violation of any current City, County or State ordinances, requirements for zoning, fire and earthquake? | _____ | _____ |
| 9. Are any of the leases not currently in full force and affecting the subject property? | _____ | _____ |
| 10. Does any breach exist on the part of the lessor or lessee under the leases and/or does any lessee have any offset credit or claim against lessor? | _____ | _____ |





FIRE INSURANCE REQUIREMENTS & AUTHORIZATION PART (1)

Avatar Financial Group requires that you provide and maintain a Fire Insurance Policy that meets with our standards during the life of your loan. The following minimum requirements must be included in your fire insurance policy:

1. POLICY - Avatar Financial Group must hold the original policy and any replacement policy or renewal policy, together with the original of all endorsements to such policies. A receipt for payment for one year's premium for the current period is required prior **to** funding. The insurance agent's name, address, telephone number, and email address must accompany the policy. For condominiums or those covered under a master blanket policy, a certified copy of the entire policy should be submitted, with an original signature of an authorized agent. Each loan on a condominium must contain a copy of the certificate of insurance on that unit.

2. COMPANY RATING - The insurer must be licensed to do business in the state in which the property is located and must have a general policyholder's rating of A or better in Best's Insurance Guide.

3. NAME AND ADDRESS - The insured's name(s) must be the same as the name on record with Avatar Financial Group as the approved borrower of record and the property address must correspond with the property as described in the Deed of Trust. A legal description must be shown for rural properties, condominiums or other situations if the property address does not adequately define the location of the property. Avatar Financial Group's loan number must be contained within the policy.

4. MINIMUM COVERAGE - The plan must contain replacement cost property insurance, insuring against the standard perils of fire, extended coverage, vandalism and malicious mischief. The amount of such insurance shall be the full replacement value of the improvement, extensions, fixtures, machinery and equipment constituting a permanent part of the improvements, with a 4% inflationary guard and twelve (12) months Rent Loss/Business Interruption coverage. Liability insurance in the amount of at least \$500,000 for personal injury to any one person, \$1,000,000 for any one accident and \$100,000 for property damage with a 438BFU Lenders' loss payable endorsement for PIQ must be contained therein.





FIRE INSURANCE REQUIREMENTS & AUTHORIZATION PART (2)

5. FLOOD INSURANCE - If required, flood insurance must be maintained in full force and effect for the term of the loan. The amount of Flood Insurance required is the maximum available under the National Flood Insurance Program for the property or the total encumbrances on the subject, whichever is greater. A copy of the flood insurance application, accompanied by a receipt of payment for the first year's premium must be furnished to Avatar Financial Group prior to funding. If an area is identified as having special flood hazards and the community has not enrolled in the program, and flood insurance is not available, the loan cannot be made.

6. TYPE OF COVERAGE - One to four residential units must have fire, extended coverage and special form. All applicable endorsements to be attached must be referred to by form number on the policy declaration page.

7. LOSS PAYABLE ENDORSEMENT - Lender's Loss Payable form (No. 438BFU) in favor of Avatar Financial Group must be attached to the policy. AFG's address and borrower's loan number must be shown either on the Declaration Page of the policy and/or the Form No. 438BFU.

LENDERS LOSS PAYABLE TO READ:

TBD

8. MAXIMUM DEDUCTIBLE – The maximum deductible on your policy must not exceed \$1000.

9. POLICY EFFECTIVE DATE AND TERM – The effective date of the policy must be the same as, or prior to, the date of disbursement of funds for a new loan, or the expiration date of the existing policy for an existing loan. The term must be at least one year or more. Continuous policies are acceptable.





FIRE INSURANCE REQUIREMENTS & AUTHORIZATION PART (3)

It is understood that in order to comply with new laws and regulations, Avatar Financial Group may, at its sole discretion elect to amend, delete and/or add to the above requirements from time to time without prior written notification.

By: _____ Date: _____

By: _____ Date: _____

By: _____ Date: _____

CURRENT POLICY INFORMATION

NAME OF INSURANCE COMPANY _____

AGENT'S NAME _____

TELEPHONE NUMBER _____

FAX NUMBER _____

ADDRESS _____

POLICY NUMBER _____

BEST RATINGS (IF KNOWN) _____





ENVIRONMENTAL QUESTIONNAIRE & DISCLOSURE STATEMENT (1)

Applicant: _____

Loan Amount: _____

Loan Number: _____

Property Address and Location: _____

CERTIFICATION

The undersigned Applicant(s), in the course of requesting a loan from Avatar, hereby certifies to Avatar that as the present owner of the above-describe property (Property), the Applicant(s) and all principals are familiar with the operations presently conducted on the Property, have made a reasonably diligent inquiry into the former uses of the Property, and hereby declare that, to the best knowledge of Applicant(s) and all principals, the information disclosed below is true and correct. Applicant understands and acknowledges that Avatar will rely on the information provided in deciding whether to extend credit.

DATE: _____

APPLICANT: _____

BY: _____

Authorized Signatures(s)

TITLE: _____

Has an environmental study ever been conducted for the subject property? If yes, please indicate date of most recent study and attach copy.

NOTE: If you are unable to answer, please respond “unknown” or “not applicable”.

Where space is inadequate to answer, please attach additional pages as needed.

I. GENERAL (all Applicants must complete this part)

A. Current/Former Uses of the Property.

1. Names of current owner(s):
2. Description of current use of the Property:
3. If occupied by anyone other than you or your family, please provide name(s) of current occupant(s) and time(s) of occupancy:





ENVIRONMENTAL QUESTIONNAIRE & DISCLOSURE STATEMENT (2)

4. Date of completion of original construction and any substantial renovations.
5. Names of previous occupants:
6. Description of previous uses of the Property:
7. Description of current adjacent property uses:
8. Description of previous adjacent property uses:
9. Any unusual or noxious odors or any discolorations of the soil or groundwater? If so, please describe:
10. Any unusual depressions or mounds on the Property? If so, please describe:
11. Any areas of sparse, sick or dead vegetation on the Property? If so, please describe:
12. Has the Property or any adjacent property ever been used for military, industrial, manufacturing, mining, refining, processing or waste disposal purposes? If so, please describe:
13. Are there now or have there previously been any landfills, disposal facilities involving harmful materials or chemicals, or federal or state "Superfund" sites within a five mile radius from any border of the Property? If so, please describe:
14. Are you aware of any prior contamination of any nature on the subject property regardless of source.

B. Asbestos.

1. Is there any asbestos currently in, on or about the Property or are asbestos containing materials to be used in constructing any improvements?

If your answer to the previous question is "no" or "unknown", please go on to Section C.

2. If so, has a survey been conducted to assess the type, amount, location and conditions of asbestos, and/or the cost or desirability of removing or encapsulating the asbestos? If so, please attach a copy of any survey report.
3. Have asbestos air samples been taken? If so, what were the results?





ENVIRONMENTAL QUESTIONNAIRE & DISCLOSURE STATEMENT (3)

C. Polychlorinated Biphenyls.

1. Are polychlorinated Biphenyls (“PCB”s) being used in electrical transformers, capacitors or other equipment at the Property?

If you answer to the previous question is “no” or “unknown”, please go on to Section D.

2. If so, please describe the use and quantity of PCBs on the Property.
3. Has there ever been a PCB leak, spill or other contamination affecting the Property? If so, describe:

D. Storage Tanks, Drums and Pipelines.

1. Are there any above ground or below ground gasoline, diesel, fuel, oil or other chemical storage tanks on the Property? If so, please describe substances stored and capacity of tank(s).

If your answer to the previous question is “no” or “unknown”, please go to question number 4.

2. Have the tanks been inspected or tested for leakage? When was the most recent test? Please attach results or any test inspection.
3. Are any of the tanks known or suspected to leak now or have leaked in the past? If so, describe.
4. Are any chemicals stored on the Property in drums or other containers? If so, describe the substances, quantities, stores and types of containers and their condition.

If your answer to the previous question is “no” or “unknown”, please go to question number 7.

5. Have the drums or other containers known or suspected to leak now or to have leaked in the past? If so, please describe.
6. Are any of the drums or other containers known or suspected to leak now or to have leaked in the past? If so, please describe.
7. Are any above or below ground pipelines (other than normal sewer and water pipelines) located on the Property? If so, please describe.

If your answer to the previous question is “no” or “unknown”, please go to question number 10.





ENVIRONMENTAL QUESTIONNAIRE & DISCLOSURE STATEMENT (4)

8. Have any of the pipelines been inspected or tested for leakage? When was the most recent test? Please attach any results of any test or inspection.
9. Are any of the pipelines known or suspected to leak now or to have leaked in the past? If so, please describe.
10. Have there been any spills, leaks, or other releases of chemicals on the Property? If so, please describe the chemicals and quantities released, any cleanup measures taken, and the results of any soil or groundwater samples performed to detect the presence of the chemicals spilled, leaked or released on the Property.

E. Air Emissions.

1. Are there any emissions of air pollutants from any source on the Property? If so, describe the emissions from each source of air pollutants on the Property, and the source, including fuel burning equipment, and the type of fuel burned.

If your answer to the previous question is “no” or “unknown”, please go to Section F.

2. Describe air pollution control equipment used to reduce emissions for each source or air emissions.
3. Are air emissions monitored? If so, indicate frequency of monitoring and attach results for the past twelve months.
4. Please attach copies of any air permits or licenses pertaining to operations on the Property.

F. Water Discharges.

1. Do you know of any contaminated groundwater or surface water anywhere within a five mile radius from any border of the Property? If so, please describe.
2. List all sources of wastewater discharges to surface water, septic systems, holding ponds, waste storage tanks, or waste injection walls.

If your answer to the previous question is “no” or “unknown”, please go to Section G.

3. List all sources of wastewater discharges to public sewer systems.
4. For each discharge, list the average daily flow.
5. Please attach copies of any water discharge permits or licenses pertaining to operations on the Property.





ENVIRONMENTAL QUESTIONNAIRE & DISCLOSURE STATEMENT (5)

G. Waste Disposal.

1. Describe the types of liquid wastes (other than wastewater described in Part F above) and solid wastes generated at the Property.

If your answer to the previous question is “no” or “unknown”, please go to Part II or Part III if applicable (if not applicable, please mark the appropriate box for each Part and then go to Part IV)

2. Describe how the liquid and solid wastes generated at the Property are disposed.
3. Identify all haulers and transporters of liquid or solid wastes servicing the Property and the destinations of the wastes.
4. Please attach copies of any receipts and manifest given to you by such haulers and transporters.
5. Please attach copies of any waste disposal or discharge permits or licenses pertaining to operations on the Property.

II. INDUSTRIAL PROPERTY Not Applicable _____

If the Property has been or is used for industrial purposes, the following additional information should be provided.

- A. Has the property ever been used for disposal of any liquid or solid waste? If so, describe the location of all the disposal sites, the type of wastes disposed at each site, the results of any solid or groundwater samples taken in the vicinity of each site, and the manner in which each site not presently in use was closed.
- B. Have pesticides, herbicides or other agricultural chemicals been mixed, formulated, rinsed, or disposed of on the Property? If so, please describe the locations where such pesticides, herbicides or other chemicals were mixed, formulated, rinsed or disposed of at each location, and the results of any soil or groundwater analyses performed to detect pesticides, herbicides or other chemicals mixed, formulated, rinsed or disposed at the site.

III. AGRICULTURAL PROPERTY Not Applicable _____

If the Property has been or is used for agricultural purposes, the following additional information should be provided.





ENVIRONMENTAL QUESTIONNAIRE & DISCLOSURE STATEMENT (6)

- A. Have pesticides, herbicides, or other agricultural chemicals ever been applied to the Property? If so, please describe the locations where such pesticides, herbicides or other chemicals were applied, the type of pesticides, herbicides or other chemicals applied to each area, and the results of any soil groundwater analyses performed to detect pesticides, herbicides or other chemicals used at the site.
- B. Have pesticides, herbicides or other agricultural chemicals been mixed, formulated, rinsed, or disposed of on the Property? If so, please describe the locations where such pesticides, herbicides or other chemicals were mixed, formulated, rinsed or disposed of at each location, and the results of any soil or groundwater analyses performed to detect pesticides, herbicides or other chemicals mixed, formulated, rinsed or disposed at the site.

IV. INVESTIGATION, ENFORCEMENT AND REMEDIATION (All applicants fill out this part)

- A. Please attach a complete dated copy of each test, study, report, or assessment which has been performed or prepared with respect to the Property's soil, air or water conditions or quality or with respect to any other environmental condition or contamination affecting the Property.
- B. Has any public agency ever investigated or cited the Property for violation or possible violation of any environmental law or commenced an enforcement or clean-up action under any environmental law with respect to the Property? If so, please describe.
- C. Has any public agency ever listed the Property as a site requiring or qualifying for clean-up under any environmental law? If so, please describe.
- D. Do you know of or suspect any other process, activity, action or event occurring in, on or about, adjacent or near to the Property that is presently, or with the passage of time may be, an environmental health hazard? If so, please describe in detail, including, but not limited to, nature, activity, action or event, when and where occurred or occurring, source or cause or actor, and nature of environmental or health hazard.

