

COMMERCIAL LOAN STRUCTURE SUMMARY, INCLUDING TYPICAL SOURCES OF REPAYMENT

Loan Type	Purpose	Sources of Repayment		
		Primary	Secondary	Tertiary
Loans to finance isolated increases in current assets				
Special commitment	Isolated increases in current assets	Conversion of current assets	Liquidation of current assets (accounts receivable and inventory) as collateral	Liquidation of other collateral (plant and equipment) and personal guarantees of owners
Lines of credit to finance ongoing needs to support current assets				
Seasonal line of credit	Operating expenses and seasonal increase in current assets	Conversion of current assets	Liquidation of current assets (accounts receivable and inventory) as collateral	Liquidation of other collateral (securities, plant and equipment or commercial real estate) and personal guarantees of owners
General operating line of credit	Temporary, non-seasonal increases in current assets			
Permanent working capital line of credit	Permanent increases in current assets	Conversion of current assets combined with excess cash flow from completion of multiple operating cycles; conversion to term loan		
Loans to finance fixed assets				
Term loan	Purchase or refinance equipment, furniture and fixtures or leasehold improvements	Excess operating cash flow from completion of multiple operating cycles	Liquidation of fixed assets (plant and equipment, commercial property) as collateral	Liquidation of other collateral (securities, accounts receivable and inventory, other fixed assets not directly financed by the loan) and personal guarantees of the owners
Lease financing				
Mortgage loan	Purchase or refinance commercial property	<i>Owner occupied:</i> Excess operating cash flow from completion of multiple operating cycles <i>Non-owner occupied:</i> Rental income		
Construction loan	Construct or improve commercial property	Conversion to mortgage loan		