SBA Franchisee Financing Package

Powered by Capital Bank's Accel Platform

capitalbankmd.com/sba

Capital Bank, 2275 Research Blvd., Suite 600, Rockville, MD 20850

A message from Don Springer
SVP, Head of SBA Financing
Capital Bank

Dear Business Owner,

Thank you for your interest in Capital Bank's SBA lending solutions.

As a Preferred SBA Lender, we specialize in financing for franchise owners and offer a simplified approach through our exclusive Accel Platform—built to streamline SBA 7(a) loans under $350,000 and help you get funded faster.

Inside this package, you'll find everything you need to get started:

- An overview of the SBA Small Loan Program
- The advantages of using the Accel Platform
- A step-by-step guide to the loan process
- General SBA qualifications and credit guidelines
- A checklist of commonly required documents
- Frequently Asked Questions (FAQs)
- Information about Capital Bank

We look forward to supporting your success with fast, flexible financing and personalized guidance every step of the way. If you have any questions, do not hesitate to email me at dspringer@capitalbankmd.com or call me at (240) 498-5414.

Sincerely,

Don Springer

Don Springer
SVP, Head of SBA Financing
Capital Bank

Your Business Won't Wait. Neither Should Your Financing.

Move forward with clarity, speed, and confidence through Capital Bank's Accel SBA 7(a) Platform.

Wouldn't you like to move from application to funding in as little as 35 to 45 days?
Our Accel platform makes it possible. Specifically built for the SBA 7(a) small loan program for loan amounts of $350,000 or less, Accel simplifies the process with an end-to-end solution designed to get your PuroClean franchise up and running faster—with less complexity and more confidence.

SBA 7(a) Small Loan Program Snapshot

SBA funds can be used for most business purposes including:

- Franchise start-ups, expansions or acquisitions
- Working Capital
- Equipment, Inventory
- Owner-occupied commercial real estate purchases, renovations or leasehold improvements.

Longer-repayment terms

- Up to 10 years for most business financing, including working capital
- Up to 10 – 15 years for equipment, depending upon the life span of the equipment
- Up to 25 years for owner-occupied commercial real estate

Other features

- No prepayment penalty for terms less than 15 years
- No balloon payments

Interest rates

- Variable interest rates and multi-year adjust
- WSJ Prime + 3.00%, adjusting every calendar quarter (Jan. 1, Apr. 1, Jul. 1 and Oct. 1)

The above timelines are estimates. These can vary depending on timelines and accuracy of the documentation provided, as well as processing capacities of Windsor Advantage, Capital Bank's sister entity.

All SBA loans are subject to credit review and approval, SBA eligibility, and applicable underwriting guidelines. Terms, conditions, and program requirements may vary.

The SBA 7(a) Accel Platform Advantage

A faster path to SBA funding—
purpose-built for franchisees.

If you're applying for an SBA loan under $350,000, you can leverage the **Accel Platform**—an end-to-end borrowing experience that streamlines the process, reduces paperwork hassles, and keeps your application moving with speed. Plus, you'll always know where your application stands every step of the way.

What makes Accel different?

- Pre-built document checklists and templates
- Digital portal for fast uploads
- End-to-end support from application to funding

capitalbankmd.com/sba

Capital Bank + Accel = A Clear Path to Funding

CAPITAL BANK

Your Step-by-Step Loan Process

capitalbankmd.com/sba

0 Days	Apply Online	
1–3 Days	Prequalification Review	Application submitted by applicant. Documents are reviewed and we conduct an analysis of cashflow, personal credit scores, public record searches and SBA eligibility.
1 Day	Introduction Call	A conference call is scheduled to discuss the application and documentation. Application receives secure portal link.
5–10 Days	Underwriting & Document Collection	All owners of 20%+ access secure portal and complete application, answering all questions and uploading all required documentation listed on the checklist.
5–13 Days	Underwriting & Lender Review	Borrower completes first signing package. Underwriting team issues questions to applicant and provides lender with a request to obtain funding approval.
8–15 Days	Closing Document Collection	Applicant uploads closing documents. We coordinate with the SBA and attorneys to secure authorization and prepare closing package.
1–3 Days	Funding & Closing	Borrower completes second signing package. Windsor facilitates the review and signing of all closing documents, as well as disbursement of loan proceeds.

The above timelines are estimates. These can vary depending on timelines and accuracy of the documentation provided, as well as processing capacities of Windsor Advantage, Capital Bank's sister entity.

All SBA loans are subject to credit review and approval, SBA eligibility, and applicable underwriting guidelines. Terms, conditions, and program requirements may vary.

The Accel Advantage

- Open your doors in as little as 45 days
- Real-time visibility into your loan's progress
- Simplified documentation requirements
- End-to-end digital application experience
- Dedicated SBA experts

General Credit and Eligibility Criteria

General Credit Requirements

- Credit score 680+
- Must have at least two years of industry experience
- 10% equity injection
- Start-up franchise businesses must have a solid business plan that includes two years of projections

Collateral

- Low to minimal collateral requirements by the SBA
- Lender must take first position on all financed assets and a best position UCC filing on all business assets financed by the loan

General eligibility guidelines

- Be a for-profit business that is officially registered and operates in the United States
- Business credit must be sound enough to assure loan repayment
- The request loan is unavailable on reasonable terms from non-government sources
- Business must meet SBA size standards (for more information visit SBA.gov)
- Business must be 100% owned by U.S. citizens, U.S. nationals, or Lawful Permanent Residents (LPRs)

Personal Guarantee

- All individuals who own 20% or more of the business are typically asked to sign a personal guarantee.

Apply Today by visiting capitalbankmd.com/sba

Scan here

The above timelines are estimates. These can vary depending on timelines and accuracy of the documentation provided, as well as processing capacities of Windsor Advantage, Capital Bank's sister entity.

All SBA loans are subject to credit review and approval, SBA eligibility, and applicable underwriting guidelines. Terms, conditions, and program requirements may vary.

Underwriting Docs Checklist for All Businesses

Business Docs for All Applicants

- Most recent three full Tax Returns (include all schedules)
- Year-to-Date Profit and Loss Statement (most recent month-end)
- Balance Sheet for same month-end as the Profit and Loss
- Schedule of Business Debts (disclose all debts; completed in portal)
- Collateral Schedule (disclosed all businesses FF&E; completed in portal)
- Articles of Organization or Incorporation (as applicable)
- Operating Agreement or Bylaws (as applicable)
- Signed Lease Agreement(s), if applicable
- DBA or Trade name filing, if applicable
- Written history of business and management (completed in portal)

Business Docs for 20% Owners

- Most recent three full Tax Returns (include all schedules)
- Personal Financial Statement (completed in portal)
- Driver's License
- Secondary Form of ID (SS card, student ID, credit card, passport)
- Resumes
- Explanation of derogatory credit items or public records (as needed)

Underwriting Docs Checklist Based on Use of Loan Proceeds

Startup Businesses (<2 Years)

- IRS Tax ID Letter (SS-4)
- Business Plan
- Two years of financial projections (first year must show monthly detail)
- Written assumptions for the two years of projections
- Equity injection documentation proving 10% injected or available to inject**

Business Acquisitions

- Most recent three full Tax Returns of Seller (include all schedules)
- Year-to-Date Profit and Loss Statement from Seller (most recent month-end)
- Balance Sheet for the same month-end as the Profit and Loss from Seller
- Asset or Stock Purchase Agreement (include all schedules and addendums)*
- Equity injection documentation proving 10% available to bring to close**

Debt Refinancing

- Signed copy of all notes and supporting loan documents
- Signed copy of Security Agreement for all loans being paid off (as applicable)
- Payment Transcripts for life of the loan, or 24-months, whichever is less
- For credit cards, copies of monthly statements, which includes itemizing all business costs
- Copies of payoff letters for all loans, must include UCC Termination language

Equipment, Inventory or CRE Purchases

- Equipment invoices (include wiring instructions)
- Inventory invoices (include wiring instructions)
- W-9 for vendor providing equipment or inventory
- For real estate, Purchase Agreement with all Exhibits and Draft Deed from Seller

Closing Documentation Checklist

Evidence of Business Insurance

- Business Personal Property Coverage (Accord Form 27/28)
- General Liability (Accord Form 25)
- Worker's Compensation Insurance, if applicable (Accord Form 25)
- Other insurances, as needed (Malpractice, Professional Liability, Dram Shop, etc.)

Miscellaneous Items

- Copy of Signed Lease
- Signed Landlord Consent form, if applicable
- Copy of a voided business check (used for loan payments)
- IRS 4506(a) release documentation, if applicable
- Appraisal, business valuation, and environmental report(s), if applicable

*This list is not exhaustive and additional documents may be required, depending on the transaction. Please use this list as a reference point for documents typically needed on most transactions. Additional documentation will be required based on your loan request.

**For Business Acquisitions Asset Purchase Agreement must have a seller and a buyer/employee non-competition agreement with a term acceptable to the lender, copies of the seller's resolutions authorizing the sale, a bill of sale with exhibit itemizing the assets being acquired, copy of the documents transferring trade name, liquor license, assumed liabilities, as applicable, payoff letter from selling firm holdings, resolution/authorization to terminate related UCC filings, Tax clearance letter or Bulk sale stop order (depending on the state), and a copy of the seller note, if applicable.

***Equity injection documentation must show three months of bank statements for each account which equity funds come from. If funds were previously injected into the business, documentation must include copies of invoices for costs incurred, and the three prior bank statements from when the expense was paid.

Loans are processed through Windsor Advantage, a division of Capital Bank.

Frequently Asked Questions

Below are some of the most frequently asked questions we receive on the SBA 7(a) Small Loan Program. For more details, connect with your SBA Business Development Officer.

What is the difference between SBA 7(a) loan program & SBA 7(a) small loan program?

The SBA 7(a) Small Loan Program is a subset of the broader 7(a) program, specifically focused on loans of $350,000 or less. In comparison, the standard SBA 7(a) program allows for loan amounts up to $5 million.

The Small Loan Program is used for the same purposes as the general 7(a) program but is designed to fast-track smaller loan requests with a simpler, more streamlined process than larger SBA loans.

How do I know if I am eligible for an SBA loan?

There are many different factors that go into SBA loan eligibility. In order to be eligible, you must:
Be considered a small business by the SBA. You can check your own business' eligibility using this tool; Operate for profit; Eligible use of funds; Do business in the United States or its territories; Prove alternative financial resources are not available before pursuing an SBA loan

What can SBA 7(a) Small Loans be used to fund?

Basic uses for SBA 7(a) Small Loans include the following: Business start-up, acquisition or expansion; Working capital; Equipment, machinery furniture, fixtures supplies or materials; The purchase of owner-occupied real estate and renovations; Refinancing existing business debt (under certain conditions)

Do I need a business plan for my SBA loan?

Yes. This is required by the SBA and will be used by the lender to evaluate your overall loan application. If you are a start-up business, you will be required to include two years of projections.

Why do I have to provide information on my other businesses during the application process?

If you are associated with multiple businesses, the SBA requires that your lender review pertinent information related to all businesses you are associated with.

How much of a down payment is required?

A down payment for an SBA 7(a) start-up loan can be as little as 10%. The exact amount of the down payment that will be required is dependent on a variety of factors, including which lender you will be receiving the loan from.

What is a credit memo?

A credit memo is the document the lender puts together that provides details on the borrower's business and why they need an SBA loan. This document will ultimately be used to determine whether or not the borrower will be approved for the loan.

What is the closing process like for an SBA 7(a) Small Loan?

During the closing process the lender will typically use 3rd party reports to verify information such as title searches, appraisals and business valuations. The lender will then submit the entire loan application to the SBA.

Once the loan is ready to be finalized, you will be receive various closing documents from your lender for you to review and sign.

After my SBA loan closes, how are my payments made?

Payments will be pulled via ACH from the business operating account. This process is setup with the Bank's third-party servicing partner once your loan is funded and you must begin making payments.

How is interest accrued on my loan?

Interest is accrued on your loan once the funds have been disbursed. The amount of interest is based on the interest rate that is agreed upon with you and your lender. If your loan funds are disbursed over a period of time, interest will only accrue on the portion of the loan that has been disbursed to your business.

Are there prepayment penalties?

Lenders may not charge pre-payment penalties on SBA loans, but the SBA does have a pre-payment penalty on all loans that have a maturity of 15 years or more. Per the SBA's guidelines, if a borrower pre-pays more than 25% of their outstanding loan balance within the first 3 years, pre-payment penalties are incurred as follows:

- 1st year: 5% of the pre-payment amount
- 2nd year: 3% of the pre-payment amount
- 3rd year: 1% of the pre-payment amount

What is a personal guarantee?

A personal guarantee means you agree to personally repay the loan if your business cannot. It's a standard requirement for SBA 7(a) loans. All individuals who own 20% or more of the business are typically asked to sign a personal guarantee. It shows the lender you are committed to the success of your business and provides additional assurance that the loan will be repaid.

Will I need to pledge my house as collateral?

It depends on the loan amount and the available collateral. For loans between $50,001 and $350,000, business assets are typically used as collateral first. If business assets are insufficient, a lien on the borrower's home may be required if there is meaningful equity.

What if my house doesn't have much equity?

If there is no meaningful equity in your home, the lender is not required to take a lien just for the sake of it. The SBA defines "meaningful equity" generally as at least 25% equity.

Capital Bank is a well capitalized bank with over $3.3 billion in assets*

Since 1999, Capital Bank has been committed to providing people-centric banking, allowing us to help our customers achieve their goals, while upholding our fiduciary duty to our shareholders. Today Capital Bank is a subsidiary of Capital Bancorp, Inc., a publicly traded company with more than $3.3 billion in assets as of March 31, 2025 (NASDAQ: CBNK) and a member of the Federal Reserve Bank System, Member FDIC, and Equal Housing Lender.

Capital Bank is putting humanity back into banking.
Our commitment to the people and communities we serve inspires us to look beyond the numbers and recognize true potential.

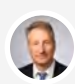
Assets[1]	Deposits[1]	Total Loan Portfolio[1]
$3.34B	$2.89B	$2.68B

Our Business

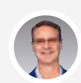
Capital Bank offers business and consumer banking services through branches in seven locations including Washington D.C., Reston, VA, Ft. Lauderdale, FL, Rockville, MD, Columbia, MD, Raleigh, NC and N. Riverside, IL alongside two nationwide lending brands: Capital Bank Home Loans, our mortgage division, and the OpenSky® Secured Visa® Credit Card.

Corporate Headquarters
2275 Research Blvd,
Suite 600
Rockville, MD 20850
301-468-8848

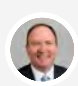
Our Executive Team



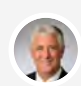
Ed Barry
Chief Executive Officer



Dominic Canuso
Chief Financial Officer

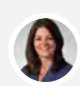


Steve Poynot
President &
Chief Operating Officer



Scot Browning
President of Specialty &
CRE Lending

Karl Dicker
President, OpenSky Card



Kathleen Yamada
Chief Credit Officer

CBNK Locations

Corporate HQ - Rockville, MD

Branches

Washington, DC
Fort Lauderdale, FL
North Riverside, IL
Rockville, MD
Columbia, MD
Reston, VA

Other Locations

Annapolis, MD
Rehoboth Beach, DE
Washington, DC
Horsham, PA - OpenSky
Chicago, IL
Indianapolis, IN
Towson, MD
Raleigh, NC
Charleston, SC

Giving Back Through Capital Cares

As a community bank, we are deeply rooted in the neighborhoods and communities we serve. Through Capital Cares, we are proud to strengthen these communities through guidance, contributions, and volunteer time – ensuring our communities thrive today and for generations to come. We give back in the following ways through our Capital Cares intiatives:

Employee Volunteering

Capital Bank encourages community engagement by offering paid volunteer time—eight hours for full-time employees and four for part-time—to support causes they care about.

Fighting Hunger Locally

We're proud to support Manna Food Center in the fight against hunger. This year, Capital Cares volunteers rolled up their sleeves to sort food donations, reinforcing our commitment to showing up where it matters most.

Promoting Financial Literacy

Through Capital Cares, we invest in financial education to help individuals from all backgrounds build confidence, make informed decisions, and thrive.

Expanding Access to Homeownership

Affordable housing is key to strong communities. Our loan programs support low and moderate-income borrowers with mortgage solutions and assistance programs, helping turn homeownership into a reality.

[1]Financial Statement as of March 31, 2025.