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RURAL DEVELOPMENT BUSINESS &
COOPERATIVE PROGRAMS
FLORIDA/VIRGIN ISLANDS

STATE OFFICE

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RBCS Programs Director
4440 NW 25th Place (32606)
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For additional information, please contact our Business & Industry Guaranteed Loan Specialist:

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Gainesville, FL. 32606-6563
Phone: 352-338-3482
Fax: 352-338-3450
BUSINESS AND INDUSTRY LOAN GUARANTEES

INTRODUCTION

Business and Industry loan guarantees are provided by USDA Rural Development to help lenders extend credit needed to businesses and industries in eligible, rural areas of Florida and the Virgin Islands. Rural Development guarantees can cover losses of up to 80 percent of the original loan amount. The purpose of the B&I program is economic development and job creation in rural areas.

BENEFITS TO LENDERS:

- Provide lenders another tool to expand their loan portfolio.
- Loans can be sold to investors on a secondary market basis, thereby bringing outside capital into the community.
- Loans help lenders meet their requirements under the Community Reinvestment Act (CRA).
- Allows lender to make loans above its loan limits. In most banking jurisdictions, the lender is not required to apply the guaranteed portion of a loan against its legal lending limit.

BENEFITS TO BUSINESSES:

- Higher loan amounts may assist businesses restructuring debts and for expansion purposes.
- Longer repayment terms and better rates will improve business cash flow.
- Longer terms may assist businesses that may not qualify for conventional lender financing.
- Rate is negotiated between the borrower and lender.
- A variable rate cannot be adjusted more often than quarterly.
- Fully amortized loans; no balloon payment at the end of the loan.

Eligible Lenders

Any lending institution subject to examination and regulation by a recognized regulatory agency is eligible to apply for a B&I loan guarantee. Other lenders may be approved on a case by case basis.
Eligible Borrowers

- Any legal entity organized and operated on a profit or nonprofit basis; Federally recognized tribal groups; a public body; or an individual
- There is no size restriction on the business
- Individual borrowers must be either US citizens or permanent residents (current “green card”)
- Organization-type borrowers must be at least 51 percent owned by US citizens or permanent residents

Eligible Loan Purposes

- Business acquisition that will keep a business from closing, prevent the loss of jobs in an area, or provide more jobs
- Business conversion, expansion, repair, modernization
- Purchase and development of land, buildings, or facilities
- Purchase of equipment, machinery, supplies, or inventory
- Pollution control and abatement
- Startup costs and working capital
- Loan fees; fees and charges for professional services
- Some agriculture: aquaculture, commercial fishing, commercial nurseries, forestry, hydroponics, mushrooms
- Refinancing of a viable project to improve cash flow and create or save jobs
- Energy projects – bio-energy, solar, anaerobic digester, wind, energy efficiency improvements
- Investor-type loans – shopping centers, mini-storage facilities, office complexes

Ineligible Loan Purposes

- Projects that would likely result in the transfer of jobs or employment from one area to another, or one likely to result in increased production that exceeds demand
- Payments to owners, partners, shareholders, or others who will retain any ownership in the business
- Any business that derives more than 10% of its gross revenue from gambling
- Loans to charitable institutions, church or church-sponsored organizations, lending and investment institutions, or insurance companies
- Lines of credit
- Golf courses and race tracks
- Any illegal business activity or prostitution
- The guarantee of lease payments or the guarantee of loans made by other Federal agencies
- Owner-occupied housing-Including timeshares, residential trailer parks, housing development sites, apartments, duplexes
- Assistance to an organization where Government employees are directors, officers, or own 20% or more of the business
Fees and Charges

There are two types of non-refundable guarantee fees

- **Initial Guarantee Fee** – 3 percent of the guaranteed portion of the loan
- **Annual Renewal Fee** – rate is established by Rural Development in an annual notice published in the Federal Register. For FY 2017, rate is 1/2% multiplied by the principal balance of the guaranteed portion of the loan at the end of the year. Annual Renewal Fee for the Rural Energy for America Program (REAP) remains at 0.25% for the FY 2017

Other Eligibility Requirements

- Rural area - Project must be located in a rural area, which is defined as any area outside a city or town with a population of 50,000 or more and its immediate adjacent urbanized area. To determine if a project is located in a rural area, you may go to: [http://eligibility.sc.egov.usda.gov](http://eligibility.sc.egov.usda.gov)
- Tangible balance sheet equity (TBSE) - A minimum of 10% TBSE is required for existing businesses with full personal or corporate guarantees. A minimum of 20% TBSE is required for new businesses with full guarantees. The equity requirement will be calculated in accordance with Generally Accepted Accounting Principles (GAAP)
- Collateral – Collateral must secure the entire loan. Lenders will discount collateral in accordance with bank’s normal policies. Discounted collateral value must be at least equal to the loan amount.
- Maximum Loan Amount and Percent of Guarantee – Maximum loan amount is $10 Million.
  - For FY 2017, the Administrator has decided to only grant exceptions to the $10 million loan limit to existing B&I borrowers that meet certain criteria.

### Loan amount and maximum guarantee

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Maximum Guarantee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Million or Less</td>
<td>80%</td>
</tr>
<tr>
<td>&gt;5 to 10 Million</td>
<td>70%</td>
</tr>
<tr>
<td>&gt;10 to 25 Million</td>
<td>60%</td>
</tr>
</tbody>
</table>

- Maximum Repayment Terms - Loans for multiple purposes and/or a combination of collateral may be blended. Repayment of the loan must be reasonably assured.

<table>
<thead>
<tr>
<th>Collateral Type</th>
<th>Repayment Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>30 years</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>15 years or useful life</td>
</tr>
<tr>
<td>Working Capital, Inventory</td>
<td>7 years</td>
</tr>
</tbody>
</table>

- Projects located within areas designated as part of the Coastal Barriers Resource System are ineligible. See page 95 for locations.
**Lender Responsibilities**

Applications are completed by the Lender and submitted to Rural Development requesting the guarantee. By executing a Lender’s Agreement, the lender agrees to service the loan in a prudent manner, including liquidation when necessary.

**Other Requirements**

Information will be required by Rural Development to comply with various laws and regulations. Environmental reviews will be required and applicant will be asked to provide the agency with the information required to complete the review.

**Regulations**

This summary of the Business & Industry guaranteed loan program provides general information. It is not intended to include all requirements and regulations. For complete information, obtain copies of USDA Rural Development Instructions 4279-A, 4279-B, and 4287-B, which are available from USDA Rural Development or on the internet at: [http://www.rd.usda.gov](http://www.rd.usda.gov).

USDA is an equal opportunity provider and employer.
PRE-APPLICATION GUIDE
BUSINESS & INDUSTRIAL GUARANTEED LOANS
USDA – RURAL DEVELOPMENT, FLORIDA/VIRGIN ISLANDS

I. We suggest contacting our USDA-Rural Development Office in Gainesville, FL at 352-338-3482 to discuss your project.

A pre-application may also be filed at the following address: USDA-Rural Development
4440 NW 25th Place
Gainesville, FL 32606-6563

II. Please respond to all items on the sheet below. If additional space is needed, attach a sheet with a corresponding item number. Business and lender both need to sign this form.

<table>
<thead>
<tr>
<th>Lender</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Legal Name:</td>
<td></td>
</tr>
<tr>
<td>Organization Type:</td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>City, State</td>
<td></td>
</tr>
<tr>
<td>Contact Person Name</td>
<td></td>
</tr>
<tr>
<td>Contact Phone Number:</td>
<td></td>
</tr>
<tr>
<td>Contact Fax Number:</td>
<td></td>
</tr>
<tr>
<td>Contact E-mail Address:</td>
<td></td>
</tr>
<tr>
<td>Federal IRS / Tax ID Number:</td>
<td></td>
</tr>
<tr>
<td>Signature:</td>
<td></td>
</tr>
</tbody>
</table>

1. Brief description of the project, products, services provided, and availability of raw materials and supplies:
   - Brief description of project
   - Products
   - Services provided
   - Raw material and supply availability

2. Requested Loan Amount: $___________. Requested percent of guarantee: _______.
   Maturity: _______ years. Interest rate: _______% Projected Debt Service: $___________.

3. Project Purpose and Funding:

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Use of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower Contribution</td>
<td>Working Capital</td>
</tr>
<tr>
<td>Guaranteed Loan</td>
<td>Furniture and Fixtures</td>
</tr>
<tr>
<td>Other</td>
<td>Machinery &amp; Equipment</td>
</tr>
<tr>
<td>Other</td>
<td>Real Estate</td>
</tr>
<tr>
<td>Other</td>
<td>Debt Restructuring</td>
</tr>
<tr>
<td>Other</td>
<td>Loan fees</td>
</tr>
<tr>
<td>Other</td>
<td>Closing Costs</td>
</tr>
<tr>
<td>Other</td>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
</tr>
</tbody>
</table>
4. Number of full time jobs: existing: _____ to be created: _____ saved: _____
   Average hourly wage existing jobs
   Average hourly wage to be created jobs

5. Amount of borrower’s equity / net worth on a current GAAP balance sheet: _______.

6. Proposed Collateral offered as security for the Business and Industry Guaranteed Loan:

<table>
<thead>
<tr>
<th>Type</th>
<th>Book Value</th>
<th>Appraised Value</th>
<th>Discount Factor</th>
<th>Discount Value</th>
<th>Prior Liens</th>
<th>Net Collateral Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
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<tr>
<td>Total:</td>
<td></td>
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</tr>
</tbody>
</table>

7. If corporate borrower, the names and addresses of the borrower’s parent, affiliates, and subsidiary firms, if any, and a description of the relationship.

8. A completed Form 4279-2, "Certification of Non-Relocation and Market Capacity Information Report," only needed if the proposed loan is in excess of $1 million AND will increase direct Employment by more than 50 employees. If not applicable, show “NA” below. (NOTE: This situation is not typical but be aware of this threshold)

9. For existing businesses, a current balance sheet and a profit and loss statement not more than 90 days old and financial statements for the borrower and any parent, affiliates, and subsidiaries for at least the 3 most recent years.

10. For start-up businesses, a preliminary business plan must be provided.

11. Lender’s preliminary credit approval presentation with credit analysis.

III. The Agency will make a determination and advise the lender whether the request is likely to meet the requirements of the B&I program.
### Application Checklist

The application package will contain the following information unless previously submitted with a pre-application, and the information has not changed.

#### Rural Development Instruction 4279-B

<table>
<thead>
<tr>
<th>4279.161 (b)(c)</th>
<th>Rural Development Instruction 4279-B</th>
<th>Guaranteed Loans $600,000 or less</th>
<th>Guaranteed Loans &gt; $600,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum guaranteed loan - $10 million, with some exceptions up to $25 million for existing borrowers that meet certain criteria.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 1 APPLICATION INFORMATION

- **4279-1** “Application for Loan Guarantee” including certification pages for applicant and lender. [http://forms.sc.egov.usda.gov/eFileServices/eForms/RD4279-1.PDF](http://forms.sc.egov.usda.gov/eFileServices/eForms/RD4279-1.PDF)  
  - N/A
- **AD 3030** - “Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants” (both applicant and lender will execute a form)  
  - N/A
- **4279-2** “Certification of Non-Relocation and Market Capacity Information Report” when loan exceeds $1 million and direct employment will increase by more than 50 employees  
  - The information required for filing a pre-application (see pages 7-8), if not previously filed or if the information has changed
- Average hourly wage information for current and prospective employees. Format used should be similar to: 10 employees at $8.00/hr; 5 employees at $10.00/hr,
- Lender’s complete written analysis including:
  - A. Spreadsheets of balance sheets and income statements for the previous 3 years
  - B. Pro-forma balance sheet at loan closing in accordance with GAAP
  - C. Spreadsheets including 2 years projected yearend balance sheets and income statements with appropriate ratios and comparisons with industry standards and a list of assumptions showing the basis for the projections.
  - D. Data must be shown in total dollars and in common size form, expressing all balance sheets items as percentage of assets and all income and expense statements as percentage of sales.
  - E. Discussion that addresses borrower’s management, repayment ability including cash-flow analysis, history of debt repayment, necessity of any debt refinancing, credit reports of the borrower, its principals, and any parent, affiliate, or subsidiary, adequacy of equity and collateral, working capital needs, and the current status of the industry for which credit is extended.
  - F. A feasibility discussion that establishes economic, market, technical, financial, and management feasibility
- Lender’s Proposed Loan Agreement (see page 11 for required provisions)
- Business Plan with a description of the business and project, management experience, products and services, proposed use of funds, availability of labor, raw materials and supplies, and the relationship with any parent, affiliates, and subsidiaries.  
  - In lender’s file

### 2 FINANCIAL STATEMENTS AND CREDIT REPORTS

- Pro forma Balance Sheet at startup
- Interim financials (less than 90 days)
- Balance sheets (2 years of projected year-end)
- Income and expense statements (2 years of projected year-end)
- Cash flow statements (2 years of projected year-end)
- For existing business, 3 years historical financial statements on the applicant, any parent, affiliate, and subsidiary
- Aging of Accounts Receivable and Accounts Payable (existing business only)  
  - In lender’s file
- Current personal & corporate financial statements of guarantors (<90 days)  
  - In lender’s file
- Personal credit reports for all with 20% or more interest in the applicant  
  - In lender’s file
- Commercial credit reports on the applicant, any parent, affiliate, and subsidiary  
  - In lender’s file
### Rural Development Instruction 4279-B

**Guaranteed Loans**

- **$600,000 or less**
- **> $600,000**

#### Maximum guaranteed loan

- $10 million, with some exceptions up to $25 million for existing borrowers that meet certain criteria.

#### 3 ENVIRONMENTAL INFORMATION

- Consult with our office to determine the level of environmental review required.
  - For non-construction projects, the only environmental requirement is a Phase I on property being used as collateral.
  - For construction projects, please see requirements listed in this lender guide. Also, please contact one of our Loan Specialists.

#### 4 APPRAISALS

- **Real estate:**
  - Prepared by State Certified General Appraiser using each of the 3 approaches to value.
  - In compliance with Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practices (USPAP).

- **Review of the appraisal report by the bank or its representative.**

- **Chattels:**
  - In accordance with normal banking practices and generally accepted methods of determining value.

#### 5 FEASIBILITY INFORMATION

- Comprehensive Independent Feasibility Study, if required by the Agency. The feasibility study should reach a conclusion as to the overall potential success of the business. (See Feasibility Study Guide on pages 12-14)

#### 6 MISCELLANEOUS INFORMATION

- Copy of legal entity documents
- Copy of franchise agreement
- Certificate of need for health care facilities (if required by statute) N/A
- SEC Form 10-K, “Annual Report Pursuant to sections 13 or 15D of the Act of 1934 for companies subject to Securities and Exchange Commission regulations N/A
PROPOSED LOAN AGREEMENT

(Minimum requirements)

1. Prohibition against assuming liabilities or obligations of others.
2. Restriction on dividend payments.
3. Limitation on the purchase or sale of equipment and fixed assets.
4. Limitation on compensation of officers and owners.
5. Minimum working capital or current ratio requirement.
7. Restrictions concerning consolidations, mergers, or other circumstances.
8. Limitations on selling the business without the concurrence of the lender.
9. Repayment and amortization of the loan.
10. A list of collateral and lien priority for the loan, including a list of persons and corporations guaranteeing the loan, with a schedule for providing the lender with personal and corporate financial statements. Financial statements on the corporate and personal guarantors must be updated at least annually.
11. The type and frequency of financial statements to be required for the duration of the loan.
12. The final Loan Agreement between the lender and the borrower will contain any additional requirements imposed by the Agency in its Conditional Commitment.
13. A section for the later insertion of any necessary measures by the borrower to avoid or reduce adverse environmental impacts from this proposal’s construction or operation. Such measures, if necessary, will be determined by the Agency through completion of the environmental review process.

(The bank’s commitment letter may be sufficient as a proposed loan agreement if it covers these provisions.)

The final executed Loan Agreement must include Rural Development’s requirements as set forth in RD Form 4279-3 (Conditional Commitment for Loan Guarantee), including the requirements for periodic financial statements and record keeping. It also should incorporate covenants and requirements of the bank’s proposed loan agreement.
Guide for Completion of Feasibility Studies

An acceptable feasibility study includes, but is not limited to:

(A) Executive Summary

| Introduction/Project Overview (Brief general overview of project location, size, etc.) |
| Economic feasibility determination/opinion |
| Technical feasibility determination/opinion |
| Market feasibility determination/opinion |
| Financial feasibility determination/opinion |
| Management feasibility determination/opinion |
| Recommendations for implementation, including an overall conclusion as to the business’ chance of success (Revised 10-05-16, PN 489.) |

(B) Economic Feasibility

| Information regarding project site; |
| Availability of trained or trainable labor; |
| Availability of infrastructure, including utilities, and rail, air and road service to the site. |

(C) Market Feasibility

| Information on the sales organization and management; |
| Nature and extent of market and market area; |
| Marketing plans for sale of projected output - principal products and by-products; |
| Extent of competition including other similar facilities in the market area; |

(08-09-16) SPECIAL PN
| Commitments from customers or brokers - principal products and by-products. |
| Adequacy of raw materials and supplies. |
| Projected total supply from members and non-members. |
| Projected competitive demand for raw materials. |
| Procurement plan and projected procurement costs. |
| Form of commitment of raw materials (marketing agreements, etc.). |

(D) Technical Feasibility

Suitability of the selected site for the intended use including an environmental impact analysis.

Report must be based upon verifiable data and contain sufficient information and analysis so that a determination may be made on the technical feasibility of achieving the levels of income or production that are projected in the financial statements.

Report must also identify any constraints or limitations in these financial projections and any other facility or design-related factors which might affect the success of the enterprise.

Report must also identify and estimate project operation and development costs and specify the level of accuracy of these estimates and the assumptions on which these estimates have been based.

Project engineer or architect may be considered an independent party provided neither the principals of the firm nor any individual of the firm who participates in the technical feasibility report has a financial interest in the project and provided further that no other individual or firm with the expertise necessary to make such a determination is reasonably available to perform the function.

Commercial Replication

Risks Related: Construction

Production

Regulation and Governmental Action
(E) Financial Feasibility

Reliability of the financial projections and assumptions on which the financial statements are based. Two years (minimum) projected Income Statements and Cash Flow Statements, including Sensitivity Analysis. The income approach of an appraisal is not an acceptable feasibility study. (Revised 10-05-16, PN 489.)

Ability of the business to achieve the projected income and cash flow.

Assessment of the cost accounting system.

Availability of short-term credit for seasonable business.

Risks Related to: The offering
   Applicant financing plan
   Operational units
   Tax issues

(F) Management Feasibility

Discuss adequacy of management (experience, training, and education of management).

Discuss continuity of management (is there a continuity of management plan and is there depth of management?)

Evidence that continuity and adequacy of management has been evaluated and documented as being satisfactory.

Discuss motivation and character of management.

Risks Related to:
   Applicant as a company (i.e. development-stage)
   Conflicts of interest or appearances thereof

(G) Qualifications

A resume or statement of qualifications of the author of the feasibility study, including prior experience, should be submitted. Consultant must be a qualified and independent. (Revised 10-05-16, PN 489.)
APPLICATION FOR LOAN GUARANTEE
(Rural Business-Cooperative Service)

Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact or makes any false, fictitious, or fraudulent statement or representations or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry shall be fined under this title or imprisoned not more than five years or both."

Capitalized terms will have the meaning defined in the applicable program regulations.

CERTIFICATION: Information contained below and in attached exhibits is true and complete to my best knowledge. Misrepresentation of material facts may be the basis for denial of credit by the United States Department of Agriculture ("USDA").

PART A: Completed By Borrower

1. AMOUNT OF LOAN $  
2. NAME OF BORROWER(S)  
3. ADDRESS (Include Zip Code)  

4. CONTACT PERSON  
5. TELEPHONE NUMBER (Include Area Code)  
6. TAX ID # OR SOCIAL SECURITY # FOR INDIVIDUALS  

7. PROJECT LOCATION (Town/City)  
8. POPULATION  
9. COUNTY  

10. TYPE OF BORROWER  
   □ Proprietary  
   □ Cooperative  
   □ Partnership  
   □ Indian Tribe  
   □ Corporation  
   □ Political Subdivision  

11. NAICS CODE  

12. DATE BUSINESS ESTABLISHED  
13. DUNS Number  

14. a. THIS PROJECT IS  
   □ Renovable Energy Systems  
   □ Energy Efficient Improvement  
   □ An expansion  
   □ New Business  
   □ Refinancing  
   □ Transfer of ownership  
   □ Other  

b. JOBS: Created  
   □ , Saved  
   □ , Wages  

15. IF BORROWER IS AN INDIVIDUAL  
   (Check one checked individually)  
   □ A. IS HE OR SHE A VETERAN?  
      □ YES  
      □ NO  
   □ B. MARITAL STATUS -  
      □ Married  
      □ Separated  
      □ Unmarried  

16. HAS BORROWER OR RELATED INDIVIDUAL EVER BEEN IN RECEIVERSHIP OR BANKRUPTCY?  
   □ YES  
   □ NO  

17. SCHEDULE OF INSTALLMENT DEBTS, CONTRACTS, NOTES AND MORTGAGES PAYABLE CORRELATED TO LATEST BALANCE SHEET DATED  , INDICATE WITH ASTERISK (*) DEBTS TO BE REPAYED WITH PROPOSED USDA GUARANTEED LOAN IF APPLICABLE. (*Attach additional sheet if necessary.)

<table>
<thead>
<tr>
<th>CRDITOR</th>
<th>ORIGINAL LOAN AMOUNT</th>
<th>LOAN BALANCE</th>
<th>DATE OF LOAN</th>
<th>INTEREST RATE</th>
<th>MATURITY DATE</th>
<th>M - MONTHLY Q - QUARTERLY A - ANNUAL</th>
<th>CURRENT Y - YES N - NO</th>
<th>SECURITY</th>
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18. FOR EXISTING BUSINESSES ONLY - AGING OF ACCOUNTS RECEIVABLE, CORRELATED TO THE CURRENT BALANCE SHEET DATED , TYPICAL SELLING TERMS ARE:

- □ 30 Days or Less, □ 60 Days or Less, □ 90 Days or Less, □ Other (Specify)  
- □ 30 Days or Less $  
- □ 61 to 90 Days $  
- □ Over 90 Days $  

19. PROFESSIONAL SERVICE FEES FOR ENGINEERS, ARCHITECTS, LAWYERS, ACCOUNTANTS, LOAN PACKAGERS, APPRAISERS, PROVIDED IN THE PREPARATION OF THIS APPLICATION (SUBJECT TO USDA APPROVAL)

<table>
<thead>
<tr>
<th>NAME</th>
<th>SERVICE</th>
<th>FEE/COMPENSATION</th>
<th>SOURCE OF FUNDING</th>
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According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0017, 0570-0030, and 0570-0055. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
20. PROVIDE INFORMATION BELOW ON KEY PEOPLE (PROPRIETOR, PARTNERS, OFFICERS, DIRECTORS, KEY EMPLOYEES AND STOCKHOLDERS WITH 20% OR MORE INTEREST IN THE BUSINESS), ALSO INCLUDE PERSONS OR CORPORATIONS THAT WILL GUARANTEE LOAN. (*Optional. used for monitoring purposes only.)

<table>
<thead>
<tr>
<th>NAME AND POSITION</th>
<th>RACE</th>
<th>ETHNICITY</th>
<th>SEX</th>
<th>U.S. CITIZEN</th>
<th>ANNUAL COMPENSATION</th>
<th>% OF OWNERSHIP</th>
<th>OUTSIDE NET WORTH</th>
<th>PERSONAL CORPORATE GUARANTEE YES OR NO</th>
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<td>YES OR NO</td>
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</table>

ATTACH THE FOLLOWING (as required by applicable regulations). For applications filed in accordance with 7 CFR 4279.161(c), only include items 26 and 30.

☐ 21. Business plan that must include a description of the business and project; management experience; products, services and pricing; marketing plan; proposed use of funds; sources of capital; availability of labor, raw materials and supplies; contracts in place; distribution channels; and the names of any corporate parent, affiliates, and subsidiaries with a description of the relationship. (If applicable. For the Business and Industry (B&I) Guaranteed Loan Program, see 7 CFR 4279.161(b)(14)).


☐ 23. State Clearinghouse comments or recommendations.

☐ 24. For companies listed on major stock exchanges and/or subject to the Securities and Exchange Commission regulations, a copy of Form 10-K. "Annual Report Pursuant to Section 13 or 15D of the Act of 1934."

☐ 25. Independent feasibility study (If applicable. For B&I, see 7 CFR 4279.150; for Rural Energy for America Program (REAP), see 7 CFR 4280.137(b)(1)).


☐ 27. Architectural or Engineering Plans (if applicable).

☐ 28. Cost estimates and forecasts of contingency funds to cover cost increases or project changes.

☐ 29. Financial statements (for B&I, see 7 CFR 4279.161(b); for REAP, see 7 CFR 4280.137(b)(2)(vii) and 7 CFR 4280.137(b)(2)(viii)).

☐ 30. Record of any pending or final regulatory or legal (civil or criminal) action against the business, parent, affiliate, guarantors, subsidiaries, principal stockholders, officers and directors.

☐ 31. If a health care facility, a "Certificate of Need," (If required by State law).

☐ 32. Form RD 4280-3A, "Renewable Energy Systems and Energy Efficiency Improvements. Total Project Costs of $80,000 or Less," Form RD 4280-3B, "Renewable Energy Systems and Energy Efficiency Improvements, Total Project Costs of Less Than $200,000, but More Than $80,000," or Form RD 4280-3C, "Renewable Energy Systems and Energy Efficiency Improvements, Total Project Cost of $200,000 and Greater," (for REAP only, see 7 CFR 4280.137(c)(1)).

By my signature, I certify that I have read the General Borrower Certifications contained in this application. My signature represents my agreement to comply with the limitations outlined in the General Borrower Certifications.

CORPORATE SEAL

BORROWER SIGNATURE

ATTEST

BY

TITLE

DATE

Form RD 4279-1 (Rev. 06-17)
GENERAL BORROWER CERTIFICATIONS

I. ASSURANCE AGREEMENT (TITLE VI, CIVIL RIGHTS ACT OF 1964)

"Recipient" herein hereby assures the United States Department of Agriculture that Recipient is in compliance with and will continue to comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.), 7 C.F.R. part 15, and USDA regulations promulgated hereunder. 7 C.F.R. §1901.202 of subpart E of part 1901. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. § 15.2) no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

A. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease, or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.

B. Recipient shall:

(1) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain compliance with this agreement and the regulations.

(2) Permit access by authorized employees of the USDA during normal business hours to such books, records, accounts, and other sources of information and its facilities as may be pertinent to ascertaining such compliance.

(3) Make available to users, participants, beneficiaries, and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the USDA finds necessary to inform such persons of the protection assured them against discrimination.

C. The obligations of this agreement shall continue:

(1) As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer.

(2) As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.

(3) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.

D. Upon any breach or violation of this agreement the Government may, at its option:

1. Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service, or activity.

2. Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or in the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

II. EQUAL OPPORTUNITY AGREEMENT (EXECUTIVE ORDER 11246, AS AMENDED)

Recipient (whether one or more) and the USDA, pursuant to the rules and regulations of the Secretary of Labor ("Secretary") issued under the authority of Executive Order 11246, as amended, agree:

In consideration of financial assistance (whether by a loan, grant, loan guaranty, or other form of financial assistance) made or to be made by the USDA to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds $10,000 – unless exempted by rules, regulations or orders of the Secretary issued pursuant to section 204 of Executive Order 11246 of September 4, 1965.

A. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause":

17
During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated equally during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the USDA setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the USDA, advising the said labor union or workers' representative of the contractor's commitments under this agreement as required pursuant to section 202(3) of Executive Order 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246, and with all rules, regulations, and relevant orders of the Secretary of Labor and of any prior authority which remain in effect.

(5) The contractor shall furnish all information and reports required by Executive Order 11246, rules, regulations, and orders, or pursuant thereto, and will permit access to his books, records, and accounts by the USDA, Office of the Assistant Secretary of Civil Rights, and the Secretary for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the Equal Opportunity (Federally Assisted Construction) clause or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or Federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, or by rule, regulation, or order of the Secretary, or as provided by Law.

(7) The contractor will include the provisions of this Equal Opportunity (Federally Assisted Construction) clause in every subcontract or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions will be binding upon each such subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order USDA may direct as a means of enforcing such provisions, including sanctions for non-compliance. Provided, however, that in the event the contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the USDA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

B. To be bound by the provisions of the Equal Opportunity Clause in construction work performed by Recipient and paid for in whole or in part with the aid of such financial assistance.

C. To notify all prospective contractors to file the required "Compliance Statement." Form RD 400-6, with their bids.

D. Form AD-425, Instructions to Contractors, will accompany the notice of award of the contract. Bid conditions for all nonexempt Federal and Federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.

E. To assist and cooperate actively with the USDA and the Secretary in obtaining the compliance of contractors and subcontractors with the provisions of the Equal Opportunity Clause and the said rules, regulations, and orders, to obtain and furnish to the USDA and the Secretary, Form AD-560, "Certification of Nonsegregated Facilities," to submit the Monthly Employment Utilization Report, Form CC-257, as required and such other information as may be required for the supervision of such compliance, and to otherwise assist the USDA in the discharge of its primary responsibility for securing compliance.
F. To refrain from entering into any contract, or extension or other modification of a contract, subject to such Executive Order with a contractor debarred from Government contracts or Federally assisted construction contracts pursuant to part 11, subpart D, of such Executive Order or to prior authority; and to carry out such sanctions and penalties for violation of the provisions of the Equal Opportunity Clause as may be imposed upon contractors and subcontractors by the USDA or the Secretary pursuant to such subpart D.

G. That if Recipient fails or refuses to comply with these undertakings, the USDA may take any or all of the following actions: (a) cancel, terminate, or suspend said financial assistance in whole or in part; (b) refrain from extending any further assistance under the program involved until satisfactory assurance of future compliance has been received from Recipient; and (c) refer the case to the USDA Office of Civil Rights Enforcement and Adjudications Program Complaint and Adjudication Division, U.S. Department of Agriculture for appropriate action.

III. FEDERAL COLLECTION POLICIES FOR CONSUMER OR COMMERCIAL DEBTS

A. The Recipient (Borrower) certifies, acknowledges and agrees that any loss claim(s) paid by the Government to the Lender on account of any guarantee made pursuant to this application will be a Federal debt owed to the Government by the Recipient. In such a case, the Government may use all legal collection remedies, including those under the Debt Collection Improvement Act. The Government's right to collect this Federal debt will not be affected by any release provided to the Recipient by the Lender. Lender agrees that any collection by the Government of this Federal debt will not be shared with the Lender.

B. The Federal Government is authorized by law to take any and all actions in the event your loan payments become delinquent or you default on your loan:
   • Report your name and account information to a credit reporting agency.
   • Assess interest and penalty charges for the period of time that payment is not made.
   • Assess charges to cover additional administrative costs incurred by the Government to service your account.
   • Offset amounts to be paid to you under other Federal programs.
   • Refer your account to a private collection agency to collect the amount due.
   • Foreclosure on any security you have given for the loan.
   • Pursue legal action to collect through the courts.
   • Report any written off debt to the Internal Revenue Service as taxable income.
   • If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits.
   • Debar or suspend you from doing business with the Federal Government either as a participant or principal throughout the Executive Branch of the Federal Government for a period of debarment or suspension.

IV. STATEMENT REQUIRED BY THE PRIVACY ACT

The USDA is authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et. seq.) or other Acts administered by USDA to solicit the information requested on USDA application forms.

Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Identification Number, will result in the rejection of your application.

The principal purposes for collecting the requested information are to determine eligibility for USDA credit or other financial assistance, the need for interest credit, or other servicing actions, for the servicing of your loan, and for statistical analysis. Information provided may be used outside of the Department of Agriculture for the following purposes:
   • To provide the basis for borrower success stories in USDA news releases.
   • Referral to the appropriate law enforcement agency as required by 40 FR 38924 (1975).
   • Referral to employees, business, landlords, creditors or others to determine repayment ability and eligibility for USDA programs.
• Referral to a contractor providing services to USDA in connection with your loan.
• Referral to a credit reporting agency.
• Referral to a person or organization when USDA decides such referral is appropriate to assist in the collection or servicing of the loans.
• Referral to a Federal Records Center for storage.

Every effort will be made to protect the privacy of applicants and borrowers.

**WARNING**

All information supplied to USDA by you or your agents in connection with your loan application may be released to interested third parties, including competitors, without your knowledge or consent under the provision of the Freedom of Information Act (5 U.S.C. 522).

Information not clearly marked "Confidential" may routinely be released if a request is received for same. Further, if we receive a request for information marked "Confidential," the Federal Government will release the information unless you can demonstrate to our satisfaction that release of the information would be likely to produce substantial competitive harm to your business or would constitute a clearly unwarranted invasion of personal privacy. Also, forms, consultant reports, etc., cannot be considered confidential in their entirety if confidential material contained therein can reasonably be segregated from other information.

Information submitted maybe made available to the public during the time it is held in Government files regardless of the action taken by USDA on your application.

V. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

The loan applicant certifies that neither it nor any of its principals:

A. Are presently excluded or disqualified:

B. Have been convicted within the preceding 3 year of any of the offenses listed in §180.800 (a) or had a civil judgement rendered against it for one of those within that time period:

C. Are presently indicted for or otherwise criminally or civilly charged by a Government entity (Federal, State, or local), commission of the offenses listed in §180.800 (a); or

D. Have had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default.

VI. FEDERAL DEBT COLLECTION IMPROVEMENT ACT CERTIFICATION

The loan applicant certifies that the applicant is not delinquent on any Federal debt. The applicant further certifies that no party with a 20 percent or more ownership interest in the applicant is delinquent on any Federal debt. The loan applicant certifies and acknowledges that any amounts paid by USDA on account of the liabilities of the guaranteed loan will constitute a Federal debt owed to USDA by the guaranteed loan Borrower. In such case, USDA may use all remedies available to it to collect the debt from the Borrower.

VII. ENVIRONMENTAL CERTIFICATION

The applicant business certifies that it is in compliance with all local, State, and Federal environmental laws and regulations and will continue to comply with these laws and regulations. In addition, the applicant business certifies it has no knowledge of any environmental contamination of any real or personal property to be pledged as collateral for the loan which violates any such laws and regulations (other than as disclosed within the environmental information submitted in connection with this application).

VIII. AMERICANS WITH DISABILITIES ACT STATEMENT

All areas of public accommodation must be accessible to persons with disabilities in accordance with the Americans with Disabilities Act of 1990, as amended.
IX. USDA NON-DISCRIMINATION STATEMENT

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from public assistance programs, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaints filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

X. FEDERAL EQUAL CREDIT OPPORTUNITY ACT STATEMENT

You cannot be denied a loan because you exercised your rights under the Consumer Credit Protection Act. You must have exercised these rights in good faith. The Federal Agency responsible for seeing this law is obeyed is the Federal Trade Commission, Washington, D.C. 20580.
PART B: Completed By Lender

1. NAME OF LENDER

2. ADDRESS (Include Zip Code)

3. LENDER Tax ID NUMBER

4. CONTACT PERSON

5. TELEPHONE NUMBER (Include Area Code)

6. IS LOAN WITHIN LENDER'S LEGAL LENDING LIMIT?  □ Yes  □ No

7. GUARANTEE PERCENT REQUESTED?  %

8. WHY IS GUARANTEE NEEDED?

9. LIST ANY OFFICER, DIRECTOR, STOCKHOLDER OR EMPLOYEE WHO HAS A FINANCIAL INTEREST IN THE BORROWER, OR VICE VERSA AND DESCRIBE THE RELATIONSHIP AND INTEREST:

10. LIST ALL FEES LENDER WILL CHARGE FOR THE LOAN, INCLUDING THE USDA GUARANTEE FEE:

11. LENDER'S SERVICING PLAN (FIELD INSPECTIONS, INTERIM STATEMENTS, ANNUAL AUDITS CREDIT ANALYSIS, ETC.):

12. LIST ANY OTHER USDA GUARANTEED B&I AND REAP LOANS MADE BY LENDER:

<table>
<thead>
<tr>
<th>Borrower Name</th>
<th>Program Type</th>
<th>Total Loan Amount</th>
<th>Guaranteed Loan Amount</th>
<th>Closing Date</th>
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13. PROPOSED KEY EMPLOYEE LIFE INSURANCE, Employee Name(s) AND AMOUNT(s)

Assigning to Guaranteed Loan?

Assigning to Guaranteed Loan?

14. COLLATERAL AVAILABLE FOR THE USDA GUARANTEED LOAN:

<table>
<thead>
<tr>
<th>Presently Owned or to be Acquired</th>
<th>Value</th>
<th>Value Type</th>
<th>Discount Factor</th>
<th>Prior Liens</th>
<th>Net Collateral Value</th>
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<tbody>
<tr>
<td>Accounts Receivable</td>
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<tr>
<td>Inventory</td>
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<tr>
<td>Office Furniture and Equipment</td>
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<td>Automotive Equipment</td>
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<tr>
<td>Machinery and Equipment</td>
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<tr>
<td>Building</td>
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<tr>
<td>Land</td>
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<td>Other</td>
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<td><strong>TOTALS</strong></td>
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* Indicate by asterisk liens to be paid off with USDA guaranteed loan funds
## 15. PROJECT PURPOSE AND FUNDING

<table>
<thead>
<tr>
<th></th>
<th>Borrower Contribution</th>
<th>USDA Guaranteed Loan</th>
<th>Other Funds</th>
<th>Total *</th>
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<tbody>
<tr>
<td>Working Capital</td>
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<tr>
<td>Office Furniture and Equipment</td>
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<tr>
<td>Machinery and Equipment</td>
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<tr>
<td>Real Estate</td>
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<td>Debt Restructuring</td>
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<tr>
<td>Fees: Professional, USDA Guarantee</td>
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<tr>
<td>Other</td>
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<tr>
<td>Total</td>
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</table>

* REAP projects require a minimum of 25% of total project costs from other funds.

## 16. PROPOSED FINANCING

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Loan Amount</th>
<th>Interest Rate “V” Variable “F” Fixed</th>
<th>Interest Rate Tied To</th>
<th>Base Rate As of Today</th>
<th>Spread Over Base Rate</th>
<th>Term “Y” Years or “M” Months</th>
<th>Annual Debt Service</th>
</tr>
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<tbody>
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TOTAL

## 7. TANGIBLE BALANCE SHEET EQUITY

<table>
<thead>
<tr>
<th>B &amp; I</th>
<th>Energy Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible book equity cannot include appraisal surplus or subordinated debt.</td>
<td>Other Funding of not less than 25 percent of total eligible project costs required. Attach documentation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>When Loan is closed:</th>
<th>When Loan Note is closed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock $</td>
<td>Borrower Funds $</td>
</tr>
<tr>
<td>Preferred Stock $</td>
<td>Federal Grants $</td>
</tr>
<tr>
<td>Retained Earnings $</td>
<td>Other: $</td>
</tr>
<tr>
<td>Capital Surplus $</td>
<td>TOTAL OTHER FUNDS: $</td>
</tr>
<tr>
<td>Other * $</td>
<td>Total Eligible Project Cost: $</td>
</tr>
<tr>
<td>Total: $</td>
<td>Equity percentage: $</td>
</tr>
</tbody>
</table>

0.00

$%

Form RD 4279-1 (Rev. 06-17)
ATTACH THE FOLLOWING (As required by applicable regulations). For applications filed in accordance with 7 CFR 4279.161(c), only attach items 18, 21 and 22.

☐ 18. Intergovernmental Review Clearance (If applicable).

☐ 19. Credit reports on the Borrower, its principals, and any parent, affiliate, or subsidiary firms.

☐ 20. Proposed term Loan Agreement between Lender and Borrower (for B&I, see 7 CFR 4279.161 (b)(11); for REAP see 7 CFR 4280.137(b)(2)(xi)).

☐ 21. Appraisal reports (Submit as soon as available).

☐ 22. Lender’s analysis, with required financial spreads.

☐ 23. Documentation of other funds (for REAP only).

**GENERAL LENDER CERTIFICATION**

Lender certifies that it has reviewed, and agrees to comply with, the General Lender Certifications contained in this application and is in compliance with, and will continue to comply with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.), 7 CFR part 15, and USDA regulations promulgated thereunder, 7 CFR § 1901.202 of subpart E of part 1901.

Lender certifies that it meets all criteria to be considered as an Eligible Lender under applicable program regulations.

For B&I and REAP, the Lender certifies that it has completed a comprehensive analysis of the proposed loan and applicable program regulations and after such review certifies that the proposed Borrower is an eligible Borrower, the loan is for authorized program purposes, and there is reasonable assurance of repayment ability based on the proposed Borrower's history, projections, equity, and the collateral to be obtained.

Further, the officer signing on behalf of the Lender certifies that they are authorized to sign on the Lender's behalf.

---

**Lender's Name**

By: ___________________________

*Officer Signature*

**Date**

______________________________

*Officer Title*

---
GENERAL LENDER CERTIFICATIONS

LENDER

(1) RESTRICTIONS AND DISCLOSURE OF LOBBYING ACTIVITIES

If any funds have been or will be paid to any person for influencing, or attempting to influence, an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the guarantee of a loan under 7 CFR parts 4279 and 4280, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(2) CERTIFICATION REGARDING DEBARTMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12649, Debarment and Suspension, 7 C.F.R. §180.355. Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out on this form. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause.

The prospective primary participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into a lower tier covered transaction with a person who is debarred, suspended, ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

The prospective primary participant further agrees by submitting this form that it will comply with 2 C.F.R. subpart C, when entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

If a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

(A) The prospective primary participant certifies that it has notified the Rural Business-Cooperative Service whether it or any of its principals:

(1) Are presently excluded or disqualified;

(2) Have been convicted within the preceding three years of any of the offenses listed in §180.800 (a) or had a civil judgment rendered against it for one of those offenses within that time period;

(3) Are presently indicted for, or otherwise criminally or civilly charged by a government entity (Federal, State, or local), commission of any of the offenses listed in §180.800 (a); or

(4) Have had one or more public transactions (Federal, State, or local) terminated within the preceding 3 years for cause or default.

(B) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
This form is to be executed by applicants for financial assistance for loan guarantees or grants under provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932 and 7 U.S.C. 8107).

1. Name of Applicant: ________________________________

2. Name of Benefited Business or Industry: ________________________________

3. Location of Proposed Project: ________________________________

4. This Project is:

   - [ ] A New Business Venture
   - [ ] A New Branch or Facility
   - [ ] Refinance of Existing Loan
   - [ ] An Expansion of an Existing Facility
   - [ ] A Transfer of Ownership
   - [ ] Other (Explain) ________________________________

5. Affiliate or Subsidiary of: ________________________________

6. Amount of Loan or Grant: ________________________________

7. Purpose of Loan or Grant - (Be Specific) ________________________________

8. a. Information about your products or services: (NOTE: Describe each principal product or service to be furnished through this project. Do not list products or services already being offered unless this project also offers them and they are essentially an expansion of past activities. Enter in Column 6 the same information as provided in Column 4 except it should relate to employment at full capacity. Be specific, for example, "MANUFACTURE FURNITURE-OFFICE-WOOD DESKS".)

<table>
<thead>
<tr>
<th>Principal Product</th>
<th>Products or Services and NAICS Code (2)</th>
<th>Projected Annual Sales and Average Employment to be Generated by each product:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. (1)</td>
<td>(2)</td>
<td>Latest Annual Total ($ Sales # Employees) At Full Capacity ($ Sales # Employees)</td>
</tr>
<tr>
<td>Product #1</td>
<td></td>
<td>(3) (4)</td>
</tr>
<tr>
<td>Product #2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product #3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product #4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the Paperwork Reduction Act of 1995, an agency may not sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0017 and 0570-0050. The time required to complete this information collection is estimated to average 2 hours per response, including the time for revisiting instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
b. Principal Occupations:

<table>
<thead>
<tr>
<th>Occupational Job Title</th>
<th>Average Employment and Wage Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Period</td>
</tr>
<tr>
<td></td>
<td># Employees</td>
</tr>
<tr>
<td></td>
<td>(2)</td>
</tr>
</tbody>
</table>

9. INFORMATION ABOUT YOUR MARKET: List below, for each principal product or service, the states in which you expect to make the greatest part of your sales. You need list only those states in which you expect to sell at least 5 percent of your volume. If your sales are nationwide, enter the word "NATIONAL" in the right hand column. If more than 5 percent of your total projected sales are to be in any standard metropolitan statistical area (for example, Chicago and its nearby suburbs), enter the name of the area. If possible, give the approximate percentage of your total sales that you expect to make in the states and metropolitan areas listed. Enter no more than one product or NAICS code per row. (See sample entry in the table below.)

Principal Product or Service

<table>
<thead>
<tr>
<th>(Sample entry) Product &quot;X&quot;</th>
<th>Chicago (8%)</th>
<th>Indiana (12%)</th>
<th>Wisconsin (20%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kentucky (15%)</td>
<td>Iowa (20%)</td>
<td>Nebraska (10%)</td>
</tr>
</tbody>
</table>

10. INFORMATION ABOUT YOUR COMPETITORS: Please list the principal competitors offering the same or similar service or manufacturing a similar or identical product, regardless of where they are located, but only those who are selling in the market area you have indicated in section 9 above, where you intend to sell. Also indicate the location of your competitor's plants that is most likely to be serving your market area. If your market is national, omit a listing of competitor's shipping points.

NOTE: In terms of the following listing, a competitor should be considered an enterprise offering essentially similar services or products. Thus, a summer resort providing golf, swimming and tennis is not competitive with a winter resort offering only skiing and skating. By the same token, gypsum board or particle board are not considered competitive with plywood, nor wood furniture with metal furniture.

a. Names of Competitors

1. ________________________________ Location of plants serving market (Include street, city, state and zip code).

2. ________________________________

3. ________________________________

4. ________________________________

5. ________________________________

b. To the best of your knowledge, has any competitor recently ceased operations or withdrawn from your market area? Provide name and state reason, if known.
c. Are you aware of any potential new entries or planned expansions that will be competitive in your market area? If known, describe by name and location.

11. **Applicant must check one of a, b, or c below:** (NOTE: "Related Company" as used in this form means any affiliate, subsidiary, or other business entity under direct, indirect or common control with applicant.)

   - a. **New Business Venture.** This project is a new business venture unrelated to existing business facilities, and the borrower is not a company related to an existing business facility. (NOTE: If applicant or a related company has ceased or substantially reduced operations during the 24 months preceding the date of this request, the information required by Section 12 below must be attached.)

   - b. **Expansion of Applicant's Only Business Facility.** This project is an expansion of an existing business facility located at: (Street Address)

   Which carries on the following operations:

   - c. **Applicant or Related Company with Business Facility at Another Location.** Applicant has attached pages containing the information required by section 12 of this form concerning business operations conducted by the Applicant or by a related company at other locations than the location of the proposed project. Applicant has included business operations that have ceased or have been substantially reduced during the 24 months preceding the date of this request if such operations were conducted by Applicant or a related company.

   It is not the intention of the Applicant or any related company to relocate any present operation as a result of the proposed Project, that to the extent said Project is undertaken to assist in the expansion of the operations of Applicant through the establishment of a new branch, affiliate or subsidiary of Applicant, such expansion will not result in an increase of unemployment in the area of original location or in any area where Applicant or any related company now conducts related business operations, that any such expansion is not being undertaken with the intention of closing down or curtailing any existing operations of Applicant or of any related company, and that such Project is not being undertaken with the intention of performing as contractor or subcontractor work heretofore performed by Applicant or a related company, the transfer of which work would result in the transfer of employment opportunities from one location to another and an increase in unemployment at the previous location of such work.

12. The information required by this section must be supplied if Applicant or a related company now conducts business operations at a location other than the location of the proposed Project, or if Applicant or a related company has ceased or substantially reduced operations within the 24 months preceding the date of this application. A separate sheet of paper should be used for each location. Give the following information:
13. Please provide below name, address, telephone number and title of person to be contacted if any questions arise concerning this form.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

14. CERTIFICATION: I hereby certify that the information reported on this form, and any attachments to this form, are to the best of my belief and knowledge truly representative of the facts and reflect the future intentions of the Applicant as of this date:

________________________________________________________________________

(Date) (Signature of authorized official)

________________________________________________________________________

(Title)
AD-3030

U.S. DEPARTMENT OF AGRICULTURE

REPRESENTATIONS REGARDING FELONY CONVICTION
AND TAX DELINQUENT STATUS FOR CORPORATE APPLICANTS

Note: You only need to complete this form if you are a corporation. A corporation includes, but is not limited to, any entity that has filed articles of incorporation in one of the 50 States, the District of Columbia, or the various territories of the United States including American Samoa, Federated States of Micronesia, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, Republic of Palau, Republic of the Marshall Islands, or the U.S. Virgin Islands. Corporations include both for profit and non-profit entities.

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552(a), as amended). The authority for requesting the following information for U.S. Department of Agriculture (USDA) Agencies and staff offices is in §745 and 746 of the Consolidated Appropriations Act, 2016, Pub. L. 114-113, as amended and/or subsequently enacted. The information will be used to confirm applicant status concerning entity conviction of a felony criminal violation, and/or unpaid Federal tax liability status.

According to the Paperwork Reduction Act of 1985 an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0505-0025. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

1. APPLICANT'S NAME

Prefix: ___________________________ First Name: ___________________________

Middle Name: ___________________ Suffix: ___________________________

Last Name: _______________________

2. APPLICANT'S ADDRESS (Including Zip Code)

Street1: __________________________ Street2: ___________________________

City: ___________________________ State: ___________________________

Zip Code: _______________________

3. TAX ID NO. (Last 4 digits)

4A. Has the Applicant been convicted of a felony criminal violation under any Federal law in the 24 months preceding the date of application? YES NO

4B. Does the Applicant have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability? YES NO

Providing the requested information is voluntary. However, failure to furnish the requested information will make the applicant ineligible to enter into a contract, memorandum of understanding, grant, loan, loan guarantee, or cooperative agreement with USDA.

PART B - SIGNATURE

5A. APPLICANT’S SIGNATURE (BY) ___________________________

5B. TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY ___________________________

5C. DATE SIGNED (MM-DD-YYYY) __________________________

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Rev: 02/16
TO: Lender

Lender's Address

Case No.

State

Borrower

Principal Amount of Loan

From an examination of information supplied by the Lender and other relevant information, it appears that the transaction can be properly completed.

Therefore, the United States of America acting through the United States Department of Agriculture (USDA) hereby agrees that, in accordance with applicable provisions of the regulations, it will execute Form RD 4279-5, "Loan Note Guarantee," subject to the conditions and requirements specified in the regulations and herein.

The Loan Note Guarantee fee payable by the Lender to USDA will be the amount as specified in the regulations on the date of this Conditional Commitment. The interest rate for the loan is ______ percent. 1/ If a variable rate is used, it must be tied to a published base rate agreed to by the Lender and USDA which cannot change more often than quarterly (for Business and Industry (B&I) Guaranteed Loans).

A Loan Note Guarantee will not be issued until the Lender certifies that there has been no adverse change in the Borrower's financial condition, nor any other adverse change in the Borrower's condition, for any reason, during the period of time from USDA's issuance of this Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether the cause or causes of the change were within the Lender's or Borrower's control. The Lender's certification must address all adverse changes and be supported by financial statements of the Borrower and its guarantors executed not more than 60 days before the time of certification. As used in this paragraph only, the term "Borrower" includes any parent, affiliate, or subsidiary of the Borrower.

In the event of the Government's failure to issue a guarantee in a situation where it is found to be in breach, the other party's remedy is limited to a suit for the guaranteed portion of principal and interest that ultimately remains unpaid.

The purposes for which the loan funds will be used and the amounts to be used for such purposes are set forth in the attachment to this Conditional Commitment. Once this instrument is executed and returned to USDA, no major change of conditions or approved loan purpose will be considered. Additional Conditions and Requirements including Source and Use of Funds are attached. 2/

This agreement becomes null and void unless the conditions are accepted by the Lender and Borrower within 60 days from the date of issuance by USDA. If the conditions set forth in this commitment are not met by _______, USDA reserves the right to discontinue the processing of the application and terminate its commitment. 3/ If USDA decides to terminate this commitment, USDA will provide the Lender a written notice at least 14 days prior to termination.

UNITED STATES OF AMERICA

By: ________________________________

Typed or Printed Name: ________________________________

Date: ________________________________

(Title)

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control numbers for this information collection is 0570-0017 and 0570-0067. The time required to complete this information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
ACCEPTANCE OF CONDITIONS

To: USDA 4/

The conditions of this Conditional Commitment including attachments are acceptable and the undersigned intends to proceed with the loan transaction and request issuance of a Loan Note Guarantee within ____________________________ days.

________________________________________
(Name of Lender)

Date: ________________________________ By: ________________________________
(Signature for Lender)

Date: ________________________________
(Signature for Borrower)

1/ Insert fixed interest rate or, if authorized by regulations, the variable interest rate (the published base rate and spread) and the appropriate loan subsidy rate, if applicable.

2/ Insert any additional conditions or requirements in the attachment to the Conditional Commitment and attach.

3/ USDA will determine and insert the date by which conditions should be met.

4/ Return completed and signed copy of this form to USDA issuing office.
NOTE TO LOAN OFFICERS: The following template should be used as an attachment to RD Form 4279-3, "Conditional Commitment." Additional conditions may be added, as necessary. The red fonts are included for your reference and should not be included in the actual Conditional Commitment issued to the lender and borrower. A red variable in caps or ** indicates where you need to fill in the blank or renumber conditions.

Attachment to Form RD 4279-3, "Conditional Commitment"

BORROWER NAME STATE/COUNTY CODE and GLS Case Number *****

$*** Business & Industry (B&I) Guaranteed Loan

Approval Date: [Insert Date the 1940-3 was signed]

LOAN PURPOSE:

1. The purpose of the loan is to provide long-term financing for PURPOSE at a commercial property located at ADDRESS to be used as a BUSINESSTYPE facility. Funds will be used for (use all that are applicable) real estate acquisition ($***), construction costs of the facility ($***), machinery & equipment ($***), working capital ($***), the refinance of debt owed to *** ($***), and fees & costs associated with this loan ($***). These funds are to be matched by contributions from the borrower of approximately $*** (use the remainder of sentence only if applicable) and from a loan/grant from OTHERSOURCE of approximately $***. Upon final disbursement of loan funds, a copy of the lender’s detailed loan settlement must be provided to Rural Development as evidence that all funds were disbursed in amounts and for purposes outlined above. Add if applicable: By signing and accepting this Conditional Commitment, the lender certifies that its loan which is being refinanced with this B&I loan has been closed and current (not due to debt restructuring) for at least 12 months prior to the refinancing. No activity that is in violation of Federal law shall be permitted on the borrower’s premises nor shall any equipment or other assets funded by the USDA guaranteed loan be used for activities that are in violation of Federal law.

PERCENTAGE OF GUARANTEE:

2. A(n) **% guarantee will be issued after any development work is completed and the terms of this Conditional Commitment have been met.

or

2. A(n) **% guarantee will be issued prior to the substantial completion of development work when the terms of this Conditional Commitment have been met. Construction conditions are outlined below which will address construction requirements.

INTEREST RATE AND TERM:

3. The term of the loan is to be ** years. The interest rate is to be established by the formula: IR = BASE RATE + BASIS POINTS or BASE RATE/20-yr/5-yr reset index + BASIS POINTS. The interest rate is not to vary more often than quarterly. The loan is to be fully amortized with (PICKONE) monthly/quarterly/annual installments. When the rate changes, installments are to be adjusted to assure there are no balloon payments. Reasonable and customary prepayment penalties will not be prohibited:
however, the lender's promissory note must not contain provisions for default or penalty interest nor will default or penalty interest, interest on interest, or late payment fees be covered by the guarantee. If an interest rate swap is utilized, the guarantee will only cover principal and interest. The guarantee will not cover any fees relating to the swap.

or

3. The term of the loan is to be ** years. The interest rate is to be fixed at **% per annum. The loan is to be fully amortized over the life of the loan with no balloon payments. Reasonable and customary prepayment penalties will not be prohibited; however, the lender's promissory note must not contain provisions for default or penalty interest nor will default or penalty interest, interest on interest, or late payment fees be covered by the guarantee.

RENEWAL FEE:

4. This loan guarantee is subject to an annual renewal fee of ** percent of the guaranteed portion of the outstanding principal as of December 31st of each year. The calculation is ** of the outstanding principal multiplied by the guarantee percentage. Payments are due to Rural Development by January 31st of each year. For loans where the Loan Note Guarantee is issued between October 1st and December 31st of each year, the first annual renewal fee will be due January 31st of the second year following the date the Loan Note Guarantee is issued. Payments not received by April 1st of the following year are considered delinquent and may result in cancellation of the guarantee to the lender. Holder's rights will continue in effect as specified in the Loan Note Guarantee and Assignment Guarantee Agreement.

COLLATERAL:

5. This loan is to be secured by a first mortgage or deed of trust (including assignment of rents) on a ***-acre commercial property at ADDRESS. All taxes and assessments are to be current at loan closing. Lender must certify that the borrower has obtained a title opinion by its attorney showing ownership of real estate and any mortgages, restrictions, lien defects or encumbrances.

and/or

5. This loan is to be secured by a second mortgage or deed of trust (including assignment of rents) on a ***-acre commercial property at ADDRESS, junior only to a first mortgage or deed of trust pledged to LIEN HOLDER, with a balance not to exceed $*** at loan closing. All taxes and assessments are to be current at loan closing. Lender must certify that the borrower has obtained a title opinion by its attorney showing ownership of real estate and any mortgages, restrictions, lien defects or encumbrances.

or

5. This loan is to be secured by a first mortgage or deed of trust (including assignment of rents) on the borrower's leasehold interest in the land and improvements located on a ***-acre commercial property at ADDRESS. The lender is to secure a transferable assignment of the lessor's ground lease. The term of the borrower's leasehold interest must exceed the term of the B&I loan.

and/or

5. This loan is to be secured by a first lien on all of the borrower's machinery & equipment

add as applicable:
Including the items listed in the appraisal by *** dated ***.
Including all items financed with this B&I loan. A final list of all equipment financed with this loan, with a matching cost breakdown, will be provided with the loan settlement statement. - appended with the following, if applicable: indicating not more than ** percent of the total cost of acquisition, delivery, and installation was financed with the B&I loan.

Including a security interest in the borrower's rights under its equipment leases, junior only to the outstanding lease obligations at the time of loan closing.
or:

This loan is to be secured by a first lien on all business assets including machinery & equipment, inventory, and accounts receivable.

It is also to be secured by a first lien on all furnishings, fixtures, and equipment associated with the facility.

As additional security only, a lien will also be taken on . . .

There are to be no construction or mechanics liens against the security. (Use on all construction projects)

Add this paragraph at the end:

The lender will not require compensating balances or other collateral as a means of eliminating the lender's exposure for the unguaranteed portion of the loan. The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The unguaranteed portion of the loan will neither be paid first nor given any preference or priority over the guaranteed portion.

GUARANTOR(S):

6. In addition to the full liability of BORROWER NAME, *** are to pledge full personal guarantees for the loan. (Use the following only if applicable) *** is to pledge a full commercial guarantee for the loan. (Use only if applicable) Pro rata guarantees are required from *** in an amount equal to their ownership interests. (Use only if applicable) The *** Tribe is to be fully liable for this loan, and the lender is to obtain all waivers of sovereign immunity that are necessary.

Each guarantor must execute Form RD 4279-14; "Unconditional Guarantee."

or, if there will be no guarantors:

6. BORROWER NAME is to have full liability for the loan.

INSURANCE:

7. Hazard insurance naming the lender as mortgagee or loss payee, as applicable, will be maintained in an amount at least equal to the outstanding loan balance or the replacement value (whichever is greater) or the collateral. Hazard insurance includes fire, windstorm, lightning, hail, explosion, riot, civil commotion, aircraft, vehicle, marine, smoke, builder's risk during construction, and property damage. Worker's Compensation must be carried in accordance with State law.
Add if applicable:
Flood insurance coverage is required.

Key person life insurance naming the lender as collateral assignee, as applicable, will be maintained on the life of *** in the amount of $***.

or

Key person life insurance is not required.

EQUITY:

8. A minimum of ** percent tangible balance sheet equity will be required at loan closing. Tangible balance sheet equity must be met in the form of either cash or tangible earning assets contributed to the business and reflected on the business' balance sheet. Tangible balance sheet equity will be determined using a balance sheet prepared in accordance with Generally Accepted Accounting Principles and will not include appraisal surplus, bargain purchase gains, or intangible assets. Owner subordinated debt may be included when the subordinated debt is in exchange for cash injected into the business that remains in the business for the life of the guaranteed loan. The note or other form of evidence must be submitted to the Agency in order for subordinated debt to count towards meeting the tangible balance sheet equity requirement. Prior to issuance of the Loan Note Guarantee, the lender must provide Rural Development with a balance sheet as of loan closing that reflects the business' post-closing status and demonstrates the required tangible balance sheet equity as a part of the lender certification. This balance sheet must take into account any new assets, the guaranteed loan amount, and any non-guaranteed debt liabilities of the borrower, regardless of whether the loan(s) has/have been fully disbursed or remain(s) to be disbursed

Add if applicable:
Based upon the borrower's (INSERT DATE) balance sheet, a cash or tangible earning asset injection in the amount of $** must be raised and injected into the business prior to loan closing in order to meet the minimum tangible balance sheet equity requirement.

LOAN AGREEMENT:

9. A loan agreement between the lender and borrower will be executed which conforms to RD Instruction 4279-B, § 4279.161(b)(11).

a. The borrower must obtain (PICK ONE) compiled/reviewed/audited financial statements annually, prepared in accordance with Generally Accepted Accounting Principles, and submit them to the lender within 90 days of the business' fiscal yearend. Financial statements will contain, at a minimum, a balance sheet and a profit and loss statement reflecting the financial condition of the borrower as of its yearend. The lender is responsible for obtaining all required financial statements from the borrower, analyzing them, and providing copies of statements with a detailed written analysis to Rural Development within 120 days.
b. All personal and commercial guarantors of this loan must provide annual financial statements to the lender within 90 days of guarantor's fiscal or calendar yearend.

or, use the following (a) and (b) if the borrower is a sole proprietorship:

a. The borrower must provide annual financial statements on the business operation being financed with this loan and submit them to the lender within 90 days of the business’ fiscal yearend. Financial statements will contain, at a minimum, a balance sheet and a profit and loss statement reflecting the financial condition of the borrower as of its yearend. The lender is responsible for obtaining all required financial statements from the borrower, analyzing them, and providing copies of statements with an analysis to Rural Development within 120 days.

b. The borrower must provide complete, current personal financial statements annually.

c. The borrower will refrain from co-signing or otherwise becoming liable for obligations or liabilities of others.

d. Dividend payments and compensation of officers and owners will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. No dividend payments or increases in compensation will be made unless (1) an after-tax profit was made in the preceding fiscal year, (2) the borrower is and will remain in compliance with covenants of the loan agreement and Conditional Commitment, (3) all borrower debts are paid to a current status, and (4) prior written concurrence of the lender is obtained. This is not intended to apply to dividend payments to cover personal tax liability resulting from profitability of the business.

e. Borrower will not invest in additional fixed asset purchases in an annual aggregate of more than $*** without concurrence of the lender. Borrower will not lease, sell, transfer, or otherwise encumber fixed assets without the concurrence of the lender. Disposition of fixed assets serving as collateral for this loan must also have the concurrence of Rural Development.

f. Borrower's debt-to-net worth, based upon yearend financial statements, shall not exceed *** to 1, and the Borrower's debt service coverage ratio shall not fall below *** to 1.

g. Borrower shall not enter into any merger or consolidation or sell the business without prior written concurrence of the lender.

h. Outside investment and loans/advances to stockholders, owners, officers, or affiliates require the prior written consent of the lender. Loans from stockholders, owners, officers or affiliates must be subordinated to the guaranteed loan or converted to stock. No payments are to be made on these debts unless the B&I loan is current and in good standing.

Add for health care, assisted living, child care and similar businesses subject to public licensing:

i. The business is to take all necessary steps to remain in good standing with all of its licensing authorities. The borrower is to notify the lender of any adverse findings made by licensing authorities if these cannot be corrected within 30 days.
Add for franchises:
* The business will have a valid franchise agreement with *** as a condition of receiving a guarantee and will take all necessary steps to remain in good standing under the terms of its franchise agreement. A copy of the borrower’s executed franchise agreement will be provided to Rural Development. The borrower is to notify the lender of any violation of its franchise agreement that cannot be corrected within 30 days.

Add for projects subject to Affirmative Fair Housing Marketing Plan:
* An Affirmative Fair Housing Marketing Plan is required to be prepared and submitted to Rural Development prior to issuance of the Loan Note Guarantee for this project. In accordance with RD Instruction 1901-E, section 1901.203(c), Rural Development Business Programs requires an Affirmative Fair Housing Marketing Plan when a project involves the development of projects with five or more units, including nursing homes and assisted living facilities.

Add as applicable:
* The final tenant list will be provided, with copies of the executed lease agreements, and a matching income projections showing capacity to service the B&I debt.

ENVIRONMENTAL:

10. The lender will take action to ensure that all construction associated with this credit facility and the continuing operations of the business are completed in accordance with applicable Federal, State, and local laws, regulations, and ordinances, as related to any adverse impact the project/operations may potentially have on the environment.

Add the following if the Agency environmental assessment contains mitigation measures:

The borrower will be required to comply with the following measures, identified in Rural Development’s environmental review process, to avoid or reduce adverse environmental impacts from this project’s construction or operation as follows:

INSERT MITIGATION MEASURES HERE

Add the following special environmental conditions, if applicable:

* The lender is to provide evidence of approval by State and/or local environmental enforcement authorities of the completed clean-up and closure of the known environmental problems associated with the security property -- specifically. ***

* The lender is to provide evidence of approval by State and/or local environmental enforcement authorities of the remediation and/or monitoring plans on the known environmental problems associated with the security property -- specifically. ***
* The environmental indemnification agreement from *** will be reviewed by the lender’s legal counsel and an opinion provided that it is both enforceable and transferable to the borrower and future owners (including the lender should they acquire the property).

* Documentation is to be provided from a qualified expert indicating that the security property’s underground tanks meet all current and known future standards for underground fuel tanks and leak detection monitoring systems.

Add the following only if the business is expected to handle hazardous materials:

* Documentation that is required to be submitted to the State Department of Environmental Quality for hazardous material permit compliance is to be provided to the Agency.

* Indicate restrictions on storage of hazardous materials on the security property.

APPRAISAL:

11. A current (less than 12 months old) appraisal acceptable to Rural Development, completed in accordance with USPAP and FIRREA indicating that the fair market value of the real property security is not less than $***, excluding any value attributed to business valuation, and a copy of the technical review of the appraisal. Lenders are responsible for ensuring that appraisal values adequately reflect the actual value of the collateral. A qualified appraiser must determine the appraised market value in accordance with RD Instruction 4279-B, section 4279.144. Collateral must have documented value sufficient to protect the interest of the lender and the Agency. The discounted collateral value must be at least equal to the loan amount. Add if applicable: A chattel appraisal reflecting a fair market value of not less than $*** will be required on the existing machinery and equipment.

CONSTRUCTION:

12. This project involves construction. The lender must ensure that all project facilities are designed, and costs estimated, by an independent professional utilizing accepted architectural, engineering and design practices and conform to applicable Federal, State, and local codes and to approved plans, specifications, and contract documents. The lender will also ensure that the project will be completed with available funds and, once completed, will be used for its intended purpose and produce products in the quality and quantity proposed in the completed application approved by the Agency. Furthermore, B&I Guaranteed Loans that involve the construction of or addition to commercial facilities that accommodate the public must comply with the Architectural Barriers Act Accessibility Standard. For all construction contracts in excess of $10,000, the contractor must comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented by Department of Labor regulations 41 CFR, part 60. The borrower and lender are responsible for ensuring that the contractor complies with these requirements.

Add the following if the LNG is issued after construction is completed:
It is not the intention of Rural Development to issue the Loan Note Guarantee for this loan until all construction has been completed, equipment has been purchased and installed, and the facility is certified as operational by the appropriate official.

Use the following in lieu of the paragraph directly above only if the LNG will be issued prior to construction or completion of development work:

The lender must have a construction monitoring plan acceptable to the Agency and undertake the added responsibilities set forth in this paragraph. The lender will monitor the progress of construction and undertake the reviews and inspections necessary to ensure that construction conforms to applicable Federal, State, and local code requirements; proceeds are used in accordance with the approved plans, specifications, and contract documents; and that funds are used for eligible project costs. The lender must expeditiously report any problems in project development to the Agency.

(a) Prior to disbursement of construction funds, the lender must have:

(i) A complete set of plans and specifications for the project on file.

(ii) A detailed timetable for the project with a corresponding budget of costs, setting forth the parties responsible for payment. The timetable and budget must be agreed to by the borrower.

(iii) A person, with demonstrated experience relating to the project's industry, confirm that the budget is adequate for the planned development.

(iv) A firm, fixed-price construction contract with an independent general contractor with costs and provisions for change order approvals, a retainage percentage, and a disbursement schedule; a 100 percent performance/payment bond on the borrower's contactor; or a contract with an independent disbursement and monitoring firm where project construction and completion is guaranteed. A bonding agent must be listed on Treasury Circular 570.

(vi) Contingencies in place to handle unforeseen cost overruns without seeking additional guaranteed assistance. These are to be agreed to by the borrower.

(b) Once construction begins, the lender is to:

(i) Use any borrower funds in the project first.

(ii) Ensure that the project is built to support the functions at the level and quality contemplated by the borrower through the use of accepted architectural and engineering practices. There is no absolute requirement that the goal be achieved by the use of a professional inspection. However, if after careful review, it appears that the use of a professional inspector is the only method that ensures that the project is built to support the functions at the level and quality contemplated by the borrower through the use of accepted architectural and engineering practices, one may be required by the Agency. If one is required, inspections must be made by a qualified, independent inspector prior to any
progress payment. If other less expensive or rigorous methods will achieve the same result, they may be utilized. The decision will be made on a case-by-case basis and be reasonable under the specific circumstances of the case.

(iii) Obtain lien waivers from all contractors and materialmen prior to any disbursement.

(iv) Provide at least monthly, written reports to Rural Development on fund disbursement and project status.

(c) Once construction is completed, the lender is to provide Rural Development with a copy of the Certificate of Occupancy or Notice of Completion or similar document issued by the relevant building jurisdiction.

Add the following only if it is likely that construction work may be done by an affiliate of the borrower:

Construction work will be performed at least in part by an affiliate of the borrower. Loan funds cannot be used as profit for any of the principals or their affiliates. A copy of the contractor’s cost breakdown should indicate no profit.

LOAN GUARANTEE CLOSING:

13. **LENDERNAME** and **BORROWERNAME** must each execute Form AD-3031. "Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants," at loan closing and provide the forms to the Agency prior to issuance of the Loan Note Guarantee.

14. Coincident with, or immediately after loan closing, and prior to issuance of the guarantee, the lender will provide Rural Development with the following:

a. A guarantee fee of \( \$*** \) \( = \$*** \times **\% \times *** \) made payable to the U.S. Treasury.

b. An executed RD Form 4279-4. "Lender's Agreement."

or

b. This guarantee will be governed by the previously executed RD Form 4279-4. "Lender's Agreement," dated ***.


d. A copy of the executed loan agreement that contains any continuing loan conditions set forth by the Agency in this Conditional Commitment.

e. A copy of the executed promissory note(s).

f. A copy or the executed settlement statement.

g. Original, executed forms RD 4279-14. "Unconditional Guarantee," as required;
h. Original, executed Forms AD-3031, "Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants," for both the lender and borrower.

i. Written lender certification in accordance with RD Instruction 4279-B. § 4279.181(a).

j. Borrower's loan closing balance sheet, supporting paragraph (i) of the lender's certification, demonstrating required tangible balance sheet equity as of the date the guaranteed loan is closed.

15. The lender is required to hold in its own portfolio or retain a minimum of 5 percent of the total loan amount. The amount required to be retained must be of the unguaranteed portion of the loan and cannot be participated to another. The lender may sell the remaining amount of the unguaranteed portion of the loan only through participation.

16. Agency personnel and any person(s) accompanying Agency personnel shall be authorized to enter upon the premises and into any building thereon, whether permanent or temporary, jointly or separately, with personnel of the lender to carry out the functions involving their interests. Scheduled and unscheduled inspections may be conducted by these personnel to determine the effectiveness of the loan program.

17. The lender will always retain responsibility for servicing the entire loan and for notifying the Agency of any violations of the terms of the loan agreement or Conditional Commitment. The lender will advise the Agency of the Loan classification on the loan closing report and whenever the lender revises its classification of the loan.

18. Any public body or nonprofit corporation that receives a guaranteed loan that meets the thresholds established by OMB Circulars A-128 or A-133 or successor regulations or circulars must provide an audit in accordance with the applicable circular or regulation for the fiscal year (of the borrower) in which the Loan Note Guarantee is issued. If the loan is for development or purchases made in a previous fiscal year through interim financing, an audit will also be provided for the fiscal year in which the development or purchases occurred.

19. Lender will become an approved participant in Rural Development's Lender Interactive Network Connection (LINC). The USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. To conduct official business transactions, such as submitting annual renewal fees and borrower account status reporting using the LINC, the customer must have Level 2 eAuthentication credentials. You may work directly with the Rural Development *** State Office to accomplish this. The contact person is *** who can be reached at (***).***.****. Please see attachment for additional information.

   Attach the eAuthentication instructions.

20. LENDERNAME (lender) certifies by accepting this Conditional Commitment for a $*** guarantee the lender understands that no adverse change may occur during the period of time from Agency issuance of the Conditional Commitment to issuance of the Loan Note Guarantee relating to BORROWERNAME (borrower) regardless of the cause or causes of the change and whether the change or cause(s) of the change were within the lender's or borrower's control. Prior to each disbursement, lender shall be in receipt of satisfactory evidence that there has been no unremedied adverse change in the financial or any
other condition of the Borrower since the date of the application or since any preceding disbursements which would warrant withholding or not making further disbursements.

21. By accepting Form 4279-3, "Conditional Commitment," **BORROWERNAME** certifies that it is not delinquent on any Federal debt, including tax debt.

22. By signing this Conditional Commitment, the lender and borrower certify that they understand and accept the conditions outlined herein. No provision stated herein shall be amended or waived without the prior written consent of the lender and Rural Development. Any loans or advances made to the Borrower by the Lender after issuance of the Loan Note Guarantee will not be covered by the guarantee, except authorized protective advances. Regulations contained in RD Instructions 4279-A and 4279-B, and Form RD 4279-4, "Lender's Agreement," will apply.

23. Any request for an extension of the expiration date of this Conditional Commitment must be made in writing and received by Rural Development prior to the expiration date. This request must be accompanied by a full explanation as to why the extension is needed.
4279.181 Conditions precedent to issuance of Loan Note Guarantee.

The Loan Note Guarantee will not be issued until the lender certifies to the following:

(a) No major changes have been made in the lender's loan conditions and requirements since the issuance of the Conditional Commitment, unless such changes have been approved by the Agency.

(b) All planned property acquisition has been or will be completed, all development has been or will be substantially completed in accordance with plans and specifications, conforms with applicable Federal, State and local codes, and costs have not exceeded the amount approved by the lender and the Agency.

(c) Hazard, flood, liability, worker compensation, and personal life insurance (when required) are in effect.

(d) Truth-in-lending requirements have been met.

(e) All equal credit opportunity requirements have been met.

(f) The loan has been properly closed, and the required security instruments have been obtained or will be obtained on any acquired property that cannot be covered initially under State law.

(g) The borrower has marketable title to the collateral then owned by the borrower, subject to the instrument securing the loan to be guaranteed and to any other exceptions approved in writing by the Agency.

(h) When required, the entire amount of the loan for working capital has been disbursed except in cases where the Agency has approved disbursement over an extended period of time.

(i) When required, personal, partnership or corporate guarantees have been obtained.

(j) All other requirements of the Conditional Commitment have been met.

(k) Lien priorities are consistent with the requirements of the Conditional Commitment. No claims or liens of laborers, subcontractors, suppliers of machinery and equipment, or other parties have been or will be filed against the collateral and no suits are pending or threatened that would adversely affect the collateral when the security instruments are filed.

(l) The loan proceeds have been or will be disbursed for the purposes and in amounts consistent with the Conditional Commitment and Form 4279-1. A copy of the detailed loan settlement of the lender must be attached to support this certification.
(m) There has been neither any material adverse change in the borrower's financial condition nor any other material adverse change in the borrower, for any reason, during the period of time from the Agency's issuance of the Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether or not the change or causes of the change were within the lender's or borrower's control. The lender must address any assumptions and reservations in the requirement and must address all adverse changes of the borrower, any parent, affiliate, or subsidiary of the borrower, and the guarantors.

(n) None of the lender's officers, directors, stockholders, or other owners (except stockholders in an institution that has normal stockshare requirements for participation) has a substantial financial interest in the borrower and neither the borrower nor its officers, directors, stockholders, or other owners have a substantial financial interest in the lender. If the borrower is a member of the board of directors or an officer of a Farm Credit System (FCS) institution that is the lender, the lender will certify that an FCS institution on the next highest level will independently process the loan request and act as the lender's agent in servicing the account.

(o) The Loan Agreement includes all measures identified in the Agency's environmental impact analysis for this proposal (measures with which the borrower must comply) for the purpose of avoiding or reducing adverse environmental impacts of the proposal's construction or operation.

(p) Balance sheet less than 90 days old submitted for closing to determine TBSE was prepared in accordance with GAAP.
This award is subject to the provisions contained in the Consolidated Appropriations Act, 2016, Pub. L. 114-113, Division E, Title VII, sections 745 and 746, as amended and/or subsequently enacted for U.S. Department of Agriculture (USDA) agencies and offices regarding corporate felony convictions and corporate federal tax delinquencies.

Accordingly, by accepting this award the corporation recipient acknowledges: (1) that it does not have a Federal tax delinquency, meaning that it is not subject to any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, and (2) that it has not been convicted of a felony criminal violation under any Federal law within 24 months preceding the award, unless a suspending and debarring official of the USDA has considered suspension or debarment of the recipient corporation based on these convictions and/or tax delinquencies and determined that suspension or debarment is not necessary to protect the interests of the Government. If the recipient fails to comply with these provisions, the agency will annul this agreement and may recover any funds the recipient has expended in violation of the above cited statutory provisions.

____________________________________________________________________
APPLICANT’S SIGNATURE (BY)

____________________________________________________________________
TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY

____________________________________________________________________
BUSINESS NAME

____________________________________________________________________
DATE SIGNED (MM-DD-YYYY)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Rev: 02/16
LENDER'S AGREEMENT

Capitalized terms will have the meaning defined in the applicable program regulations.

<table>
<thead>
<tr>
<th>Participating Lender:</th>
<th>Tax Identification Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Address:</td>
<td>Telephone Number:</td>
</tr>
</tbody>
</table>

Date Through Which Non-regulated Lender May Originate New Guaranteed Loans (3 years from date of Agency execution):

I. General Provisions

A. Purpose.

The approved Lender (Lender) is designated as a Lender for the purpose of processing and servicing guaranteed loans authorized under the Business and Industry (B&I) Guaranteed Loan Program and the Rural Energy for America Program (REAP) (collectively "Program Regulations"). The Lender enters into this Agreement as a condition for obtaining the guarantees.

The United States of America, acting through the United States Department of Agriculture (USDA), agrees to enter into Loan Note Guarantees with the Lender pursuant to the applicable regulations for the B&I and REAP programs and to participate in a percentage of any loss on any such loans not to exceed the amount established in the Loan Note Guarantee. The terms of any Loan Note Guarantee are controlling.

B. Full Faith and Credit.

The guarantee is supported by the full faith and credit of the United States and is incontestable except under the circumstances of fraud or misrepresentation of which the Lender has actual knowledge at the execution of the guarantee or of which the Lender participates in or condones.

The Loan Note Guarantee will be unenforceable by the Lender to the extent any loss is occasioned by a provision for interest on interest or default or penalty interest, violation of usury laws, use of loan proceeds for unauthorized purposes, negligent loan origination, negligent loan servicing, or failure to obtain or maintain the required security regardless of the time at which USDA acquires knowledge of the foregoing. Any losses will be unenforceable by the Lender to the extent that loan funds were used for purposes other than those specifically approved by USDA in its Conditional Commitment or approved amendment thereof. Negligent loan origination/negligent loan servicing is the failure to perform those services which a reasonably prudent Lender would perform in originating/servicing its own portfolio of loans that are not guaranteed. The term includes not only the concept of a failure to act but also not acting in a timely manner or acting in a manner contrary to the manner in which a reasonably prudent Lender would act up to the time of loan maturity or until a final loss is paid.

II. Loan Origination

A. The Lender agrees loan funds will be used for the purposes authorized in Program Regulations and any applicable Conditional Commitment.

B. The Lender certifies that neither the Lender nor any of the Lender's officers has an ownership interest in the borrower or is an officer or director of the borrower, and neither the borrower nor its officers, directors, stockholders, or other owners have more than a 5 percent ownership interest in the Lender.

C. The Lender will certify to USDA, prior to issuance of the Loan Note Guarantee for each loan, that there has been neither any material adverse change in the borrower's financial condition nor any other material adverse change in the Borrower, for any reason, during the period of time from the USDA's issuance of the Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether the change or causes of the change were within the Lender's or Borrower's control. The Lender's certification must address all adverse changes of the Borrower, any parent, affiliate, or subsidiary of the Borrower, and guarantors.

D. Lender certifies that a loan agreement or loan instruments concurred in by USDA has been or will be signed with the Borrower.

E. Lender will submit the required guarantee fee with Form RD 1980-19, "Guaranteed Loan Closing Report," at the time Form RD 4279-5, "Loan Note Guarantee," is requested.
III. Lender's Sale or Assignment of Guaranteed Loan

A. The Lender may sell all or part of the guaranteed portion of the loan or retain the entire loan. The Lender must fully disburse and properly close a loan prior to sale of the note(s) on the secondary market. The Lender is not permitted to sell or participate any amount of the guaranteed or unguaranteed portions of the loans to the applicant or Borrower or members of their immediate families, their officers, directors, stockholders, other owners, or any parent, subsidiary, or affiliate. If the Lender desires to market all or part of the guaranteed portion of the loan at or subsequent to loan closing, such loan must not be in default as set forth in the terms of the notes. The Lender cannot share any premium received from the sale of the guaranteed loan with a packager or other loan service provider. The Lender may proceed under the following options:

1. **Assignment.** Assign all or part of the guaranteed portion of the loan to one or more Holders by using Form RD 4279-6, "Assignment Guarantee Agreement." Holders, upon written notice to Lender and USDA, may reassign the unpaid guaranteed portion of the loan, in full, sold thereunder. Upon notification and completion of the assignment through the use of Form RD 4279-6, the assignee shall succeed to all rights and obligations of the Holders thereunder. If this option is selected, the Lender may not at a later date cause to be issued any additional notes.

2. **Multi-Note System.** When this option is selected by the Lender, upon disposition the Holder will receive one of the Borrower's executed notes and Form RD 4279-5, attached to the Borrower's note. However, all rights under the security instruments (including personal and corporate guarantees) will remain with the Lender and in all cases inure to its and the Government's benefit notwithstanding any contrary provisions of law. The Lender may provide for no more than 10 notes for the guaranteed portion and one note for the unguaranteed portion. When this option is selected, USDA will provide the Lender with a Form RD 4279-5 for each of the notes.

3. **Participations.**
   i. The Lender may obtain participation in the loan under its normal operating procedures. Participation means a sale of an interest in the loan by the Lender wherein the Lender retains the note, collateral securing the note, and all responsibility for loan servicing and liquidation.
   ii. The Lender is required to hold in its own portfolio the minimum retention required by Program Regulations. The amount required to be retained must be of the unguaranteed portion of the loan and cannot be participated to another. The Lender may sell the remaining amount of the unguaranteed portion of the loan only through participation. However, the Lender will always retain the responsibility for loan servicing and liquidation.

B. When a guaranteed portion of a loan is sold by the Lender to a Holder, the Holder shall thereupon succeed to all rights of Lender under the Loan Note Guarantee to the extent of the portion of the loan purchased. Lender will remain bound to all the obligations under the Loan Note Guarantee, this Agreement, and the applicable USDA Program Regulations.

C. The Holder upon written notice to the Lender may resell the unpaid guaranteed portion of the loan sold under section IIIA.

IV. Servicing

A. The Lender will service the entire loan and will remain mortgagee and secured party of record, notwithstanding the fact that another may hold a portion of the loan. The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. Lender may charge Holder a servicing fee. The unguaranteed portion of a loan will neither be paid first nor given any preference or priority over the guaranteed portion of the loan.

B. It is the Lender's responsibility to see that all construction is properly planned before any work proceeds; that any required permits, licenses, or authorizations are obtained from the appropriate regulatory agencies; that the Borrower has obtained contracts through acceptable procurement procedures; and that periodic inspections during construction are made.

C. Neither the Lender nor any of the Lender's officers may have an ownership interest in the borrower at any time during the guarantee and neither the Borrower nor its officers, directors, stockholders, or other owners may have more than 5 percent ownership interest in the Lender at any time during the guarantee.

D. Lender's servicing responsibilities include, but are not limited to:
   1. Obtaining compliance with the covenants and provisions in the note, loan agreement, security instruments, and any supplemental agreements and notifying USDA and the Borrower of any violations in writing. None of the aforesaid instruments will be altered without USDA's prior written concurrence. The Lender must service the loan in a reasonable and prudent manner.
   2. Receiving all payments of principal and interest on the loan as they fall due and promptly remitting and accounting to any Holder of its pro rata share thereof determined according to their respective interests in the loan, less only Lender's servicing fee. The loan may be reamortized, renewed, or rescheduled only with agreement of the Lender and Holder of the guaranteed portion of the loan and only with USDA's written concurrence.
   3. Inspecting the collateral as often as necessary to properly service the loan.
   4. Assuring that adequate insurance is maintained. This includes hazard insurance obtained and maintained with a loss payable clause in favor of the Lender as the mortgagee or secured party.
5. Assuring that: taxes, assessments, or ground rents against or affecting collateral are paid; the loan and collateral are protected in foreclosure, bankruptcy, receivership, insolvency, condemnation, or other litigation; insurance loss payments, condemnation awards, or similar proceeds are applied on debts in accordance with lien priorities on which the guarantee was based; proceeds from the sale or other disposition of collateral are applied in accordance with the lien priorities on which the guarantee is based, except that proceeds from the disposition of collateral, such as machinery, equipment, furniture, or fixtures may be used in accordance with Program Regulations; and the Borrower complies with all laws and ordinances applicable to the loan, the collateral and operation of the business.

6. Assuring that if personal or corporate guarantees are part of the collateral, current financial statements from such loan guarantors will be obtained and copies provided to USDA at such time and frequency as required by the loan agreement or Conditional Commitment. In the case of guarantees secured by collateral, assuring the security is properly maintained.

7. Obtaining the lien coverage and lien priorities specified by the Lender and agreed to by USDA and properly recording or filing lien or notice instruments to obtain or maintain such lien priorities during the existence of the guarantee by USDA.

8. Assuring that the Borrower obtains marketable title to the collateral.

9. Assuring that any party liable is not released from liability for all or any part of the loan, except in accordance with applicable Program Regulations.

10. Providing the USDA with loan status reports semiannually as of June 30 and December 31 using either the USDA Lender Interactive Network Connection (LINC) system or Form RD 1980-41, “Guaranteed Loan Status Report.” The annual renewal fee should be paid using www.pay.gov.

11. Obtaining from the Borrower periodic financial statements as required in the loan agreement with the borrower. At a minimum, annual financial statements must be forwarded by the Lender, with a credit analysis, to USDA within 120 days of Borrower’s fiscal yearend.

12. Ensuring that the Borrower complies with the measures identified in the USDA’s environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation. The Lender will monitor the use of loan funds to assure they will not be used for any purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

13 Complying with applicable nondiscrimination law, including, but not limited to, statutes, regulations, USDA Department Regulations, the USDA Non-Discrimination Statement, and the Equal Credit Opportunity Act.

V. Default

A. The Lender will notify USDA when a Borrower is 30 days past due on a payment and the delinquency cannot be cured within 30 days or if the Borrower is otherwise in default. The Lender will notify USDA of the status of a Borrower's default on Form RD 1980-44 "Guaranteed Loan Borrower Default Status," or processing the Default Status report in LINC in accordance with Program Regulations. Actions taken by the Lender with written concurrence of USDA will include but are not limited to, the following or any combinationthereof:

1. Deferment of principal and/or interest payments (subject to rights of any Holder).
2. An additional temporary loan by the Lender to bring the account current.
3. Reamortization of or rescheduling the payments on the loan (subject to rights of any Holder).
4. Transfer and assumption of the loan in accordance with the applicable subpart of 7 CFR part 4287.
5. Reorganization.
7. Changes in interest rates with the Agency's, the Lender's, and any Holder's approval.

B. The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the Borrower is in default not less than 60 days in payment of principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of the principal and accrued interest less the Lender's servicing fee.

For loans closed before August 2, 2016, the Loan Note Guarantee will not cover the note interest to the Holder on guaranteed loans accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. Holder will concurrently send a copy of demand to USDA. The Lender will accept an assignment without recourse from the Holder upon repurchase. For loans closed on or after August 2, 2016, the Lender or the Agency will issue an interest termination letter to the Holder(s) establishing the termination date for interest accrual if the default is not cured. The guarantee will not cover interest to any Holder accruing after the greater of: 90 days from the date of the most recent delinquency effective date as reported by the lender or 30 days from the date of the interest termination letter. In the event of a loss or a repurchase, the Lender cannot claim default or penalty interest, late payment fees, or interest on interest. If restructuring includes capitalized interest, interest accrued on the capitalized interest will not be covered by the guarantee. Consequently, it is not eligible for repurchase from the Holder and cannot be included in the loss claim. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve any problems, and to permit the Borrower to cure any default, where reasonable. The Lender will notify the Holder and USDA of its decision.
VI. Liquidations

E. If Lender does not repurchase as provided by paragraph B, USDA will purchase from Holder the unpaid principal balance of the guaranteed portion herein together with accrued interest to date of repurchase, less Lender's servicing fee, within 30 days after written demand upon USDA from the Holder. For loans closed before August 2, 2016, the Loan Note Guarantee will not cover the note interest to the Lender on the guaranteed loan accruing after 90 days from the date of original demand letter of the Holder to the Lender requesting the repurchase. Such demand will include a copy of the written demand made upon the Lender. For loans closed on or after August 2, 2016, the Lender or the Agency will issue an interest termination letter to the Holder(s) establishing the termination date for interest accrual if the default is not cured. The guarantee will not cover interest to any Holder accruing after the greater of: 90 days from the date of the most recent delinquency effective date as reported by the lender or 30 days from the date of the interest termination letter. In the event of a loss or a repurchase, the Lender cannot claim default or penalty interest, late payment fees, or interest on interest. If restructuring includes capitalized interest, interest accrued on the capitalized interest will not be covered by the guarantee. Consequently, it is not eligible for repurchase from the Holder and cannot be included in the loss claim.

The Holder or its duly authorized agent will also include evidence of its right to require payment from USDA. Such evidence will consist of either the originals of the Loan Note Guarantee and note properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include in its demand the amount due including unpaid principal, unpaid interest to date of demand, and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of the demand.

The USDA will promptly notify the Lender of the Holder's demand for payment. The Lender will promptly provide the USDA with the information necessary for USDA's determination of the appropriate amount due the Holder. Any discrepancy between the amount claimed by the Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment by USDA will be approved. Such a conflict will suspend running of the 30-day payment requirement. Upon receipt of the appropriate information, the USDA will review the demand for verification.

D. Lender consents to the purchase by USDA, in accordance with Program Regulations, and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by the Borrower on the loan and the amount due the Lender. Lender agrees that any purchase by USDA does not change, alter, or modify any of the Lender's obligations to USDA arising from said loan or guarantee nor does such purchase waive any of the USDA's rights against Lender, and USDA will have the right to set-off against Lender all rights inuring to USDA from the Holder against USDA's obligation to Lender under the Loan Note Guarantee to the extent USDA holds a portion of the loan.

E. Servicing fees assessed by the Lender to a Holder are collectible only from payment installments received by the Lender from the Borrower. When USDA repurchases from a Holder, USDA will pay the Holder only the amounts due the Holder. USDA will not reimburse the Lender for servicing fees assessed to a Holder and not collected from payments received from the Borrower. No servicing fee shall be charged USDA and no such fee is collectible from USDA.

F. Lender may also repurchase the guaranteed portion of the loan for servicing consistent with the Loan Note Guarantee and Program Regulations.

VI. Liquidations

In the event of one or more incidents of default or third party actions that the Borrowers cannot or will not cure or eliminate within a reasonable period of time, the Lender, with Agency consent, must liquidate the loan. When USDA concurs with the Lender's conclusion or at any time concludes independently that liquidation is necessary, it will notify the Lender and the matter will be handled in accordance with Program Regulations.

1. The Lender will liquidate the loan.
2. When the decision to liquidate is made, the Lender may proceed to purchase from the Holder the guaranteed portion of the loan. The Holder will be paid according to the provisions in the Loan Note Guarantee or the Assignment Guarantee Agreement.
3. If the Lender does not purchase the guaranteed portion of the loan, USDA will be notified immediately in writing. USDA will then purchase the guaranteed portion of the loan from the Holder. If USDA holds any of the guaranteed portion, USDA will be paid its pro rata share of the proceeds from liquidation of the collateral.

A. Lender's proposed method of liquidation. Within 30 days after the decision to liquidate, the Lender will advise USDA in writing of its proposed detailed method of liquidation (liquidation plan) and will provide USDA with:
1. Such proof as USDA requires establishing the Lender's ownership of the guaranteed loan promissory notes and related security instruments.
2. Information lists concerning the Borrower's assets including real and personal property, fixtures, claims, contracts, inventory (including perishables), accounts receivable, personal and corporate guarantees, and other existing and contingent assets, and advise as to whether or not each item is serving as collateral for the guaranteed loan.
3. A proposed method of making the maximum collection possible on the indebtedness.
4. An estimate of fair market and potential liquidation value of the collateral. If the value of the collateral is $250,000 or more, the Lender must obtain an independent appraisal report meeting the requirements of 7 CFR 4279.144 for the collateral securing the loan, which reflects the fair market value and potential liquidation value. For collateral values under this threshold, Lenders must follow their primary regulator's policies relating to appraisals and evaluations or, if the Lender is not regulated, normal banking practices and generally accepted methods of determining value. The independent appraiser's fee, including the cost of the environmental site assessment, will be shared equally by the Agency and the Lender.

B. USDA will inform the Lender in writing whether it concurs in the Lender's liquidation plan. Should USDA and the Lender not agree on the Lender's liquidation plan, negotiations will take place between USDA and the Lender to resolve the disagreement.

C. Acceleration. The Lender will proceed to accelerate the indebtedness as expeditiously as possible when acceleration is necessary, including giving any notices and taking any other legal actions required. The Lender will provide a copy of the acceleration notice or other acceleration document to the Agency.

D. Liquidation Accounting and Reports. When the Lender conducts the liquidation, it will account for funds during the period of liquidation and will provide USDA with periodic reports on the progress of liquidation, disposition of collateral, resulting costs, and additional procedures necessary for successful completion of liquidation. The Lender will transmit to the Agency its pro rata share of any payments received from the Borrower, and of liquidation or other proceeds, etc., when USDA is the Holder of a portion of the guaranteed loan, using Form RD 1980-43, "Lender's Guaranteed Loan Payment to USDA."

E. Determination of Loss and Payment. In all liquidation cases, final settlement will be made with the Lender after the collateral is liquidated or after settlement and compromise of all parties has been completed. USDA will have the right to recover losses paid under the guarantee from any party liable.

1. Form RD 449-30, "Loan Note Guarantee Report of Loss," will be used for calculations of all estimated and final loss determinations. Estimated loss payments may be approved by USDA after the Lender has submitted a liquidation plan approved by USDA. Payments will be made in accordance with applicable USDA regulations.

2. When the Lender is conducting the liquidation and owns any or all of the guaranteed portion of the loan, the Lender must file an estimated loss claim once a decision has been made to liquidate if the liquidation will exceed 90 days. The estimated loss payment will be based on the liquidation value of the collateral. Such estimate will be prepared and submitted by the Lender on Form RD 449-30 using the basic formula as provided on the report, except that the liquidation appraisal value will be used in lieu of the amount received from the sale of collateral. Interest accrual eligible for payment under the guarantee on the defaulted loan will be discontinued when the estimated loss is paid. A protective advance claim will be paid only at the time of the final report of the loss payment.

3. Within 30 days after liquidation of the collateral is completed (except for certain unsecured personal or corporate guarantees), the Lender must prepare a final report of loss and submit it to USDA. If the Lender holds all or a portion of the guaranteed loan, USDA will not guarantee interest to the Lender accruing after 90 days from the most recent delinquency effective date. USDA will not guarantee interest to any Holder accruing after 90 days from the date of the most recent delinquency effective date as reported by the Lender or 30 days from the date of the interest termination letter. Before approval by USDA of any final loss report, the Lender must account for all funds during the period of liquidation, disposition of collateral, all costs incurred, and any other information necessary for the successful completion of liquidation. Upon receipt of the final accounting and report of loss, USDA may audit all applicable documentation to determine the final loss. The Lender will make its records available to and otherwise assist USDA in making any investigation. The documentation accompanying the report of loss must support the figures shown on Form RD 449-30.

4. When the Lender has conducted liquidation and after the final report of loss has been tentatively approved:
   i. If the loss is greater than the estimated loss dollar, USDA will cause a Treasury check to be issued in payment of the additional amount owed by USDA to be issued to the Lender.
   ii. If the loss is less than the estimated loss, the Lender will reimburse USDA for the overpayment plus interest at the note rate from date of payment.

5. In those instances where the Lender has made authorized protective advances, it may claim recovery for the guaranteed portion of any loss of monies advanced as protective advances and interest resulting from such protective advances as provided above and such payment will be made by USDA when the final report of loss is approved.

F. Maximum amount of interest loss payment. Notwithstanding any other provisions of this Agreement, the amount payable by USDA to the Lender cannot exceed the limits set forth in the Loan Note Guarantee. Loss occasioned by accruing interest will be covered to the extent of the guarantee to the date of final settlement when the liquidation is conducted by the Lender provided it proceeds expeditiously with the liquidation plan approved by USDA.

G. Application of USDA loss payment. The estimated loss payment shall be applied as of the date of such payment. The total amount of the loss payment remitted by USDA will be applied by the Lender on the guaranteed portion of the loan debt. However, such application does not release the Borrower from liability. At time of final loss settlement, the Lender will notify the Borrower that the loss payment has been so applied. In all cases a final Form RD 449-30 prepared and submitted by the Lender must be processed by USDA.
H. **Income from collateral.** Any net rental or other income that has been received by the Lender from the collateral will be applied on the guaranteed loan debt.

I. **Liquidation costs.** Certain reasonable liquidation costs will be allowed during the liquidation process. A schedule of the liquidation costs will be submitted as a part of the liquidation plan. Such costs will be deducted from gross proceeds from the disposition of collateral unless the costs have been previously determined by the Lender (with USDA written concurrence) to be protective advances. If changed circumstances after submission of the liquidation plan require a revision of liquidation costs, the Lender will obtain USDA’s written concurrence prior to proceeding with the proposed changes.

J. **Foreclosure.** The Lender is responsible for determining who the necessary parties are to any foreclosure action or who should be named on a deed of conveyance taken in lieu of foreclosure. When the conveyance is received and the property is liquidated, the net proceeds will be applied to the guaranteed loan debt. If USDA has repurchased the guaranteed portion of the loan from the Holder, the Lender must obtain USDA’s concurrence to any foreclosure action to be taken by the Lender; however, USDA will not be considered to be a necessary party to the action or otherwise required to join in.

K. **Payment.** Such loss will be paid by USDA within 60 days after the review of the accounting of the collateral.

L. **Protective Advances.** Protective advances must constitute an indebtedness of the Borrower to the Lender and be secured by the security instruments. USDA’s written authorization is required for all protective advances in excess of $200,000 or 10 percent of the aggregate outstanding balance of principal and interest, whichever is less. Protective advances include, but are not limited to, advances made for property taxes, annual assessments, ground rent, hazard or flood insurance premiums affecting the collateral, and other expenses necessary to preserve or protect the security. Attorney/legal fees are not a protective advance.

M. **Future Recovery.** After a loan has been liquidated and a final loss has been paid by USDA, any future funds that may be recovered by the Lender will be prorated between USDA and the Lender. USDA will be paid such amount recovered in proportion to the percentage it guaranteed for the loan and the Lender will retain such amounts in proportion to the percentage of the unguaranteed portion of the loan. Any collection of Federal debt made by the United States from any liable party to the guaranteed loan will not be split with the Lender.

N. **Debt Collection Improvement Act.** Pursuant to the Debt Collection Improvement Act of 1996 (DCIA), USDA is required to refer debt owed to the Government to the Department of the Treasury for collection. USDA will use all remedies available under DCIA to collect the debt from the Borrower, guarantors, and any other liable third party, and any proceeds received from such efforts will not be shared with the Lender. USDA will notify the Lender when this referral occurs, at which time the Lender will cease collection efforts.

O. **Transfer and Assumption Cases.** Refer to 7 CFR part 4287. If a loss should occur upon consummation of a complete transfer and assumption for less than the full amount of the debt and the transferor-debtor (including personal guarantees) is released from personal liability, the Lender, if it holds the unguaranteed portion, may file an estimated report of loss on Form RD 449-30 to recover its pro rata share of the actual loss at that time. In completing Form RD 449-30, the amount of the debt assumed will be entered on line 24 as Net Collateral (Recovery). Approved protective advances and accrued interest thereon made during the arrangement of a transfer and assumption, if not assumed by the Transferee, will be entered on Form RD 449-30, lines 13 and 14. The Lender must not issue any new promissory notes. The assumption must be completed in accordance with applicable law and must contain the Agency case number of the transferor and transferee.

VI. **Bankruptcy**

A. The Lender is responsible for protecting the guaranteed loan and all collateral securing the loan in bankruptcy proceedings. When a bankruptcy proceeding results in ultimate liquidation of the Borrower, legal expenses incurred by the Lender during the bankruptcy proceedings will be considered eligible liquidation costs. When the loan is involved in reorganization bankruptcy proceedings, payment of loss claims may be made as provided in this section. For a liquidation proceeding, only paragraphs 3 and 5 of this section are applicable.

B. **Loss Payments**

1. **Estimated Loss Payments.**
   
   a. If a Borrower has filed for reorganization and protection under Title 11 of the United States Code and the debt has been reduced, the Lender will request the tentative estimated loss payment of accrued interest and principal written off under the order of the court. This request can only be made after the bankruptcy plan is confirmed. Only one estimated loss payment is allowed during the bankruptcy process. All subsequent claims during reorganization will be considered revisions to the initial estimated loss. A revised estimated loss payment may be processed by USDA, at its option, in accordance with any court approved changes in the reorganization plan. At the time the performance under the confirmed reorganization plan has been completed, the Lender is responsible for providing USDA with the documentation necessary to review and adjust the estimated loss claim to: (a) reflect the actual principal and interest reduction on any part of the guaranteed debt determined to be unsecured and (b) to reimburse the Lender for any court ordered interest rate reduction during the term of the reorganization.
ii. The Lender will use Form RD 449-30 to request an estimated loss payment and to review estimated loss payments during the course of the reorganization plan. The estimated loss claim as well as any revisions to this claim will be accompanied by applicable legal documentation to support the claim.

iii. Upon completion of the reorganization plan, the Lender will complete Form RD 1980-44, and forward this form to the Finance Office to indicate that the bankruptcy has been dismissed.

2. **Interest Loss Payments.**
   i. For guaranteed loans approved prior to August 2, 2016, interest losses sustained during the period of the bankruptcy plan will be processed in accordance with 7 CFR 4287.170(b)(1). Interest losses sustained after the bankruptcy plan is confirmed will be processed annually when the Lender sustains a loss as a result of a permanent interest rate reduction that extends beyond the period of the bankruptcy plan. Form RD 449-30 will be completed to compensate the Lender for the difference in interest rates specified on the Loan Note Guarantee and the rate of interest ordered by and in accordance with final order of a court of competent jurisdiction.
   
   ii. For guaranteed loans approved on or after August 2, 2016, USDA will not compensate the Lender for any difference in the interest rate specified in the Loan Note Guarantee and the rate of interest specified in the bankruptcy plan.

3. **Final Loss Payments.** Payments will be processed when the loan is liquidated.

4. **Payment Application.** The Lender must apply estimated loss payments first to the unsecured principal of the guaranteed portion of the debt and then to the unsecured interest of the guaranteed portion of the debt. In the event the court attempts to direct the payments to be applied in a different manner, the Lender will immediately notify the USDA servicing office.

5. **Overpayments.** Upon completion of the reorganization plan, the Lender will provide USDA with the documentation necessary to determine whether the estimated loss paid equals the actual loss sustained. If the actual loss sustained, as a result of the reorganization, is greater than the estimated loss payment, the Lender will submit a revised estimated loss in order to obtain payment of the additional amount owed by USDA to the Lender. If the actual loss payment is less than the estimated loss, the Lender will reimburse USDA for the overpayment plus interest at the note rate from the date of the payment of the estimated loss.

6. **Protective Advances.** If approved protective advances were incurred in connection with the initiation of liquidation action and were required to provide repairs, insurance, etc., to protect the collateral as a result of delays in the case of failure of the Borrower to maintain the security prior to the Borrower having filed bankruptcy, the protective advances together with accrued interest are payable under the guarantee and will be entered on Form RD 449-30. Expenses, such as reasonable attorney/legal fees and the cost of appraisals incurred by the Lender as a direct result of the borrower's bankruptcy filing, are considered liquidation expenses. Liquidation expenses must be deducted from collateral sale proceeds. The Lender and USDA will share liquidation expenses equally. To accomplish this, the Lender will deduct 50 percent of the liquidation expenses from the collateral sale proceeds.

**VIII. Duration and Modification**

A. **Duration of Agreement.** This Lender's Agreement applies to all B&I or REAP loans made by the Lender from the date of this Lender's Agreement until terminated or superseded by another Lender's Agreement.

B. **Modification of Agreement.** This Agreement may only be modified only in writing.

C. **Other Requirements.** This Agreement is subject to all requirements of applicable Program Regulations including 7 CFR part 4279, subparts A and B; 7 CFR part 4287, subpart B; and 7 CFR part 4280, subpart B, in effect on the date of this Agreement.

D. **All forms required by this Agreement may be obtained from any Rural Development State or local office.**
IX. Endorsement

Lender: Complete this block of Section IX

LENDER

(Name)

By: ______________________________

(Signature)

(Name Typed or Printed)

Title: ______________________________

Date: ______________________________

Attest: ______________________________

This block of Section IX will be completed by USDA.

UNITED STATES OF AMERICA
Department of Agriculture

By: ______________________________

(Signature)

Title: ______________________________

Date: ______________________________

(Name Typed or Printed)
Position 5

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

LOAN NOTE GUARANTEE

Capitalized terms will have the meaning defined in the applicable program regulations.

<table>
<thead>
<tr>
<th>State</th>
<th>County</th>
<th>Date of Note</th>
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Borrower
USDA Loan Identification Number

Lender
Lender's IRS Tax ID Number

Lender's Address
Principal Amount of Loan $ 

The guaranteed portion of the loan is $ , which is ( ) percent of loan principal. The principal amount of loan is evidenced by (notes (includes bonds as appropriate) described below. The guaranteed portion of each note is indicated below. This instrument is attached to note in the face amount of $  and is number of .

<table>
<thead>
<tr>
<th>Lender's Percent of Total Identifying Number</th>
<th>Face Amount</th>
<th>Percent of Total</th>
<th>Face Amount</th>
<th>Amount Guaranteed</th>
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</table>

TOTAL $ 0.00 100% $ 0.00

In consideration of the making of the subject loan by the above named Lender, the United States of America, acting through the United States Department of Agriculture (USDA), does hereby agree that in accordance with, and subject to the conditions and requirements herein, it will pay to:

A. Any Holder, 100 percent of any loss sustained by such Holder on the guaranteed portion of the loan it owns and on interest due on such portion less an servicing fee. For loans closed on or after August 2, 2016, the Lender or the Agency will issue an interest termination letter to the Holder(s) establishing the termination date for interest accrual. The guarantee will not cover interest to any Holder accruing after the greater of: 90 days from the date of the most recent delinquency effective date as reported by the Lender or 30 days from the date of the interest termination letter.

B. The Lender the lesser of paragraph 1 or 2 below:

1. Any loss sustained by such Lender on the guaranteed portion, including principal and interest (for loans closed on or after August 2, 2016, the guarantee will not cover note interest to the Lender accruing after 90 days from the most recent delinquency effective date) evidenced by the notes or assumption agreements and secured advances for protection and preservation of collateral made with the Agency's authorization; or

2. The guaranteed principal advanced to or assumed by the borrower and any interest due thereon. For loans closed on or after August 2, 2016, the guarantee will not cover note interest to the Lender accruing after 90 days from the most recent delinquency effective date.
The Holder and Lender are defined under applicable regulations identified in the header of this form.

**CONDITIONS OF GUARANTEE**

1. **Loan Servicing.**
   Lender is responsible for servicing the entire loan, and Lender will remain mortgagee and secured party of record notwithstanding the fact that another party may hold a portion of the loan. When multiple notes are used to evidence a loan, Lender will structure repayments as provided in the loan agreement.

2. **Priorities.**
   The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The unguaranteed portion of the loan will neither be paid first nor given any preference or priority over the guaranteed portion.

3. **Full Faith and Credit.**
   The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which Lender or any Holder has actual knowledge at the time it became such Lender or Holder or which Lender or any Holder participates in or condones. The Loan Note Guarantee will be unenforceable to the extent that any loss is occasioned by a provision for interest on interest or default or penalty interest, violation of usury laws, use of loan proceeds for unauthorized purposes, negligent loan origination, negligent loan servicing, or failure to obtain or maintain the required security regardless of the time at which USDA acquires knowledge of the foregoing. Any losses occasioned will be unenforceable to the extent that loan funds are used for purposes other than those specifically approved by USDA in its Conditional Commitment or amendment thereof. Negligent loan origination/negligent loan servicing is the failure to perform those services which a reasonably prudent lender would perform in processing or servicing (including liquidation) its own portfolio of loans that are not guaranteed. The term includes not only the concept of a failure to act but also not acting in a timely manner or acting in a manner contrary to the manner in which a reasonably prudent lender would act up to the time of loan maturity or until a final loss is paid.

4. **Rights and Liabilities.**
   The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentation by Lender or any unenforceability of this Loan Note Guarantee by Lender except for fraud or misrepresentation of which the Holder had actual knowledge at the time it became the Holder or in which the Holder participates or condones. Nothing contained herein will constitute any waiver by USDA of any rights it possesses against the Lender. Lender will be liable for and will promptly pay to USDA any payment made by USDA to Holder which, if such Lender had held the guaranteed portion of the loan, USDA would not be required to make.

5. **Payments.**
   Lender will receive all payments of principal or interest on account of the entire loan and will promptly remit to Holder its pro rata share thereof determined according to its respective interest in the loan, less only Lender's servicing fee.

6. **Protective Advances.**
   Protective advances made by Lender pursuant to the regulations will be guaranteed against a percentage of loss to the same extent as provided in this Loan Note Guarantee notwithstanding the guaranteed portion of the loan that is held by another.

7. **Repurchase by Lender.**
   The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the borrower is in default not less than 60 days on principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of principal and accrued interest less the Lender's servicing fee. For loans closed before August 2, 2016, the Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. For loans closed on or after August 2, 2016, the Lender or the Agency will issue an interest termination letter to the Holder(s) establishing the termination date for interest accrual. The guarantee will not cover interest to any Holder accruing after the greater of: 90 days from the date of the most recent delinquency effective date as reported by the Lender or 30 days from the date of the interest termination letter. Holder will concurrently send a copy of demand to USDA. The Lender will accept an assignment without recourse from the Holder upon repurchase. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve the problem, and to permit the borrower to cure the default, where reasonable. The Lender will notify the Holder and USDA of its decision.
8. **USDA Purchase.**

   If Lender does not repurchase as provided by paragraph 7, USDA will purchase from Holder the unpaid principal balance of the guaranteed portion together with accrued interest to date of repurchase less any Lender's servicing fee, within 30 days after written demand to USDA from Holder. For loans closed before August 2, 2016, the Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the original demand letter of the Lender to the Lender requesting the repurchase. For loans closed on or after August 2, 2016, the Lender or the Agency will issue an interest termination letter to the Holder(s) establishing the termination date for interest accrual. The guarantee will not cover interest to any Holder accruing after the greater of: 90 days from the date of the most recent delinquency effective date as reported by the Lender or 30 days from the date of the interest termination letter. Such demand will include a copy of the written demand made upon the Lender. The Holder, or its duly authorized agent, will also include evidence of its right to require payment from USDA. Such evidence will consist of either the original of the Loan Note Guarantee properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include its demand the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of demand. The USDA will promptly notify the Lender of its receipt of the Holder's demand for payment. The Lender will promptly provide the USDA with the information necessary for USDA determination of the appropriate amount due the Holder. Any discrepancy between the amount claimed by the Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment by USDA will be approved. Such conflict will suspend the running of the 30 day payment requirement. Upon receipt of the appropriate information, USDA will review the demand for verification. After receiving the demand, USDA will review the demand and remit the appropriate payment to the Holder.

9. **Lender's Obligations.**

   Lender consents to the purchase by USDA and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by Borrowers on the loan and the amount then owed to any Holder. Lender agrees that any purchase by USDA does not change, alter or modify any of the Lender's obligations to USDA arising from said loan or guarantee nor does it waive any of USDA's rights against Lender, and that USDA will have the right to set-off against Lender all rights inuring to USDA as the Holder of this instrument against USDA's obligation to Lender under the Loan Note Guarantee.

10. **Repurchase by Lender for Servicing.**

    If, in the opinion of the Lender, repurchase of the guaranteed portion of the loan is necessary to adequately service the loan, the Lender will sell the portion of the loan to the Lender for an amount equal to the unpaid principal and interest on such portion less any Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan accruing after 90 days from the date of the demand letter of the Lender or USDA to the Holder requesting the Holder to tender its guaranteed portion.

    a. The Lender will not repurchase from the Holder for arbitrage purposes or other purposes to further its own financial gain.

    b. Any repurchase will only be made after the Lender obtains USDA written approval.

    c. If the Lender does not repurchase the portion from the Holder, USDA at its option may purchase such guaranteed portions for servicing purposes.

11. **Custody of Unguaranteed Portion.**

    Subject to Lender's required retention, the Lender may retain or sell the unguaranteed portion of the loan only through participation. Participation, as used in this instrument, means the sale of an interest in the loan wherein the Lender retains the note, collateral securing the note, and all responsibility for loan servicing and liquidation.

12. **When Guarantee Terminates.**

    This Loan Note Guarantee will terminate automatically (a) upon full payment of the guaranteed loan; or (b) upon full payment of any loss obligation hereunder; or (c) upon written notice from the Lender to USDA that the guarantee will terminate 30 days after the date of notice, provided the Lender holds all of the guaranteed portion and the Loan Note Guarantee is returned to be cancelled by USDA.

13. **Settlement.**

    The amount due under this instrument will be determined and paid as provided in the applicable USDA regulations in effect on the date of settlement unless such regulations are in direct conflict with this agreement.
All notices will be initiated through the USDA
for _______________________(State) with mailing address at the day of this instrument:

UNITED STATES OF AMERICA
Department of Agriculture

By: ____________________________________________

Title: __________________________________________

(Date)

Assumption Agreement by ______________________________ Dated ___________

Assumption Agreement by ______________________________ Dated ___________

Position 2
ASSIGNMENT GUARANTEE AGREEMENT
(Rural Business-Cooperative Service)

7 CFR part 4279, subparts A and B
7 CFR part 4287, subpart B
7 CFR part 4280, subpart B

Capitalized terms will have the meaning defined in the applicable program regulations.

Type of Loan ________________________________

USDA Loan Identification Number ________________________________

__________________________ (Lender) has made a loan to ________________________________ (Borrower) in the principal amount of $________________________ as evidenced by a Promissory Note dated __________.

The United States of America, acting through the U.S. Department of Agriculture (USDA), entered into a Loan Note Guarantee with the Lender applicable to such loan to guarantee the loan not to exceed __________ percent of the amount of the principal advanced and any interest due thereon as provided therein.

__________________________ (Holder) desires to purchase from Lender __________ percent of the guaranteed portion of such loan. Copies of Borrower's Note and Loan Note Guarantee are attached hereto as a part hereof.

NOW, THEREFORE, THE PARTIES AGREE:

1. The principal amount of the loan now outstanding is $________________________. Lender hereby assigns to Holder __________ percent of the guaranteed portion of the loan representing $________________________ of such loan now outstanding in accordance with all of the terms and conditions hereinafter set forth. The Lender and USDA certify to the Holder that the Lender has paid and USDA has received the guarantee fee in exchange for the issuance of the Loan Note Guarantee and any applicable annual renewal fees.

2. Loan Servicing. The Lender is responsible for servicing the entire loan and will remain mortgagee and secured party of record. The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The Lender will receive all payments on account of principal of, or interest on, the entire loan and shall promptly remit to the Holder its pro rata share thereof determined according to their respective interests in the loan, less only the Lender's servicing fee.

3. Servicing Fee. Holder agrees that Lender will retain a servicing fee of __________ percent per annum of the unpaid balance of the guaranteed portion of the loan assigned hereunder.

4. Purchase by Holder. The Holder will hereby succeed to all rights of the Lender under the Loan Note Guarantee to the extent of the assigned portion of the loan. The Lender, however, will remain bound by all obligations under the Loan Note Guarantee and the program regulations found in 7 CFR parts 4279 subparts A and B and 4287 subpart B for Business and Industry Guaranteed Loans and 7 CFR part 4280 subpart B for Rural Energy for America Program loans.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control numbers for this information collection is 0570-0017. The time required to complete this information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
5. **Full Faith and Credit.** The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the Holder has actual knowledge at the time of this assignment or which it participates in or condones. The guarantee will be unenforceable to the extent that any loss is occasioned by a provision for interest on interest or default or penalty interest, violation of usury laws, use of loan proceeds for unauthorized purposes, negligent loan origination, negligent loan servicing, or failure to obtain or maintain the required security regardless of the time at which USDA acquires knowledge of the foregoing. Any losses will be unenforceable by the Lender to the extent that loan funds were used for purposes other than specifically approved by USDA in its Conditional Commitment or approved amendment thereof.

6. **Rights and Liabilities.** The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentation by Lender or any unenforceability of the Loan Note Guarantee by Lender. Nothing contained herein shall constitute any waiver by USDA of any rights it possesses against the Lender, and the Lender agrees that Lender will be liable and will promptly reimburse USDA for any payment made by USDA to Holder which, if such Lender had held the guaranteed portion of the loan, USDA would not be required to make. The Holder upon written notice to the Lender and USDA may rescind the unpaid balance of the guaranteed portion of the loan assigned hereunder.

7. **Repurchase by the Lender (Defaults).** The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder within 30 days of written demand by the Holder when: (a) the Borrower is in default not less than 60 days on principal or interest due on the loan or (b) the Lender has failed to remit to the Holder its pro rata share of any payment made by the Borrower or any loan subsidy within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of principal and accrued interest, less the Lender's servicing fee. The Holder must concurrently send a copy of the demand letter to the Agency. The Lender must accept an assignment without recourse from the Holder upon repurchase. For loans closed on or after August 2, 2016, the Lender or the Agency will issue an interest termination letter to the Holder(s) establishing the termination date for interest accrual if the default is not cured. The guarantee will not cover interest to any Holder accruing after the greater of: 90 days from the date of the most recent delinquency effective date as reported by the Lender or 30 days from the date of the interest termination letter.

8. **Purchase by USDA.** If Lender does not repurchase as provided by paragraph 7, USDA will purchase from the Holder the unpaid principal balance of the guaranteed portion together with accrued interest to date of repurchase, less Lender's servicing fee, within 30 days after written demand to the Agency from the Holder. For loans closed on or after August 2, 2016, the Lender or the Agency will issue an interest termination letter to the Holder(s) establishing the termination date for interest accrual. The guarantee will not cover interest to any Holder accruing after the greater of: 90 days from the date of the most recent delinquency effective date as reported by the Lender or 30 days from the date of the interest termination letter. Once the Holder makes demand upon the Agency, the request cannot be rescinded. Such demand will include a copy of the written demand made upon the Lender. The Holder or its duly authorized agent will also include evidence of its right to require payment from USDA. Such evidence will consist of either the original of the Loan Note Guarantee properly endorsed to USDA or the original of the Assignment Guarantee Agreement properly assigned to USDA without recourse including all rights, title, and interest in the loan. USDA will be subrogated to all rights of Holder. The Holder will include in its demand the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Unless otherwise agreed to by USDA, such proposed payment will not be later than 30 days from the date of demand. USDA will promptly notify the Lender of its receipt of the Holder's demand for payment. The Lender will promptly provide USDA with the information necessary for USDA's determination of the appropriate amount due the Holder. Any discrepancy between the amount claimed by the Holder and the information submitted by the Lender must be resolved before payment will be approved. USDA will notify both parties who must resolve the conflict before payment will be approved. Such a conflict will suspend the running of the 30 day payment requirement. Upon receipt of the appropriate information, USDA will review the demand and remit the appropriate check to Holder.

9. **Lender's Obligations.** Lender consents to the purchase by USDA and agrees to furnish on request by USDA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by Borrower on the loan and the amount then owed to any Holder. Lender agrees that any purchase by USDA does not change, alter or modify any of the Lender's obligations to USDA arising from said loan or guarantee nor does it waive any of USDA's rights against Lender, and that USDA shall have the right to set-off against Lender all rights inuring to USDA as the Holder of this instrument against USDA obligation to Lender under the Loan Note Guarantee.

10. **Repurchase by Lender for Servicing.** If, in the opinion of the Lender, repurchase of the assigned portion of the loan is necessary to adequately service the loan, the Holder will sell the assigned portion of the loan to the Lender for an amount equal to the unpaid principal and interest on such portion less Lender's servicing fee. The Lender is encouraged to repurchase the loan to facilitate the accounting of funds, resolve any loan problems, and prevent defaults, where and when reasonable. When the Lender repurchases the guaranteed portion from the secondary market for servicing purposes, the Lender must discontinue interest accrual if Federal or State regulators place the loan in non-accrual status if the default is not cured within 90 days. The Lender will notify the Holder and the Agency of its decision.
a. The Lender will not repurchase from the Holder for arbitrage purposes or other purposes to further its own financial gain.
b. Any repurchase will only be made after the Lender obtains USDA written approval.
c. If the Lender does not repurchase the portion from the Holder, USDA, at its option may purchase such guaranteed portion for servicing purposes.

11. Termination of Lender's Servicing Fee. The lender's servicing fee will stop on the date that interest was last paid by the Borrower when USDA purchases the guaranteed portion of the loan from the secondary market. No such servicing fee may be charged to USDA and all loan payments and collateral proceeds received will be applied first to the guaranteed loan and when applied to the guaranteed loan will be applied on a pro rata basis.

12. Foreclosure. The Lender is responsible for determining who the necessary parties are to any foreclosure action or who should be named on a deed of conveyance taken in lieu of foreclosure. When the conveyance is received and the property is liquidated, the net proceeds will be applied to the guaranteed loan debt. If USDA has repurchased the guaranteed portion of the loan from the Holder, the Lender must obtain USDA's concurrence to any foreclosure action to be taken by the Lender; however, USDA will not be considered to be a necessary party to the action or otherwise required to join in.

13. Reassignment. Holder upon written notice to Lender and USDA may reassign the unpaid guaranteed portion of the loan sold hereunder. Upon such notification, the assignee will succeed to all rights and obligations of the Holder hereunder.

14. Notices. All notices and actions will be initiated through the USDA _________________ (State) with mailing address

______________________________

Dated this ________________ day ________________, 20 ___.

LENDER:
ADDRESS:

ATTEST: By ______________________________

(SEAL)

Title ______________________________

HOLDER:
ADDRESS:

ATTEST:

(SEAL) Title ______________________________

UNITED STATES OF AMERICA
Department of Agriculture
ADDRESS: ______________________________

By ______________________________

Title ______________________________
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

UNCONDITIONAL GUARANTEE

<table>
<thead>
<tr>
<th>RBS Loan #</th>
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<tr>
<td>RBS Loan Name</td>
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<tr>
<td>Borrower</td>
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<tr>
<td>Guarantor</td>
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<td>Guarantor's SSN or Tax ID #</td>
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<td>Lender</td>
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<td>Date</td>
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<td>Note Amount</td>
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1. GUARANTEE

Guarantor unconditionally guarantees payment to Lender of ______ percent of all amounts owing under the Note including any costs, due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor. This Guarantee remains in effect until the Note is paid in full.

2. NOTE

The "Note" is the promissory note dated ____________________________ in the principal amount of ____________________________ Dollars, from Borrower to Lender, including any assumptions, renewals, substitutions, or replacements of the note. The term "Note," also includes any notes issued under the multi-note system and any assumptions, renewals, substitutions, or replacements of the notes.

Guarantor Initial: ________________

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0017. The time required to complete this information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
3. DEFINITIONS

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note, whether tangible or intangible, including life insurance policies, inventory, and contract rights.

"Guarantor" also includes single and multiple Guarantors who sign this Guarantee.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor, or any other guarantor, or anyone who pledges Collateral.

"RBS" means Rural Business Cooperative Service, an Agency of the United States Department of Agriculture, Rural Development.

4. LENDER'S GENERAL POWERS

With RBS prior written consent, Lender may take any of the following actions at any time, without notice to the Guarantor, without Guarantor's consent and without making demand upon Guarantor.

A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
B. Refrain from taking any action on the Note, the collateral, or any guarantee;
C. Compromise or settle with the Borrower or any guarantor of the Note;
D. Release any Borrower or any guarantor of the Note;
E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
F. Foreclose upon, or otherwise obtain and dispose of any Collateral at public or private sale, with or without advertisement;
G. Bid or buy at any sale of Collateral by Lender or any other lien holder, at any price Lender chooses; and
H. Exercise any rights it has, including those in the Note and other Loan Documents.

These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW

When RBS is the holder, the Note and this Guarantee will be construed and enforced under Federal law, including RBS regulations. Lender or RBS may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, RBS does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against RBS to deny any obligation, defeat any claim of RBS, or preempt Federal law.
6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES

To the extent permitted by law,

A. Guarantor waives all rights to:
   1) Require presentment, protest, or demand upon Borrower;
   2) Redeem any Collateral before or after Lender disposes of it;
   3) Have any disposition of Collateral advertised; and
   4) Require a valuation of Collateral before or after Lender disposes of it.

B. Guarantor waives any notice of:
   1) Any default under the Note;
   2) Presentment, dishonor, protest, or demand;
   3) Execution of the Note;
   4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
   5) Any change in the financial condition or business operations of Borrower or any guarantor;
   6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
   7) The time or place of any sale of other disposition of Collateral.

C. Guarantor waives defenses based upon any claim that:
   1) Lender failed to obtain any guarantee;
   2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
   3) Lender or others improperly valued or inspected the Collateral;
   4) The Collateral changed in value, or was neglected, lost, destroyed or underinsured;
   5) Lender impaired the Collateral;
   6) Lender made errors or omissions in Loan Documents or administration of the Loan;
   7) The financial condition of Borrower or any guarantor was overstated or has adversely changed;
   8) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
   9) Lender impaired Guarantor's suretyship rights;
   10) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor’s consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts;
   11) Borrower has avoided liability on the Note; or
   12) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

Guarantor Initial: ________________
7. DUTIES AS TO COLLATERAL

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS

A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney’s fees and costs.

B. RBS NOT A CO-GUARANTOR. Guarantor’s liability will continue even if RBS pays Lender. RBS is not a co-guarantor with Guarantor. Guarantor has no right of contribution from RBS.

C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.

D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.

E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender’s liens on Collateral.

F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements or other information requested by the Lender. Failure by the Guarantor to submit the requested information can result in the Lender taking appropriate action consistent with applicable State law.

G. LENDER’S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.

H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.

I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.

J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

Guarantor Initial: ________________
10. STATE-SPECIFIC PROVISIONS

11. GUARANTOR ACKNOWLEDGMENT OF TERMS

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR ACKNOWLEDGEMENT OF FEDERAL DEBT

Guarantor acknowledges and agrees that any loss claim paid by the Agency on the Note shall be a Federal Debt owed by Guarantor up to the amount in paragraph 1. Guarantor agrees to immediately reimburse RBS for the loss claim. RBS may use all remedies available to it, including those under the Debt Collection Improvement Act, to recover the Federal Debt from the Guarantor. RBS’s right to collect from the Guarantor is independent of the Lender’s rights to collect under the Note and will not be affected by any release by the Lender. Any RBS collection under this paragraph does not need to be shared with the Lender.

13. SIGNATURE(S)

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.
INSTRUCTIONS FOR PREPARATION

This form is used for an unconditional guarantee, as described in RD Instruction 4279-B, § 4279.132.

APPLICABLE TO BOTH PERSONAL AND CORPORATE GUARANTEES

A. No Alterations. You may not alter the text or make any additions except to insert information required to complete the form.

B. Insertions. Complete the form and the terms in accordance with the Authorization.

C. Information Grid. All applicable information is on page 1 of the form. Most of the information will come from the Authorization. The information must be consistent in all documents—Authorization, Notes, and Guarantees.

Agency Loan Number. Copy from the Authorization.

Agency Loan Name. This must be the same as in the Authorization.

The Agency Loan Name is the first available name from the following list.
   a. The doing business as (dba) name (trade name) of the Operating Company
   b. The actual (legal) name of the Operating Company
   c. The “dba” name (trade name) of the Borrower
   d. The actual (legal) name of the Borrower

If there is more than one Borrower or Operating Company, use the first Borrower or Operating Company listed in the Authorization and apply the above rules.

Borrower. Insert the names of all Borrowers. DO NOT INCLUDE DBAs here. All Borrower names on page 1 of the form must be the same as in the Note.

Guarantor. Insert the legal names of individuals or entities who will be Guarantors on this guarantee. DO NOT INCLUDE DBAs here. All Guarantor names listed on page 1 of the form must be the same as in the signature block.

Guarantor Tax ID No. Insert Guarantor’s tax identification number.

Lender. For B&I guaranteed loans, insert the name of the Lender.

Date. Insert the date the Guarantee is signed.

Note Amount. Insert, in numbers only, the principal amount of the loan.
Item 2. **NOTE.** Complete the requested information, date of promissory note, and the principal amount of the note. The Note amount here must be the same as the Note Amount on page 1 of the form.

Item 12. **SIGNATURE.** A signature section must be created, and must be in accordance with applicable laws. The signature block must include the legal name of the individual or entity signing the Guarantee and, where applicable, the name and title of the authorized representative who will execute the document on its behalf. For instructions on how to complete an enforceable signature block that complies with applicable state laws, consult with the Regional Attorney.

Guarantor Initial: ____________________
The Guaranty is assigned by USDA, and any full or partial assignment hereof by USDA shall operate to vest in the assignee all rights and powers herein conferred upon and granted to USDA and so assigned by USDA.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty under seal as of day of, 20__.

Signed, seal and delivered
In the presents of:

WITNESSES: 

GUARANTOR:

Print Name: ____________________

Print Name: ____________________

STATE OF FLORIDA
COUNTY OF ____________

The foregoing document was acknowledged before me on the day of, 20__, by __________________ who:

______ is personally known to me; or
______ is not personally known to me, who produced __________________, as identification.

NOTARY PUBLIC

____________________________

Name: ______________________

State of Florida at Large (or Territory of U.S.V.I.)
Commission Number & Expiration Date: ________
The Guaranty is assigned by USDA, and any full or partial assignment hereof by USDA shall operate to vest in the assignee all rights and powers herein conferred upon and granted to USDA and so assigned by USDA.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty under seal as of _____ day of ____________, 20____.

Signed, seal and delivered
In the presents of:

WITNESSES: GUARANTOR:

COMPANY NAME:

__________________________
By: _______________________

Print Name:________________

Title: _____________________

__________________________
Print Name:________________

ATTEST: ___________________

Title: _____________________

[Corporate Seal]

STATE OF FLORIDA
COUNTY OF _____________

The foregoing document was acknowledged before me on the ___ day of ____________,
20____, by ____________________ who:

___ is personally known to me; or
___ is not personally know to me, who produced __________________, as identification.

NOTARY PUBLIC

__________________________
Name:_____________________
State of Florida at Large (or Territory of U.S.V.I.)
Commission Number & Expiration Date: _________
Application for Federal Assistance SF-424

1. Type of Submission:
   - Preapplication
   - Application
   - Changed/Corrected Application

2. Type of Application:
   - New
   - Continuation
   - Revision
   * Other (Specify):

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

   a. Legal Name:

   b. Employer/Taxpayer Identification Number (EIN/TIN):

   c. Organizational DUNS:

   d. Address:
      - Street1:
      - Street2:
      - City:
      - County/Parish:
      - State:
      - Province:
      - Country: USA: UNITED STATES
      - Zip / Postal Code:

   e. Organizational Unit:
      - Department Name:
      - Division Name:

   f. Name and contact information of person to be contacted on matters involving this application:
      - Prefix:
      - * First Name:
      - Middle Name:
      - * Last Name:
      - Suffix:
      - Title:
      - Organizational Affiliation:
      - * Telephone Number: Fax Number:
      - * Email:
**Application for Federal Assistance SF-424**

9. Type of Applicant 1: Select Applicant Type:  

Type of Applicant 2: Select Applicant Type:  

Type of Applicant 3: Select Applicant Type:  

* Other (specify):  

10. Name of Federal Agency:  

11. Catalog of Federal Domestic Assistance Number:  

CFDA Title:  

12. Funding Opportunity Number:  

* Title:  

13. Competition Identification Number:  

Title:  

14. Areas Affected by Project (Cities, Counties, States, etc.):  

15. Descriptive Title of Applicant's Project:  

Attach supporting documents as specified in agency instructions.
16. Congressional Districts Of:
   * a. Applicant
   * b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:
   * a. Start Date:
   * b. End Date:

18. Estimated Funding ($):
   * a. Federal
   * b. Applicant
   * c. State
   * d. Local
   * e. Other
   * f. Program Income
   * g. TOTAL

19. Is Application Subject to Review By State Under Executive Order 12372 Process?
   a. This application was made available to the State under the Executive Order 12372 Process for review on.
   b. Program is subject to E.O. 12372 but has not been selected by the State for review.
   c. Program is not covered by E.O. 12372.

20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)
   Yes
   No

21. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:
Prefix: * First Name:
Middle Name:
* Last Name:
Suffix:
* Title:
* Telephone Number: Fax Number:
* Email:
* Signature of Authorized Representative: * Date Signed:
Instructions for SF-424

Application For Federal Assistance

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form (including the continuation sheet) required for use as a cover sheet for submission of preapplications and applications and related information under discretionary programs. Some of the items are required and some are optional at the discretion of the applicant or the Federal agency (agency). Required items are identified with an asterisk on the form and are specified in the instructions below. In addition to the instructions provided below, applicants must consult agency instructions to determine specific requirements.

<table>
<thead>
<tr>
<th>Field Name / Item No.</th>
<th>Instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Type of Submission</td>
<td>(Required): Select one type of submission in accordance with agency instructions.</td>
</tr>
<tr>
<td></td>
<td>• Preapplication</td>
</tr>
<tr>
<td></td>
<td>• Application</td>
</tr>
<tr>
<td></td>
<td>• Changed/Corrected Application: If requested by the agency, check if this submission is to change or correct a previously submitted application. Unless requested by the agency, applicants may not use this to submit changes after the closing date.</td>
</tr>
<tr>
<td>2) Type of Application</td>
<td>(Required): Select one type of application in accordance with agency instructions.</td>
</tr>
<tr>
<td></td>
<td>• New: An application that is being submitted to an agency for the first time.</td>
</tr>
<tr>
<td></td>
<td>• Continuation: An extension for an additional funding/budget period for a project with a projected completion date. This can include renewals.</td>
</tr>
<tr>
<td></td>
<td>• Revision: Any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision, enter the appropriate letter(s). More than one may be selected. If &quot;Other&quot; is selected, please specify in text box provided.</td>
</tr>
<tr>
<td></td>
<td>A. Increase Award</td>
</tr>
<tr>
<td></td>
<td>B. Decrease Award</td>
</tr>
<tr>
<td></td>
<td>C. Increase Duration</td>
</tr>
<tr>
<td></td>
<td>D. Decrease Duration</td>
</tr>
<tr>
<td></td>
<td>E. Other (specify)</td>
</tr>
<tr>
<td>3) Date Received</td>
<td>Leave this field blank. This date will be assigned by the Federal agency.</td>
</tr>
<tr>
<td>4) Applicant Identifier:</td>
<td>Enter the entity identifier assigned by the Federal agency, if any, or the applicant's control number if applicable.</td>
</tr>
<tr>
<td>5a) Federal Entity Identifier:</td>
<td>Enter the number assigned to your organization by the Federal Agency, if any.</td>
</tr>
<tr>
<td>5b) Federal Award Identifier:</td>
<td>For new applications leave blank. For a continuation or revision to an existing award, enter the previously assigned Federal award identifier number. If a changed/corrected application, enter the Federal Identifier in accordance with agency instructions.</td>
</tr>
<tr>
<td>6) Date Received by State:</td>
<td>Leave this field blank. This date will be assigned by the State, if applicable.</td>
</tr>
<tr>
<td>7) State Application Identifier:</td>
<td>Leave this field blank. This identifier will be assigned by the State, if applicable.</td>
</tr>
<tr>
<td>8) Applicant Information</td>
<td>Enter the following in accordance with agency instructions:</td>
</tr>
<tr>
<td></td>
<td>a. Legal Name: (Required): Enter the legal name of applicant that will undertake the assistance activity. This is the organization that has registered with the Central Contractor Registry. Information on registering with CCR may be obtained by visiting the Grants.gov website.</td>
</tr>
<tr>
<td></td>
<td>b. Employer/Taxpayer Number (EIN/TIN): (Required): Enter the Employer or Taxpayer Identification Number (EIN or TIN) as</td>
</tr>
</tbody>
</table>
assigned by the Internal Revenue Service. If your organization is not in the US, enter 44-4444444.

e. **Organizational DUNS:** (Required) Enter the organization’s DUNS or DUNS+4 number received from Dun & Bradstreet. Information on obtaining a DUNS number may be obtained by visiting the Grants.gov website.

d. **Address:** Enter the complete address as follows: Street address (Line 1 required), City (Required), County, State (Required, if country is US), Province, Country (Required), Zip/Postal Code (Required, if country is US).

e. **Organizational Unit:** Enter the name of the primary organizational unit (and department or division, if applicable) that will undertake the assistance activity, if applicable.

f. **Name and contact information of person to be contacted on matters involving this applicant:** (required), organizational affiliation (if affiliated with an organization other than the applicant organization), telephone number (Required), fax number, and email address (Required) of the person to contact on matters related to this application.

### 9) Type of Applicant

(Required) Select up to three applicant type(s) in accordance with agency instructions.

- **A. State Government**
- **M. Nonprofit**
- **B. County Government**
- **N. Private Institution of Higher Education**
- **C. City or Township**
- **O. Individual**
- **D. Special District Government**
- **P. For-Profit Organization**
- **E. Regional Organization**
- **Q. Small Business**
- **F. U.S. Territory or Possession**
- **R. Hispanic-served Institution**
- **G. Independent School District Business**
- **S. Historically Black**
- **H. Public State Controlled**
- **T. Tribally Controlled**
- **I. Indian/Native American Colleges and Universities (HBCUs)**
- **J. Indian/Native American Tribal Government**
- **K. Indian/Native American Tribes and Tribally Controlled**
- **L. Public/Indian Housing**
- **(Non-US) Entity Authority**
- **U. Non-domestic**
- **V. University**
- **W. Other (YCCUs) than Federally Recognized**
- **X. Alaska Native and**
- **Y. Native Hawaiian Tribal Designated**
- **Z. Serving Institutions**
- **AA. Organization**
<table>
<thead>
<tr>
<th>10) Name Of Federal Agency</th>
<th>(Required) Enter the name of the Federal agency from which assistance is being requested with this application.</th>
</tr>
</thead>
<tbody>
<tr>
<td>11) Catalog Of Federal Domestic Assistance Number/Title</td>
<td>Enter the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested, as found in the program announcement, if applicable.</td>
</tr>
<tr>
<td>12) Funding Opportunity Number/Title</td>
<td>(Required) Enter the Funding Opportunity Number and title of the opportunity under which assistance is requested, as found in the program announcement.</td>
</tr>
<tr>
<td>13) Competition Identification Number/Title</td>
<td>Enter the Competition Identification Number and title of the competition under which assistance is requested, if applicable.</td>
</tr>
<tr>
<td>14) Areas Affected By Project</td>
<td>List the areas or entities using the categories (e.g., cities, counties, states, etc.) specified in agency instructions. Use the continuation sheet to enter additional areas, if needed.</td>
</tr>
<tr>
<td>15) Descriptive Title of Applicant’s Project</td>
<td>(Required) Enter a brief descriptive title of the project. If appropriate, attach a map showing project location (e.g., construction or real property projects). For pre-applications, attach a summary description of the project.</td>
</tr>
<tr>
<td>16) Congressional Districts Of</td>
<td>(Required) Enter the applicant’s Congressional District and the District(s) affected by the program or project. Enter in the format 2 characters State Abbreviation 3 characters District Number, e.g., CA-005 for California’s 5th District, CA-012 for California’s 12th District, NC-102 for North Carolina’s 102nd District. If all congressional districts in a state are affected, enter ALL for the district number, e.g., MD-ALL for all congressional districts in Maryland. If nationwide, i.e., all districts within all states are affected, enter US-ALL. If the program/project is outside the US, enter 00-000.</td>
</tr>
<tr>
<td>17) Proposed Project Start and End Dates</td>
<td>(Required) Enter the proposed start date and end date of the project.</td>
</tr>
<tr>
<td>18) Estimated Funding</td>
<td>(Required) Enter the amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines, as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses.</td>
</tr>
<tr>
<td>19) Is Application Subject To Review by State Under Executive Order 12372 Process?</td>
<td>Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process. Select the appropriate box. If an SPOC is selected, enter the date the application was submitted to the State.</td>
</tr>
<tr>
<td>20) Is the Applicant Delinquent on Any Federal Debt?</td>
<td>(Required) Select the appropriate box. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes. If yes, include an explanation on the continuation sheet.</td>
</tr>
<tr>
<td>21) Authorized Representative</td>
<td>(Required) To be signed and dated by the authorized representative of the applicant organization. Enter the name (first and last name required) title (required), telephone number (required), fax number, and email address (required) of the person authorized to sign for the applicant. A copy of the governing body’s authorization for you to sign this application as the official representative must be on file in the applicant’s office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)</td>
</tr>
</tbody>
</table>
BORROWER &
LENDER LETTER

(Send a similar letter with SF 424 to the State Historic Preservation
Officer, the State
Clearinghouse, and the local Regional
Planning Council)

A letter signed by the borrower and the lender containing the following:

1. The borrower’s name, organization type, address, contact person, and telephone number;

2. Amount of the loan request, percent of guarantee requested and proposed rate & terms;

3. The proposed lender’s name, address, contact person, and telephone number;

4. A brief description of the projects, products, services provided, and availability of raw materials and supplies;

5. The type and number of employment opportunities predicted and the unemployment rate where the project will be located;

6. Amount of borrower’s equity and a description of collateral, with estimated values, to be offered as security for the loan;

7. If the borrower is a corporation, the names and addresses of the borrower’s parent, affiliate, and/or subsidiary firms; and a brief description of the relationship, the products, and the ownership among the borrower, parent, affiliates, and/or subsidiary firms; and

8. Any known effects to the infrastructure in the area of the project or effects on the economy of the area where the project is located.
Business & Industry Division Environmental Guidance

*This list was created by the B&I Division solely for B&I deals and should not be utilized for other Rural Development products. The items below will be required for most ground up B&I construction deals but dependent upon the scope of the project, other things may be required. It’s best to consult with Chris Adamchak during the banks underwriting process on the construction process to ensure efficient processing.

*If the project is in a sole source aquifer area or is in Nassau or Hillsborough counties, please contact USDA prior to project submission.

*Provide a completed SF 424

A.) USDA must receive an approval from the following agencies:

1.) Florida State Clearinghouse
2600 Blair Stone Road
Mail Station 47
Tallahassee, FL 32399-2400
Phone: 850-717-9076
Email: chris.stahl@dep.state.fl.us
http://dep.state.fl.us/secretary/oip/state_clearinghouse/

2.) Florida State Historic Preservation Officer (SHPO)
R. A. Gray Building
500 S. Bronough Street, Room 423
Tallahassee, FL 32399-0250
(850) 245-6333
CompliancePermits@dos.myflorida.com

3.) U.S. Fish and Wildlife
Panama City Ecological Services Field Office
1601 Balboa Avenue
Panama City, FL 32405-3792
(850) 763-2177 ; (850) 769-0552

North Florida Ecological Services Field Office
7915 Baymeadows Way, Suite 200
Jacksonville, FL 32256-7517
(904) 731-3045 ; (904) 731-3336

South Florida Ecological Services Field Office
1339 20th Street
Vero Beach, FL 32960-3559
(772) 562-3909; (772) 562-4288
B.) Tribal Consolation

Please go to the following website and provide project notices to the tribes which pertain to the county: https://egis.hud.gov/tdat/Tribal.aspx

C.) Project Description similar to the template attached.
D.) Standard Flood Hazard Determination Form
E.) Phase I site assessment (Completed within the last 12 months)
F.) NRCS soil survey website (hydric soils):
       1. Draw polygon around project area to create Area of Interest (AOI)
G.) USFWS Wetland Inventory map: https://www.epa.gov/nepa/nepassist
Public reporting burden for this form is estimated to average 20 minutes per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and submitting the form. This collection of information is mandatory. You are not required to respond to this collection of information unless a valid OMB control number is displayed in the upper right corner of this form. Send comments regarding the accuracy of the burden estimate and any suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC, 20472, Paperwork Reduction Project (OMB Collection1660-0040). NOTE: DO NOT SEND YOUR COMPLETED FORM TO THIS ADDRESS.

INSTRUCTIONS

SECTION 1
1. LENDER/SERVICER NAME AND ADDRESS: Enter lender name and address.

2. COLLATERAL DESCRIPTION: Preparer should coordinate with user to ensure the collateral is sufficiently identified. Suggested forms of collateral identification include, but are not limited to, property address, parcel or lot number and longitude/latitude. If needed, additional information may be attached to this form.

3. LENDER/SERVICER ID NO: Optional. Preparer should coordinate with user to ensure the lender is sufficiently identified on the form. The lender name and address (Box 1. above) may be sufficient.

4. LOAN IDENTIFIER: Optional. May be used by lenders to conform with their individual method of identifying loans.

5. AMOUNT OF FLOOD INSURANCE REQUIRED: Optional. The minimum federal requirement for this amount is the lesser of: the outstanding principal loan balance; the value of the improved property, mobile home and/or personal property used to secure the loan; or the maximum statutory limit of flood insurance coverage. A lender retains the prerogative to require flood insurance in excess of the minimum federal requirements not by the direction of FEMA. National Flood Insurance Program (NFIP) policies do not provide coverage in excess of the insured value of the building/mobile home/personal property.

SECTION 2
A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION
1. NFIP Community Name. Enter the complete name of the community (as indicated on the NFIP map) in which the building or mobile home is located. Under the NFIP, a community is the political unit that has authority to adopt and enforce floodplain management regulations for the areas within its jurisdiction. A community may be any State or area or political subdivision thereof, or any Indian tribe or authorized tribal organization, or Alaska Native village or authorized native organization. (Examples: Brewer, City of; Washington, Borough of; Worcester, Township of; Baldwin County; Jefferson Parish) For a building or mobile home that may have been annexed by one community but is shown on another community's NFIP map, enter the Community Name for the community with land-use jurisdiction over the building or mobile home.

2. County(ies). Enter the name of the county or counties in which the community is located. For unincorporated areas of a county, enter "unincorporated areas." For independent cities, enter "independent city."

3. State. Enter the two-digit state abbreviation. (Examples: VA, TX, CA)

4. NFIP Community Number. Enter the 6-digit NFIP community number. This number can be determined by consulting the NFIP Community Status Book or can be found on the NFIP map; copies of either can be obtained from FEMA's Website http://msc.fema.gov or by calling 1-800-358-9616. If no NFIP Community Number exists for the community, enter "none."

B. NFIP DATA AFFECTING BUILDING/MOBILE HOME
The information in this section (excluding the LOMA/LOMR information) is obtained by reviewing the NFIP map on which the building/mobile home is located. The current NFIP map may be obtained from FEMA by calling 1-800-358-9616. Scanned copies of the NFIP maps can be viewed on FEMA's website at http://msc.fema.gov. Note that even when an NFIP map panel is not printed, it may be reflected on a community's NFIP map index with its proper number, date, and flood zone indicated; enter these data accordingly.

1. NFIP Map Number or Community-Panel Number. Enter the 11-digit number shown on the NFIP map that covers the building or mobile home. (Examples: 480214 0022C; 58103C0075F). Some older maps will have a 9-digit number (Example: 12345601A). Note that the first six digits will not match the NFIP Community Number when the sixth digit is a "C" or when one community has annexed land from another but the NFIP map has not yet been updated to reflect this annexation. When the sixth digit is a "C", the NFIP map is in countywide format and shows the flood hazards for the geographic areas of the county on one map, including flood hazards for incorporated communities and for any unincorporated county contained within the county's geographic limits. Such countywide maps will list an NFIP Map Number. For maps not in such countywide format, the NFIP will list a Community-Panel Number on each panel. If no NFIP map is in effect for the location of the building or mobile home, enter "none."
2. NFIP Map Panel Effective/Revised Date. Enter the map effective date or the map revised date shown on the NFIP map. (Example: 6/15/93) This will be the latest of all dates shown on the map.

3. Is there a Letter of Map Change (LOMC)? This field can remain blank if no Letter of Map Change (LOMC) (these include the Letter of Map Amendment (LOMA), Letter of Map Revision (LOMR) or similar FEMA Map Letter(s)) applies to the subject property. If there is a LOMC, list the date and number. Information on the LOMC is available from the following sources:
   * The community's official copy of its NFIP map(s) should have a copy of all subsequently-issued FEMA Letters attached.
   * The FEMA Map Service Center website is https://msc.fema.gov/portal.

4. Flood Zone. Enter the flood zone(s) in which the building or mobile home is located. (Examples: A, AE, A4, AR, AR/A, AR/AE, AR/AO, V, VE, V12, AH, AO, B, C, X, D). If any part of the building or mobile home is within the Special Flood Hazard Area (SFHA), the entire building or mobile home is considered to be in the SFHA. All flood zones beginning with the letter "A" or "V" are considered to be in the SFHA. Each flood zone is defined in the legend of the NFIP map on which it appears. If there is no NFIP map for the subject area, enter "none."

5. No NFIP Map. If no NFIP map covers the area where the building or mobile home is located, check this box.

C. FEDERAL FLOOD INSURANCE AVAILABILITY. This is a review of community eligibility; it does not address individual building related eligibility, that is reviewed in the insurance process. Check all boxes that apply: Note that boxes 1 (Federal Flood Insurance is available ...) and 2 (Federal Flood Insurance is not available ...) are mutually exclusive. In most instances, Federal flood insurance is available to all residents with eligible property in a community that participates in the NFIP. Community participation status can be determined by consulting the NFIP Community Status Book, which is available from FEMA and at http://www.fema.gov/fema/csb.shtm. The NFIP Community Status Book will indicate whether or not the community is participating in the NFIP and whether participation is in the Emergency or Regular Program. If the community participates in the NFIP, check either Regular Program or Emergency Program. To obtain Federal flood insurance, a copy of this completed form may be provided to an insurance agent.

Federal flood insurance is prohibited in areas designated by the Coastal Barrier Resources Act to be in a Coastal Barrier Resources Area (CBRA) and Otherwise Protected Areas (OPA) for buildings or mobile homes built or substantially improved after the date of the CBRA or OPA designation. Information about the Coastal Barrier Resources System (CBRS) may be obtained by visiting the U.S. Fish and Wildlife Service's website at http://www.fws.gov/CBRA/index.html.

D. DETERMINATION. If any portion of the building/mobile home is in an identified Special Flood Hazard Area (SFHA), check yes (flood insurance is required). If no portion of the building/mobile home is in an identified SFHA, check no. If no NFIP map exists for the community, check no. If no NFIP map exists, Section B5 should also be checked.

E. COMMENTS. Optional Comment. Preparer may add additional comments/pages/data as needed.

F. PREPARER'S INFORMATION. If other than the lender, enter the name, address, and telephone number of the company or organization performing the flood hazard determination. An individual's name may be included, but is not required.

Date of Determination. Enter date on which flood zone determination was completed.

MULTIPLE BUILDINGS: For guidance regarding multiple buildings, please contact your regulator, servicer, lender or other entity as applicable.

GUARANTEES REGARDING INFORMATION: Determinations on this form made by persons other than the lender are acceptable only to the extent that the accuracy of the information is guaranteed.

FORM AVAILABILITY. The form is available online at http://www.fema.gov/plan/prevent/fhm/fm_form.shtm. Copies of this form are available from the FEMA fax-on-demand line by calling (202) 646-FEMA and requesting form #23103. Guidance on using the form in a printed, computerized, or electronic format is contained in form #23110. This information is also available on FEMA's website. See the resource record, for usability purposes. The URL is http://www.fema.gov/media-library/assets/documents/225?id=1394.

PURPOSE OF FORM: In accordance with P.L. 103-325, Sec. 1365, (b) (1), this form has been designated to facilitate compliance with the flood insurance purchase requirements of the National Flood Insurance Reform Act of 1994.

FOR LENDING RELATED GUIDANCE REGARDING THIS FORM: Implementation of the mandatory flood insurance purchase requirements of the Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 94, as amended, is the responsibility of the various Federal agencies that regulate lenders. Please contact your regulator or lender to determine their requirements.
### SECTION I - LOAN INFORMATION

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1. LENDER/SERVICER NAME AND ADDRESS</td>
<td>2. COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instructions for more information.)</td>
</tr>
<tr>
<td>3. LENDER/SERVICER ID #</td>
<td>4. LOAN IDENTIFIER</td>
</tr>
<tr>
<td>5. AMOUNT OF FLOOD INSURANCE REQUIRED</td>
<td></td>
</tr>
</tbody>
</table>

### SECTION II

#### A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1. NFIP Community Name</td>
<td>2. County(ies)</td>
<td>3. State</td>
</tr>
<tr>
<td>4. NFIP Community Number</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A") | 2. NFIP Map Panel Effective / Revised Date | 3. Is there a Letter of Map Change (LOMC)?
   |   | NO
   |   | YES (If yes, and LOMC date/no. is available, enter date and case no. below). |
| 4. Flood Zone | 5. No NFIP Map |   |
| Date | Case No. |   |

#### C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply.)

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1. Federal Flood Insurance is available (community participates in the NFIP).</td>
<td>Regular Program</td>
<td>Emergency Program of NFIP</td>
</tr>
<tr>
<td>2. Federal Flood Insurance is not available (community does not participate in the NFIP).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA). Federal Flood Insurance may not be available.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBRA/OPA Designation Date:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### D. DETERMINATION

**IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")?**  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.  
If no, flood insurance is not required by the Flood Disaster Protection Act of 1973. Please note, the risk of flooding in this area is only reduced, not removed.  
This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and any other information needed to locate the building/mobile home on the NFIP map.

#### E. COMMENTS (Optional)

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</table>

#### F. PREPARER'S INFORMATION

<table>
<thead>
<tr>
<th>NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)</th>
<th>DATE OF DETERMINATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>
FLOODPLAINS

USDA/Rural Development discourages development in the 100-year floodplain unless it can be determined that there is no practicable alternative. In order to determine the location of the proposed project, floodplain maps, as developed by the Federal Emergency Management Agency (FEMA) must be submitted as part of all environmental reviews. Floodplain maps may be obtained from the following office:

FEMA – Map Service Center
P.O. Box 1038
Jessup, MD 20794-1038
Phone: 800-358-9616
Fax: 800-358-9620
https://msc.fema.gov

In addition to floodplain maps, the National Flood Insurance Reform Act of 1994 (NFIRA) requires all lenders to complete FEMA Form 81-93, Special Flood Hazard Determination Form (SFHDF). Since the use of this form is mandated for all lending institutions, guaranteed lenders are required to submit the form as part of all guaranteed loan pre- applications or applications submitted when real estate is proposed as security. The form should be attached as part of the environmental information. Additional forms may be obtained by contacting FEMA at the following office:

Federal Emergency Management Agency (FEMA)
Phone: 800-480-2520
Fax: 301-362-5335
http://www.fema.gov/business/nfip/mscjumppage.shtm#1
SOLE SOURCE AQUIFERS

No commitment of federal financial assistance may be entered into for any project that the EPA determines may contaminate an aquifer through the recharge zone so as to create a significant hazard to public health. The Environmental Protection Agency's Groundwater Management Unit must review all applicable proposals for projects that may potentially damage aquifers. The maps following indicate the boundaries of the sole source aquifers and their associated recharge areas. Further information on applicable projects or the review process may be obtained from the following office:

Larry Cole
U.S. Environmental Protection Agency
Region 4
Water Protection Division
Ground Water and UIC Section
Sam Nunn Atlanta Federal Center
61 Forsyth Street
Atlanta, GA 30303-8960
Email: Larry Cole (cole.larry@epa.gov)

Approximate Boundaries of Region 4 Sole Source Aquifers:
# Natural Resource Conservation Service (NRCS)
## State Office

<table>
<thead>
<tr>
<th>Administrative Area Office – Jackson County 4155 Hollis Drive (850) 482-2002</th>
<th>Administrative Area Office (Columbia County) 2080 SW Main Blvd. (386) 755-5100 Front Desk Extension 306</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marianna, FL 32448-2708</td>
<td>Lake City, FL 32025-4212</td>
</tr>
<tr>
<td>Jeff Norville ASTC/Field Office Operations</td>
<td>Frank E. Ellis Area Conservationist</td>
</tr>
<tr>
<td>Violet M. Whitman Area Administrative Coordinator</td>
<td>Teal O’Neal Admin Management Asst</td>
</tr>
<tr>
<td><a href="mailto:Jeff.Norville@fl.usda.gov">Jeff.Norville@fl.usda.gov</a></td>
<td><a href="mailto:Frank.Ellis@fl.usda.gov">Frank.Ellis@fl.usda.gov</a></td>
</tr>
<tr>
<td><a href="mailto:Violet.Whitman@fl.usda.gov">Violet.Whitman@fl.usda.gov</a></td>
<td><a href="mailto:Teal.Oneal@fl.usda.gov">Teal.Oneal@fl.usda.gov</a></td>
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## Administrative Area 3 - Palmetto

<table>
<thead>
<tr>
<th>Administrative Area Office (Manatee County) 324 8th Avenue, West, Suite 104 (941)-729-6804</th>
<th>Administrative Area Office (Palm Beach County) 420 S. State Road 7, Suite 160 (561)-792-2727 Ext 3</th>
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<tbody>
<tr>
<td>Palmetto, FL 34221</td>
<td>Royal Palm Beach, FL 33414-4306</td>
</tr>
<tr>
<td>Walter Albarran Area Conservationist</td>
<td>Jeff Schmidt Area Conservationist</td>
</tr>
<tr>
<td>Carolinda Batson Area Administrative Coord</td>
<td>Deborah Lee Secretary</td>
</tr>
<tr>
<td><a href="mailto:Walter.Albarran@fl.usda.gov">Walter.Albarran@fl.usda.gov</a></td>
<td><a href="mailto:jeff.schmidt@fl.usda.gov">jeff.schmidt@fl.usda.gov</a></td>
</tr>
<tr>
<td><a href="mailto:Carolinda.Batson@fl.usda.gov">Carolinda.Batson@fl.usda.gov</a></td>
<td><a href="mailto:deborah.lee@fl.usda.gov">deborah.lee@fl.usda.gov</a></td>
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NRCS ADMINISTRATIVE AREAS & FIELD SERVICE CENTERS

FLORIDA

<table>
<thead>
<tr>
<th>Area 1</th>
<th>*Marianna (850) 482-2002</th>
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<tbody>
<tr>
<td></td>
<td>Blountstown (850) 674-8271</td>
</tr>
<tr>
<td></td>
<td>Bonifay (850) 547-2916</td>
</tr>
<tr>
<td></td>
<td>Chipley (850) 638-1718</td>
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<tr>
<td></td>
<td>Crestview (850) 682-3662</td>
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<tr>
<td></td>
<td>DeFuniak Springs (850) 892-3712</td>
</tr>
<tr>
<td></td>
<td>Marianna (850) 482-3904</td>
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<tr>
<td></td>
<td>Milton (850) 623-3229</td>
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<td></td>
<td>Molino (850) 587-5404</td>
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<tr>
<td></td>
<td>Monticello (850) 997-4058</td>
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<tr>
<td></td>
<td>Quincy (850) 627-6355</td>
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<td></td>
<td>Tallahassee (850) 877-3724</td>
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<th>Area 2</th>
<th>*Lake City (386) 755-5100</th>
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<tr>
<td></td>
<td>Baldwin (904) 266-0088</td>
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<tr>
<td></td>
<td>Bronson (352) 486-2672</td>
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<tr>
<td></td>
<td>Deland (352) 538-3909</td>
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<td></td>
<td>Gainesville (352) 376-7414</td>
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<td></td>
<td>Jasper (386) 792-1105</td>
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<td></td>
<td>Lake City (386) 755-3194</td>
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<td></td>
<td>Live Oak (386) 362-2622</td>
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<td></td>
<td>Madison (850) 973-6595</td>
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<td>Mayo (386) 294-1735</td>
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<td>Ocala (352) 622-3971</td>
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<td>Palatka (386) 328-2908</td>
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<th>*Palmetto (941) 729-6804</th>
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<tr>
<td></td>
<td>Bartow (863) 533-2051</td>
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<td></td>
<td>Cocoa (321) 633-1702</td>
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<td></td>
<td>Fort Myers (239) 997-7331</td>
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<td></td>
<td>Kissimmee (407) 847-4465</td>
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<td>Sarasota (941) 907-0011</td>
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<td></td>
<td>Plant City (813) 759-6450</td>
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<td></td>
<td>San Antonio (352) 588-5211</td>
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<td></td>
<td>Tavares (352) 343-2481</td>
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<td>Wauchula (863) 773-4764</td>
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<table>
<thead>
<tr>
<th>Area 4</th>
<th>*West Palm Beach (561) 683-0883</th>
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<tbody>
<tr>
<td></td>
<td>Davie (954) 584-1306</td>
</tr>
<tr>
<td></td>
<td>Florida City (305) 242-1218</td>
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<td></td>
<td>Fort Pierce (772) 461-4546</td>
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<td>Lake Worth (888) 674-5700</td>
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<td>Naples (239) 455-4100</td>
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<td>Okeechobee (863) 763-3619</td>
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<td></td>
<td>Sebring (863) 402-8545</td>
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<td>Vero Beach (772) 562-1923</td>
</tr>
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<td></td>
<td>West Palm Beach (561) 683-2285</td>
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</tbody>
</table>

**Legend**

- **• Area Office**
- **○ USDA Service Center**
- **○ Partnership Office**

**County Boundary**

**Service Area**

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**FLORIDA** August 2009

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**0 25 50 100 150 200 250 Miles**
Lender’s Servicing Responsibilities

Loan Status Report

In accordance with the servicing provisions of the Lender’s Agreement with Rural Development, the lender is required to report the status of the guaranteed loan as of June 30 and December 31 of each year. These reports are due from the lender within 30 days of June 30 and December 31 for each loan.

Lenders should establish and activate a Level 2 Access E-Authentication account in order to provide this information electronically. The E-Authentication account provides:

- **Convenience.**
  The Internet allows you to access information 24 hours a day, 7 days a week. For example, you can fill out and submit electronic forms (e-Forms) any time of day or night from anywhere you have Internet access. You can also fill out and submit applications for online services.

- **Faster Processing.**
  This new service delivery option allows you to complete and file your own forms or applications online, because your signature is already electronically "on file."

- **Identity Security.**
  Information submitted to the Federal Government remains safe and secure because every customer has a unique User ID and password.

An account with **Level 2 Access** provides the ability to conduct official electronic business transactions with the USDA via the Internet. You must have a valid email address to register for an account with Level 2 Access. You create a customer profile, User ID, password that you will remember and respond to a confirmation email within seven (7) days. In addition, you must visit the nearest USDA Service Center in person and prove your identity with a current State Driver's License, State Photo ID, US Passport or US Military ID.

- Once you create a User ID, it cannot be changed.
- Your first and last names must be entered exactly as they appear on the government-issued photo ID you will be taking to the Service Center to prove your identity.
- Create a password that you will remember.
- You must respond to the confirmation email before going to the Service Center, or the Service Center employee will not be able to activate your account.

Approximately one hour after your Level 2 Access has been activated by the USDA Service Center employee, you will have access to USDA applications and services that require an account with Level 2 Access. You will have the ability to conduct official electronic business transactions with the USDA via the internet.
**Routine Servicing**

All loans must be serviced in a prudent and reasonable manner. In order to protect the Rural Development guarantee, lenders should thoroughly document all servicing actions.

Lender's servicing responsibilities include, but are not limited to:

1. Obtaining compliance with the covenants and provisions in the note, loan agreement, security instruments, and any supplemental agreements and notifying in writing USDA and the Borrower of any violations. None of the aforesaid instruments will be altered without USDA's prior written concurrence. The Lender must service the loan in a reasonable and prudent manner.

2. Receiving all payments on principal and interest on the loan as they fall due and promptly remitting and accounting to any Holder of its pro rata share thereof determined according to their respective interests in the loan, less only Lender's servicing fee. The loan may be re-amortized, renewed or rescheduled only with agreement of the Lender and Holder of the guaranteed portion of the loan and only with USDA's written concurrence.

3. Inspecting the collateral as often as necessary to properly service the loan.

4. Assuring that adequate insurance is maintained. This includes hazard insurance obtained and maintained with a loss payable clause in favor of the Lender as the mortgagee or secured party.

5. Assuring that: taxes, assessment or ground rents against or affecting collateral are paid; the loan and collateral are protected in foreclosure, bankruptcy, receivership, insolvency, condemnation, or other litigation, insurance loss payments, condemnation awards, or similar proceeds are applied on debts in accordance with lien priorities on which the guarantee was based; proceeds from the sale or other disposition of collateral are applied in accordance with the lien priorities on which the guarantee is based, except that proceeds from the disposition of collateral, such as machinery, equipment, furniture or fixtures, may be used to acquire property of similar nature and at least equal value for which the lender will obtain a lien position equal or superior to the position previously held and obtain the written approval of USDA when the cumulative value is in excess of 20 percent of the original loan; the Borrower complies with all laws and ordinances applicable to the loan, the collateral and operation of the business.

6. Assuring that if personal or corporate guarantees are part of the collateral, current financial statements from such loan guarantors will be obtained and copies provided to USDA at such time and frequency as required by the loan agreement or Conditional Commitment for Guarantee. In the case of guarantees secured by collateral, assuring the security is properly maintained.

7. Assuring that any party liable is not released from liability for all or any part of the loan, except in accordance with USDA regulations.

8. Obtaining from the Borrower periodic financial statements as required in the loan agreement with the borrower. At a minimum, annual financial statements must be forwarded by the lender, with a credit analysis, to the USDA servicing office within 120 days of Borrowers fiscal year end.

For additional information on Lender processing and servicing, see the lenders agreement on page 48.