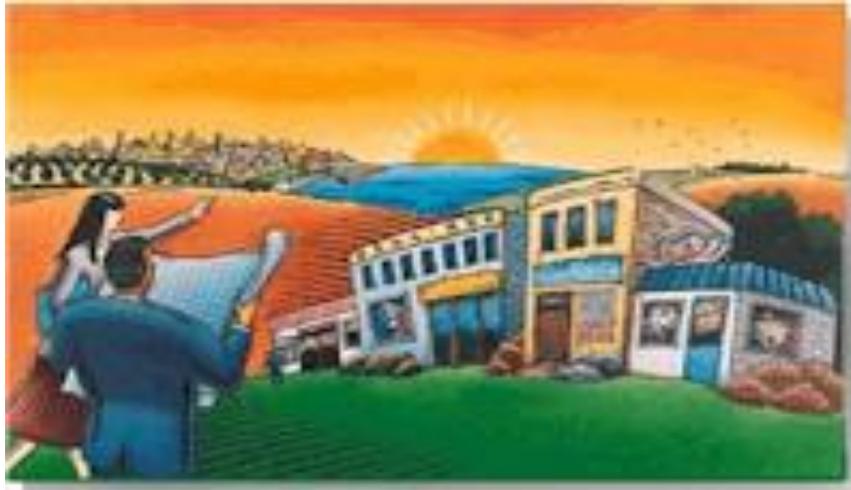


**USDA Rural Development
FL/USVI
Business & Cooperative Programs**



**Business Program Loan
Guarantees
Lender Guide**



United States Department of Agriculture

Version 4/2013

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**RURAL DEVELOPMENT BUSINESS &
COOPERATIVE PROGRAMS
FLORIDA/VIRGIN ISLANDS**

STATE OFFICE 4440 NW 25TH Place (32606)
Joseph M. Mueller PO Box 147010
B&C Programs Director Gainesville, FL 32614-7010
Phone: 352-338-3482 Fax: 352-338-3450 Email: joe.mueller@fl.usda.gov

AREA OFFICES: (See following map for area boundaries)

Area Office I 932 N. Ferndon Blvd., Suite B
Diane Collar Crestview, FL 32536
Area Director Phone: 850-682-2416 Fax: 850-682-8731 Email: diane.collar@fl.usda.gov

Area Office II 2741 Pennsylvania Ave, Suite 5
Angela Prioleau Marianna, FL 32448-4014
Area Director Phone: 850-526-2610 Fax: 850-526-2849 Email: angela.prioleau@fl.usda.gov

Area Office III 971 W Duval Street, Suite 190
Peggy Johns Lake City, FL 32055-3736
Area Director Phone: 386-719-5590 Fax: 386-754-4139 Email: Peggy.johns@fl.usda.gov

Area Office IV 2441 N.E 3rd Street, Suite 204-1
Roderick Quainton Ocala, FL 34470
Area Director Phone: 352-732-7534 Fax: 352-732-9728 Email: roderick.quainton@fl.usda.gov

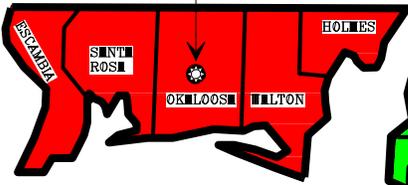
Area Office V 2629 Waverly Barn Road Suite 129
Vernon M. Fuller Davenport, FL 33897
Area Director Phone: 863-420-4833 Fax: 863-424-7333 Email: Vernon.fuller@fl.usda.gov

Area Office VI 420 South State Road 7, Suite 166
Michael Botelho Royal Palm Beach, Fl 33414
Area Director Phone: 561-792-2727 Fax: 561-792-2720 Email: Michael.botelho@fl.usda.gov

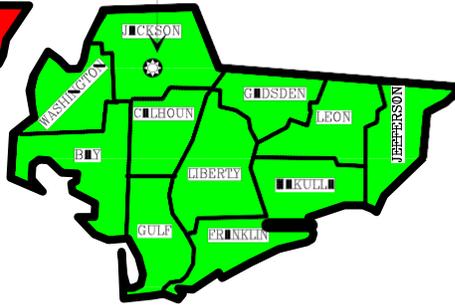
Area Office VI 3434 Hancock Bridge Parkway, Ste 209-A
Sub-Office N Ft Myers, FL 33903
Phone: 239-997-7331 Fax: 239-997-7557 Email: Michael.botelho@fl.usda.gov

Area VII 4401 Sion Farm, Suite #2
Kimme Bryce Christiansted, VI 00820
Area Specialist Phone: 340-773-9146 Fax: 352-692-9607 Email: Kimme.Bryce@pr.usda.gov

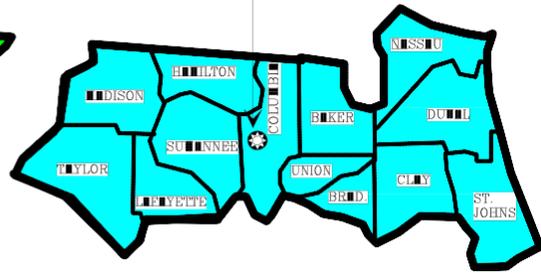
AREA 1
Crestview



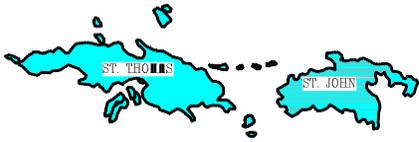
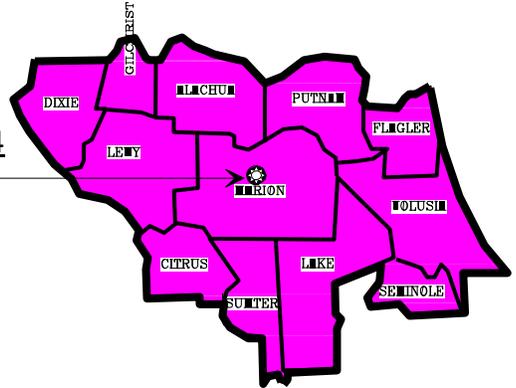
AREA 2
Marianna



AREA 3
Lake City

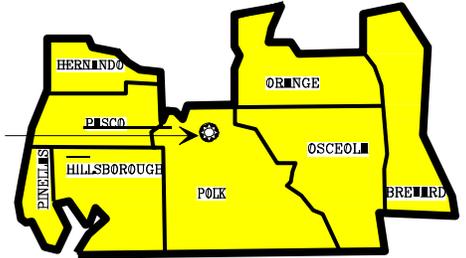


AREA 4
Ocala



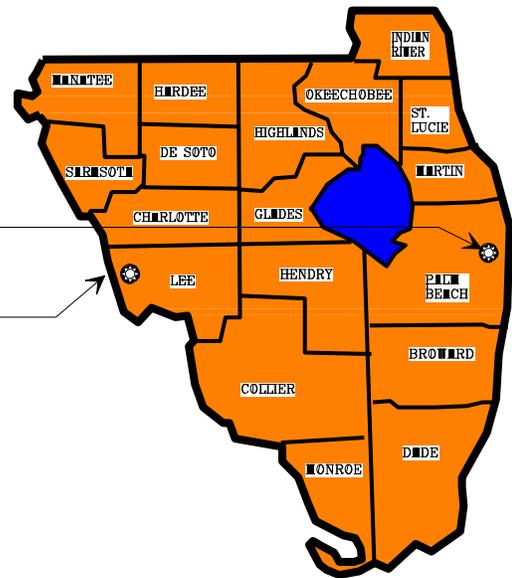
AREA 7
U. S. Virgin Islands

AREA 5
Davenport



AREA 6
West Palm Beach

Sub Office
N. Ft. Myers



Area Office Jurisdictions

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
- ✦ 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 2013, 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 2013

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>
- ✱ 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 2013, 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

5 Million or Less	80%
>5 to 10 Million	70%
>10 to 25 Million	60%

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

Real Estate	30 years
Machinery and Equipment	15 years or useful life
Working Capital , Inventory	7 years

- ✱ 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.rurdev.usda.gov>.

For additional information, contact one of the following individuals:

Joseph M. Mueller, Rural Development Business & Cooperative Programs Director
(joe.mueller@fl.usda.gov)

Susan M. Campbell, Business & Cooperative Specialist (susan.campbell@fl.usda.gov)

Brunilda Robles, Business & Cooperative Specialist (brunilda.robles@fl.usda.gov)

Angela Prioleau, Energy Coordinator, angela.prioleau@fl.usda.gov

Anna Ward, Business & Cooperative Technician (anna.ward@fl.usda.gov)

USDA, Rural Development
PO Box 147010
Gainesville, FL 32614-7010
Phone: 352-338-3482
Fax: 352-338-3450

The U.S. Department of Agriculture (USDA) prohibits discrimination in all 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, genetic information, political beliefs, reprisal, or because all or a 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, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider, employer, and lender.

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:

Type	Book Value	Appraised Value	Discount Factor	Discount Value	Prior Liens	Net Collateral Value
Accounts Receivable						
Inventory						
Furniture & Fixtures						
Machinery & Equipment						
Building						
Land						
Other						
Total:						

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 thresh hold)

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.

4279.161 (b)(c)	<i>Rural Development Instruction 4279-B</i>	Guaranteed Loans \$600,000 or less	Guaranteed Loans > \$600,000
	http://www.rurdev.usda.gov/SupportDocuments/4279b.pdf		
	Maximum guaranteed loan – \$10 million, with some exceptions up to \$25 million for existing borrowers that meet certain criteria.		
1	APPLICATION INFORMATION		
	4279-1 "Application for Loan Guarantee" including certification pages for applicant and lender. http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD4279-1.PDF	N/A	
	4279-1A "Application for Loan Guarantee, Short Form" including certification pages for applicant and lender. (<i>Short Form for applications of \$600,000 or less</i>) http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD4279-1-A.PDF		N/A
	AD 3030 – "Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants" (both applicant and lender will execute a form)		
	4279-2 "Certification of Non-Relocation and Market Capacity Information Report" when loan exceeds \$1 million <u>and</u> direct employment will increase by more than 50 employees	N/A	
	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)		
	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	Guaranteed Loans > \$600,000
4279.161 (b)(c)	http://www.rurdev.usda.gov/SupportDocuments/4279b.pdf		
	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.		
	1940-20 "Request for Environmental Information" + attachments		
	Standard Flood Hazard Determination (FEMA Form 81-93)		
	Standard Form 424 signed by applicant		
	Borrower and Lender letter (see page 81)		
	Copy of appropriate environmental site assessment		
	Intergovernmental consultation comments – Send Borrower and Lender letter with Form 424 to the following government offices (see pages 94-96 for addresses and contact persons): ___ State Clearinghouse ___ Regional Planning Council ___ State Historic Preservation Office		
4	APPRAISALS		
	(A) Real estate: - Prepared by State Certified General Appraiser using each of the 3 approaches to value - In compliance with Financial Institutions Reform, Recovery and Enforcement Act of 1989 - In compliance with Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practices (USPAP).		
	(B) Review of the appraisal report by the bank or its representative		
	(C) 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)	In lender's file	
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.
6. Maximum debt-to-net-worth ratio.
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 may include, but not be 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

(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;
	Commitments from customers or brokers - principal products and by-products.

(D) Technical Feasibility

	Suitability of the selected site for the intended use including an environmental impact analysis.
	Report shall 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 shall 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 shall 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. Three years (minimum) projected Balance Sheets, Income Statements, and Cash Flow Statements, including Sensitivity Analysis.
	Ability of the business to achieve the projected income and cash flow.
	Assessment of the cost accounting system.
	Availability of short-term credit for reasonable business.
	Adequacy of raw materials and supplies.
	Risks Related to: The Offering Applicant Financing Plan Operational Units Tax Issues

(F) Management Feasibility

	Evidence that continuity and adequacy of management has been evaluated and documented as being satisfactory.
	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.).
	Risks Related to: Applicant as a Company (i.e. Development-Stage) Conflicts of Interest

(G) Qualifications

	A resume or statement of qualifications of the author of the feasibility study, including prior experience, should be submitted.
--	--

Additional resources, that may be useful, include the following guides:

Considerations When Selecting a Consultant at:

<http://www.extension.iastate.edu/aqdm/wholefarm/html/c5-60.html>

When to do and How to Use a Feasibility Study at:

<http://www.extension.iastate.edu/aqdm/wholefarm/pdf/c5-64.pdf>

What is a Feasibility Study at:

<http://www.extension.iastate.edu/aqdm/wholefarm/pdf/c5-65.pdf>

Feasibility Study Outline at:

<http://www.extension.iastate.edu/aqdm/wholefarm/pdf/c5-66.pdf>

oOo

(01-12-11) PN 445

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

APPLICATION FOR LOAN GUARANTEE
(Business and Industry and Section 9006 Program)

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 statements 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."

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		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 <input type="checkbox"/> Proprietorship <input type="checkbox"/> Cooperative <input type="checkbox"/> Partnership <input type="checkbox"/> Indian Tribe <input type="checkbox"/> Corporation <input type="checkbox"/> Political Subdivision	
12. DATE BUSINESS ESTABLISHED		13. DUNS Number		11. NAICS CODE	
14. a. THIS PROJECT IS <input type="checkbox"/> An expansion <input type="checkbox"/> New Business <input type="checkbox"/> Refinancing <input type="checkbox"/> Transfer of ownership <input type="checkbox"/> Other b. JOBS: Created _____ Saved _____		15. IF BORROWER IS AN INDIVIDUAL (Item 10 checked proprietorship) A. IS HE OR SHE A VETERAN? YES NO B. MARITAL STATUS - <input type="checkbox"/> <input type="checkbox"/> Married Separated Unmarried <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		16. HAS BORROWER OR RELATED INDIVIDUAL EVER BEEN IN RECEIVERSHIP OR BANKRUPTCY? <input type="checkbox"/> YES <input type="checkbox"/> NO	

17. SCHEDULE OF INSTALMENT 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.)

CREDITOR	ORIGINAL LOAN AMOUNT	LOAN BALANCE	DATE OF LOAN	INTEREST RATE	MATURITY DATE	M - MONTHLY Q - QUARTERLY A - ANNUAL PAY	CURRENT? Y = YES N = NO	SECURITY

18. For Existing Businesses Only - Aging of accounts receivable, correlated to latest 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 \$ _____
 31 Days to 60 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)

NAME	SERVICE	FEE/COMPENSATION	SOURCE OF FUNDING

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 and 0570-0050. The time required to complete this information collection is estimated to average 4 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 CORPORATION THAT WILL GUARANTEE LOAN. (*Optional, used for monitoring purposes only.)

NAME AND POSITION	RACE *	SEX *	U.S. CITIZEN YES OR NO	ANNUAL COMPENSATION	% OF OWNERSHIP	OUTSIDE NET WORTH	PERSONAL/ CORPORATE GUARANTEE: YES OR NO

ATTACH THE FOLLOWING IF NOT ALREADY SUBMITTED:

- 21. ATTACH BUSINESS PLAN that should as a minimum include description of business or project, management experience, products or services, proposed use of funds, community benefits, type and number of jobs, availability of labor or raw material or supplies, names of any corporate parents, affiliates, subsidiaries and describe relationship, including products, ownership between borrower, parent, affiliates, etc..
- 22. "Certification of Non-Relocation and Market Capacity Information Report," Form 4279-2 (Not applicable to Section 9007 Program).
- 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. "Request for Environmental Information," Form RD 1940-20, and attachments. (If applicable)
- 26. Independent Feasibility Study. (If applicable, see RD Instruction 4279-B, for Section 9007 Program, see §4280.128(b)(1)(vii).
- 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; a) At least 3 years historical income statements and balance sheets (if an existing business), including parents, affiliate and subsidiary firms, Annual Audits if available; b) Current (not more than 90 days old) balance sheet and profit and loss statement (if an existing business); c) Pro-forma balance sheet (at startup); d) 2 years of projections: income statements, balance sheets and cash flow statements supported by a list of assumptions (monthly first year, quarterly for 2nd year). For the Section 9006 program, instead of complying with this item, comply with the requirements in § 4280.128.
- 30. Record of any pending or final regulatory or legal (civil or criminal) action against the business, parent, affiliate, proposal guarantors, subsidiaries, principal stockholders, officers and directors.
- 31. If a health care facility a "Certificate of Need" (if required by state law).
- 32. Current personal (not more than 60 days old) and corporate (not more than 90 days old) financial statements on guarantors in Item 20, above.
- 33. Technical Report (Section 9006 Program only; see §4280.128(b)(1)(vi) or § 4280.128(c)(1)(ii), as applicable.
- 34. Franchise agreement, if applicable.

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 _____

TITLE _____

DATE _____

GENERAL BORROWER CERTIFICATIONS

(1) 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 ground 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 there of.
- 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 the State in which the breach or violation occurs.

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

(2) 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":

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 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 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 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 of 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 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 cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government Contracts or Federally Assisted construction contracts on accordance with procedures authorized in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 1246, or by rule, regulation or order of the Secretary, or as provided by Law No.
 - (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 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.

(3) 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.

(4) 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).

Much of the 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 may be made available to the public during the time it is held in Government files regardless of the action taken by USDA on your application.

FEDERAL EQUAL CREDIT OPPORTUNITY ACT STATEMENT

Federal law does not allow discrimination of any kind. You cannot be denied a loan because of your race, color, religion, national origin, sex, marital status, handicap, or age (if you can legally sign a contract). You cannot be denied a loan because all or part of your income is from a public assistance program. If you believe that you have been discriminated against for any of these reasons, you can write the secretary of Agriculture, Washington, D.C. 20250. 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? <input type="checkbox"/> Yes <input type="checkbox"/> No	7. GUARANTEE PERCENT REQUESTED? _____ %	8. WHY IS GUARANTEE NEEDED? _____	
9. LIST ANY OFFICER, DIRECT OR, 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 BUSINESS AND INDUSTRY LOANS MADE BY LENDER:

Borrower Name	Program Type	Total Loan Amount	Guaranteed Loan Amount	Closing Date

13. PROPOSED KEY EMPLOYEE LIFE INSURANCE, EMPLOYEE NAME(S) AND AMOUNT(S)

	Assigned to Guaranteed Loan?
	Assigned to Guaranteed Loan?

14. COLLATERAL AVAILABLE FOR THE USDA GUARANTEED LOAN:

Presently Owned or to be Acquired	Value	Value Type	Discount Factor	Prior Liens *	Net Collateral Value
Accounts Receivable					
Inventory					
Office Furniture and Equipment					
Automotive Equipment					
Machinery and Equipment					
Building					
Land					
Other:					
TOTALS					

* Indicate by asterisk liens to be paid off with USDA guaranteed loan funds

15.	Project Purpose and Funding	Borrower Contribution	USDA Guaranteed Loan	Other Funds	Total
	Working Capital				
	Office Furniture and Equipment				
	Automotive Equipment				
	Machinery and Equipment				
	Real Estate				
	Debt Restructuring				
	Fees: Professional, USDA Guarantee				
	Other				
	TOTAL				

16.	Proposed Financing	Loan Amount	Interest Rate "V" variable	Base Rate As of Today	Interest Rate Tied To	Days Interest Computed On	Term "Y" - "Mo"	Monthly Payments
	TOTAL							

17.	B & I	Section 9006 Program
	Tangible book equity cannot include appraisal surplus or subordinated debt. May include Proprietorship, Partnership, or other forms of Net Worth	Cash equity injection or fair market value of equity in real proerty that is to be pledged as collateral for the loan.
	When Loan Note Guarantee is issued:	Cash equity: \$
	Common Stock	Equity in real property: \$
	Preferred Stock	TOTAL EQUITY: \$
	Retained Earnings	
	Capital Surplus	Total Eligible Project Cost \$
	Other *	Equity percentage (=Total Equity/Total Project Cost) %
	TOTAL	USDA use: 15% Equity if loan ≤ \$600,000 <input type="checkbox"/> OK 25% Equity if loan > \$600,000 <input type="checkbox"/> OK

ATTACH THE FOLLOWING IF NOT ALREADY SUBMITTED:

- 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 (See subpart B to 4279, section 4279.161(b)(11) for minimum requirements). For the Section 9007 Program, see §4279.128(b)(2)(xii)
- 21. Appraisal reports (Submit as soon as available).
- 22. Lender's analysis including: spreadsheets of the balance sheets and income statements for 3 years historical, pro-forma balance sheet at start up, 2 years projected yearend balance sheets and income statements with appropriate ratios and comparison with industrial standards (such as D&B, RMA). All data must be shown in total dollars and also in common size form, obtained by expressing all balance sheet items as a percentage of assets, and all income and expenses as a percentage of sales. The lender's credit analysis must address the borrower's management, repayment ability, history of debt repayment, necessity for any debt refinancing, and the credit reports on the borrower, its principals, and any parent, affiliate or subsidiary firms.

GENERAL LENDER CERTIFICATION

Lender certifies that it has reviewed the General Lender Certifications contained in this application. Lender's signature represents the lending institution's agreement to comply with the limitations outlined in the General Lender Certifications.

Lender institution certifies that it meets all criteria to be considered as an Eligible Lender

Lender certifies that it has completed a comprehensive analysis of the proposal, the proposed borrower is eligible, the loan is for authorized purposes, and there is reasonable assurance of repayment ability based on the proposed borrower's history, projections, equity, and the collateral to be obtained.

Lender's Name
By:

Date

Officer Signature

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 this commitment providing for the United States to guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by §3017.510, Participants' responsibilities. The regulations were published as part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

(2) CERTIFICATION REGARDING DEBARMENT, 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. §3017.510, Participants' responsibilities. The regulations were published as part IV of the January 30, 1989, Federal Register (pages 4722-4733). 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 terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," and "voluntarily excluded," as used in this clause, have the meanings set out in Definitions and Coverage sections of rules implementing Executive Order 12649. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

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 include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tiered Transactions, provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under paragraph 5 of this section, 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 to the best of its knowledge and belief, that it and its principals:
- (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (2) have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal, or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property;
 - (3) are not presently indicated for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph A.2. of this certification; and
 - (4) have not within a three-year period preceding this application or proposal had one or more public transactions (Federal, State, or local) terminated 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.

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT**

APPLICATION FOR LOAN GUARANTEE
(Business and Industry Short Form- One-Doc and Section 9006 Program)

This form may be used for loan applications in accordance with 7 CFR 4279-B, §4279.161 (c) and with 7 CFR 4280-B, § 4280.128(c).

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 statements 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 for not more than five years or both."

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

PART I: Completed by Applicant

A. Applicant Business Information			Shaded area for USDA use only.	
1. Tax ID#/Social Security #	2. Applicant Name	3. Loan Amount Requested	Eligible amount?	OK
4. Contact Person	5. Mailing Address	6. Project Street Address	Population?	___
7. Contact phone number	8. City	9. County	Rural?	OK
10. DUNS number	11. State	12. Zip Code	Targeted area?	___
13. Borrower Type (e.g., corp.)	14. Nature of Business	15. NAICS Code	Congress District?	___
16. If Individual, Veteran? Y / N	17. Loan Purpose(s)	18. Business in operation since:	Eligible Purpose?	OK
19. # Full-Time-Equivalent Jobs to be Retained	20. # Full-Time-Equivalent Jobs to be Created	21. Average wage rate of employees after loan \$ _____ per hour	Jobs benefit?	OK
22. If purpose of loan is a transfer of ownership or debt refinance, explain how this will save or create jobs.			Justified.	OK

B. Ownership Information

23. List all owners in order of ownership interest:									USDA use
Owner Name	Race *	Ethnicity *	Sex *	% owned	US Citizen or Perm. Resident	Position in Company	Personal Guaranty?	Outside Net Worth	
			M / F	%	Y / N		Y / N	\$	OK
			M / F	%	Y / N		Y / N	\$	OK
			M / F	%	Y / N		Y / N	\$	OK
			M / F	%	Y / N		Y / N	\$	OK
			M / F	%	Y / N		Y / N	\$	OK
			M / F	%	Y / N		Y / N	\$	OK

**This information is requested in order to monitor the Lender's compliance with the Equal Credit Opportunity Act. You are not required to furnish this information but are encouraged to do so. However, if you choose not to furnish it, the Lender is required to note race and sex on the basis of visual observation or surname under Federal regulations.*

Shaded area for USDA use only.
CAIVRS check? OK

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

APPLICANT SIGNATURE

ATTEST _____
TITLE _____

BY _____
TITLE _____
DATE _____

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 and 0570-0050. 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.

GENERAL BORROWER CERTIFICATIONS

(1) 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 on Form RD 1940-20, "Request for Environmental Information," submitted in connection with this application).

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

"Recipient" herein hereby assures the U.S. Department of Agriculture (USDA) 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 CFR part 15, and USDA regulations promulgated hereunder, including 7 CFR §1901.202. 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 CFR 15.2) no person in the United States shall, on the grounds of race, color, or national origin, or sexual orientation 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. The 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 the State in which the breach or violation occurs.

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

(3) EQUAL OPPORTUNITY AGREEMENT (EXECUTIVE ORDER 11246, AS AMENDED)

"Recipient" (whether one or more) and 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 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:

GENERAL BORROWER CERTIFICATIONS (continued)

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" is required:

"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 or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation 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 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 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 USDA, advising the said labor union or workers' representative of the contractor's commitments required by this Equal Opportunity clause 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 of all rules, regulations and relevant orders of the Secretary of Labor and of any prior authority which remain in effect.
- (5) The contractor will furnish all information and reports required by Executive Order 11246, rules, regulations, and orders, or pursuant thereto, and will permit access to the contractor's books, records, and accounts by USDA, Office 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 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 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 noncompliance: 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 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 Form RD 400-6, "Compliance Statement," with their bids.

D. Form AD-425, "Contractor's Affirmative Action Plan for Equal Employment Opportunity," 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 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 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 USDA in the discharge of its primary responsibilities for securing compliance.

GENERAL BORROWER CERTIFICATIONS (continued)

- 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 USDA or the Secretary pursuant to such subpart D.
- G. That if Recipient fails or refuses to comply with these undertakings, 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.

(4) 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 listed below 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.

(5) STATEMENT REQUIRED BY THE PRIVACY ACT

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, for the servicing of your loan, and for statistical analysis. Information provided may be used outside of USDA for the following:

- 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, businesses, 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 the Treasury Department pursuant to the Debt Collection Improvement Act..
- Referral to a Federal Records Center for storage.

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

GENERAL BORROWER CERTIFICATIONS (continued)

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 provisions of the Freedom of Information Act (5 U.S.C. 522).

Much 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 may be made available to the public during the time it is held in Government files regardless of the action taken by USDA on your application.

(6) FEDERAL EQUAL CREDIT OPPORTUNITY ACT STATEMENT

Federal law does not allow discrimination of any kind. You cannot be denied a loan because of your race, color, religion, national origin, sex, marital status, disability, or age (if you can legally sign a contract). You cannot be denied a loan because all or part of your income is from a public assistance program. If you believe that you have been discriminated against for any of these reasons, you can write the Secretary of Agriculture, Washington, D.C. 20250. 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.

(7) 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.

(8) AMERICANS WITH DISABILITIES ACT STATEMENT

All areas of public accommodation must be accessible to persons with disabilities in accordance with Americans with Disabilities Act of 1990.

PART II: Completed by Lender

C. Lender Information

1. Lender Tax ID #			2. Lender Name			3. Contact Loan Officer			<u>Shaded area for USDA use only</u> Lender type? (e.g. bank, S&L, non-traditional, etc.) Date of Lender's Agreement
4. Contact phone number			5. Contact fax number			6. Contact e-mail address			
7. Loan Processing Office Street Address			8. Mailing Address (if different)			9. Loan Servicing Office Mailing Address			
10. City			11. City			12. City			
13. State			14. State			15. State			
16. Zip Code			17. Zip Code			18. Zip Code			

D. Loan Information (include guaranteed and unguaranteed portions, if different)

19. Loan Amount		20. Interest Rate Formula		21. Term		22. % guarantee requested %		<u>Shaded area for USDA use only.</u> Eligible amount? OK Reasonable rates & terms? OK	
23. Current Int. Rate based on formula		24. Fixed or Variable		25. If variable, reset period		26. Installment period (e.g., monthly, semiannual, annual)		27. Ann. debt service w/o B&I loan	

28. E. Source & Use of Funds

<u>Shaded area for USDA use only</u>				
Purpose	Borrower Contribution	B&I Loan		Total
Business Acquisition	\$	\$	\$	\$
Land	\$	\$	\$	\$
RE Improvements	\$	\$	\$	\$
Contingency	\$	\$	\$	\$
M&E	\$	\$	\$	\$
Working capital	\$	\$	\$	\$
Refinance other debt	\$	\$	\$	\$
Refinance lender debt	\$	\$	\$	\$
Rolling stock	\$	\$	\$	\$
FF&E	\$	\$	\$	\$
Coop. stock purchase	\$	\$	\$	\$
Origination fee	\$	\$	\$	\$
Guarantee fee	\$	\$	\$	\$
Other fees & costs	\$	\$	\$	\$
Other	\$	\$	\$	\$
Total	\$	\$	\$	\$
Percent contribution	%	%	%	%
<50% of purpose? OK				

29. F. B&I Tangible Balance Sheet Equity

Section 9006 Program

The pro forma balance sheet below is an accurate presentation of the post-closing balance sheet of the business-reflecting only business assets and liabilities, including all proposed financing connected with this B&I loan and any assets acquired with it. Equity cannot include appraisal surplus or subordinated debt.		Cash equity injection or fair market value of equity in real property that is to be pledged as collateral for the loan.	
	Pro Forma Balance Sheet	Cash equity:	\$
Total Assets	\$	Equity in real property:	\$
<i>Less Intangible Assets</i>	\$	TOTAL EQUITY:	\$
Tangible Assets (= Total Assets - Intangible Assets)	\$		
Total Liabilities	\$	Total Eligible Project Cost	\$
Tangible Balance Sheet Equity (= Tangible Assets - Total Liabilities)	\$	Equity percentage (= Total Equity/Total Project Cost)	%
Tangible B.S. Equity Ratio (= Tangible Equity/Tangible Assets)	%	NA	NA

Shaded area for USDA use only

> 10% for existing business:	OK	15% Equity if loan < \$600 000	OK
≥ 20% for new business:	OK	25% Equity if loan > \$600 000	OK

30. G. Collateral and Insurance

Collateral Schedule

Type	Description	Source of Value	Documented Value	Discount	Prior Liens	Collateral Value	Shaded area for USDA use only
RE		* \$	\$	%	\$	\$	
RE		* \$	\$	%	\$	\$	
M&E		* \$	\$	%	\$	\$	
M&E		* \$	\$	%	\$	\$	
Inventory		* \$	\$	%	\$	\$	
A/R		* \$	\$	%	\$	\$	
Other		* \$	\$	%	\$	\$	
Other		* \$	\$	%	\$	\$	
	Total	\$	\$		\$	\$	
							Adequate? OK

*Appraisal/Orderly Liquidation Value (OLV)/ Cost

Proposed Insurance Coverage - with lender assignment

Type of Insurance	Insurance on:	Insurance amount	Shaded area for USDA use only	
Hazard		\$		Adequate? OK
Key person life		\$		Adequate? OK
Business Interruption (9006 only)		\$		Adequate? OK

Attachments:*

- 31. Lender's complete written analysis, including spreadsheets of the balance sheets and income statements for the 3 previous years (for existing businesses), pro forma balance sheet at startup, and 2 years projected yearend balance sheets and income statements, with appropriate ratios and comparisons with industrial standards (such as Dun & Bradstreet or Robert Morris Associates). All data must be shown in total dollars and also in common size form, obtained by expressing all balance sheet items as a percentage of assets and all income and expense items as a percentage of sales. The lender's credit analysis must address the borrower's management, repayment ability including a cash-flow analysis, history of debt repayment, necessity of any debt refinancing, and the credit reports of the borrower, its principals, and any parent, affiliate, or subsidiary. The Section 9006 Program requires 3 years of projected financial statements.
- 32. Lender's proposed loan agreement. *(Please refer to 7 CFR 4279-B, §4279.161(b)(11), for guidance on minimum required content.) For the Section 9006 Program, see § 4280.128(b)(2)(xii).*
- 33. Applicant's current (not more than 90 days old) business balance sheet.
- 34. Form RD 1940-20, "Request for Environmental Information," and attachments, unless the project is categorically excluded under Agency environmental regulations. *(Please contact USDA for assistance in determining what environmental information will be needed.)*
- 35. Intergovernmental consultation comments in accordance with RD Instruction 1940-J and 7 CFR part 3015, subpart V. *(Please contact USDA for assistance in meeting your state requirements.)*
- 36. Technical Report *(Section 9006 Program only, see § 4280.128(b)(1)(vi) or § 4280.128(c)(1)(ii), as applicable.)*

* USDA may request additional information.

Lender certifies that it has reviewed the Lender Certifications contained in this application. Lender's signature represents the lending institution's certification and agreement to these certifications.

Lender certifies that it meets all criteria to be considered an eligible Lender.

Lender certifies that it has completed a comprehensive analysis of the proposal, the proposed borrower is eligible, the loan is for authorized purposes, and there is reasonable assurance of repayment ability based on the proposed borrower's history, projections, equity, and the collateral to be obtained.

Lender's Name

Date

Officer's Signature

Officer's Title

LENDER CERTIFICATIONS

(1) LOAN PROCEEDS TO AN OWNER OR CLOSE RELATIVE OF OWNER

Lender certifies that no loan proceeds will be paid to an owner or close relative of an owner, unless the party being paid is being completely bought out in connection with the B&I or Section 9006 Program loan and will retain no ownership interest.

(2) DEBT REFINANCING OF LOANS OTHER THAN THOSE OWED TO THE LENDER (B&I Only)

Lender certifies that the refinancing will result in improved cash flow or job creation or retention at the borrower's business.

(3) DEBT REFINANCING OF LENDER'S OWN LOANS

Lender certifies that either (a) no loans owed to the lender are being refinanced; or (b) if loans owed to the lender are being refinanced, such loans have been current for at least the past 12 months not due to debt restructuring, the lender is providing better rates and/or terms, and the refinance is a secondary part of the loan.

(4) CERTIFICATION OF COMPLETE APPLICATION ON FILE WITH LENDER

Lender certifies that all documentation required by 7 CFR 4279-B, §4279.161 (for Section 9006 Program, § 4280.128), has been obtained and supports the data presented in this application.

(5) LENDER'S CREDIT ANALYSIS

Lender certifies that, after completing appropriate due diligence, it has analyzed the proposed credit and found it to be sound. A complete copy of the lender's credit analysis is being provided to USDA in connection with this application.

(6) BUSINESS REPUTATION & CREDIT HISTORY

Lender certifies that it has obtained a current commercial credit report on the business to be financed and its parent, affiliates, or subsidiaries and current credit reports on all of the owners with a 20% or greater interest. The credit reports reflect good credit and indicate a history of meeting obligations as agreed. Any exceptions are in the lender's credit analysis and sufficiently addressed to eliminate concerns about creditworthiness.

(7) ADEQUACY OF FINANCIAL POSITION

Lender certifies that it has (a) analyzed the applicant's balance sheets and has determined that the business has adequate solvency necessary to succeed and to accomplish its proposed business plan; (b) analyzed the liquidity and cash flow projections of the borrower's proposed operation, and there is adequate working capital available to meet the needs of the business; and (c) analyzed the applicant's historical and projected income statements and determined that the business projections are reasonable and attainable; and (d) determined that the business has the ability to repay the proposed B&I or Section 9006 Program loan.

(8) ADEQUACY OF MANAGEMENT

Lender certifies that it has assessed the qualifications, experience, and background of the applicant's management team. The management ability is sufficient to successfully operate the business.

(9) ADEQUACY OF COLLATERAL

Lender certifies that it has obtained appraised values and/or confirmed cost information to document that there is adequate collateral to fully secure the proposed loan. The collateral schedule in this application is an accurate representation of the proposed collateral for the proposed B&I Section 9006 Program loan.

(10) ADEQUACY OF INSURANCE

Lender certifies that the proposed insurance is adequate in accordance with 7 CFR 4279-B, §4279.143 and for Section 9006 Program, §4280.150.

(11) NO SIGNIFICANT ENVIRONMENTAL CONCERN

Lender certifies that it has completed environmental due diligence on the security property and the proposed activity to be financed. Based on this analysis, there are no significant environmental concerns associated with the proposed loan that are not addressed on Form RD 1940-20, "Request for Environmental Information."

(12) CONFLICT OF INTEREST

Lender certifies that no officer, director, stockholder or employee of the lender has a financial interest in the borrower or vice versa.

(13) 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 this commitment providing for the United States to guarantee a loan, the undersigned shall complete and submit SF-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

LENDER CERTIFICATIONS (continued)

(14) CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12649, Debarment and Suspension, 7 CFR 3017.510, "Participants' responsibilities." 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 terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," and "voluntarily excluded," as used in this clause, have the meanings set out in Definitions and Coverage sections of rules implementing Executive Order 12649. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

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 include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tiered Transactions," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

The participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under paragraph 5 of this part, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, 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 to the best of its knowledge and belief, that it and its principals:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (2) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (3) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (A)(2) of this certification; and
- (4) Have not within a three-year period preceding this application or proposal had one or more public transactions (Federal, State, or local) terminated 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.

Position 3

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL BUSINESS-COOPERATIVE SERVICE (RBS)

CERTIFICATION OF NON-RELOCATION
AND
MARKET AND CAPACITY INFORMATION REPORT

(To be completed by applicant)

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.

1. Name of Applicant:	1a. Employer ID No.
2. Name of Benefited Business or Industry:	2a. Employer ID No.
	2b. Labor File No.
3. Location of Proposed Project:	
4. This Project is:	
<input type="checkbox"/> A new business venture	<input type="checkbox"/> Refinance of Existing Loan
<input type="checkbox"/> A new branch or facility	<input type="checkbox"/> A Transfer of Ownership
<input type="checkbox"/> An expansion of an existing facility	<input type="checkbox"/> Other (<i>Explain</i>)
5. Affiliate or Subsidiary of	
6. Amount of Loan or Grant:	
7. Purpose of Loan or Grant - (Specify)	

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**".

Principal Product	Products or Services and S.I.C. Number	Projected Annual Sales and Average Employment to be Generated by each product:			
		Latest Annual Total		At Full Capacity	
		Sales	Employment	Sales	Employment
Col. (1)	(2)	(3)	(4)	(5)	(6)
Product #1 S Value In Units					
Product #2 S Value In Units					
Product #3 S Value In Units					
Product #4 S Value In Units					

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 2 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.

b. Principal Occupations:

Occupational Job Title Col. (1)	Average Employment and Wage Rates			
	Current Period		When Fully	
	Employment	Average Wage Rate	Operational Employment	Average Wage Rate
	(2)	(3)	(4)	(5)

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 which you expect to make in the states and metropolitan areas listed. (See sample entry in the table below.)

Principal Product or Service	States and Standard Metropolitan Statistical Areas in Which Sales Are Projected			
(Sample entry) Product "X"	Chicago (8%) Kentucky (15%)	Indiana (12%) Iowa (20%)	Wisconsin (20%) Nebraska (10%)	

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 from which he is most likely to be serving your market area. If your market is national, omit a listing of competitors 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. Names of

a. Competitors	Location of plants serving market (Include street, city, state and zip code).
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

b. To the best of your knowledge, has any competitor recently ceased operations or withdrawn from your market area? Give name and state reason, if known.

C. Are you aware of any potential new entries or planned expansions which 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 that the applicant 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:

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 which 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.

I agree further that if within one year of the commencement of operations of the Project for which the United States Department of Agriculture (USDA) has made a grant, loan, or guarantee, there should occur a significant and related decline in employment in a present location or locations conducted by Applicant or a related company, the lender, pursuant to instructions from USDA, shall liquidate the loan or accelerate the repayment of any financial assistance guaranteed, insured, or provided by USDA. I understand that there shall arise a rebuttable presumption that a decline in employment in a present location or locations is significant and related to USDA assistance to the Project, if the reduction in average employment in present facilities and location is equal to (a) 50% for all locations or (b) 25% for one location, of the level of employment in this USDA assisted Project. These understandings and agreements are applicable to all transferees and successors in interest.

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: (1) Name of company, (2) Full address of site on which business operations are or were conducted, (3) Relationship of Applicant to business entity conducting operation, (4) Brief description of articles produced or services provided at location, (5) Underline production articles or services provided which are similar to articles to be produced or services to be provided by the proposed Project, (6) Average number of persons employed at the location, (7) Average number of persons employed in production of articles or services similar to those provided by the proposed Project, (8) If applicable, date on which operations ceased, or were substantially reduced, and (9) If applicable, the size of the reduction.

13.

Please give 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
(10-31-12)

U.S. DEPARTMENT OF AGRICULTURE

**REPRESENTATIONS REGARDING FELONY CONVICTION
AND TAX DELINQUENT STATUS FOR CORPORATE APPLICANTS**

You only need to complete this form if you are a corporation. A corporation is 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.

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552(a), as amended). The authority for requesting the following information for USDA Agencies and staff offices is in §738 and 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. 112-55 and subsequent similar provisions. 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. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

PART A – APPLICANT (You must complete this form if you are a Corporation)

1. APPLICANT'S NAME	2. APPLICANT'S ADDRESS (Including Zip Code)	3. TAX ID NO. (Last 4 digits)
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- 4A. Has the Applicant been convicted of a felony criminal violation under Federal or State law in the 24 months preceding the date of application? YES NO
- 4B. Has any officer or agent of Applicant been convicted of a felony criminal violation for actions taken on behalf of Applicant under Federal or State law in the 24 months preceding the date of application? YES NO
- 4C. 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.

CONDITIONAL COMMITMENT

TO: Lender	Case No.
Lender's Address	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 properly be 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 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 for Guarantee. The interest rate for the loan is _____% 1/. If a variable rate is used, it must be tied to a base rate agreed to by the Lender and USDA which cannot change more often than quarterly (for Business and Industry) and must be published periodically in a financial publication specifically agreed to by the Lender and Borrower.

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 for Guarantee 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 which ultimately remains unpaid.

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.

Except as set out below, the purposes for which the loan funds will be used and the amounts to be used for such purposes are set out in the Application for Loan Guarantee. Once this instrument is executed and returned to USDA no major change of conditions or approved loan purpose as listed on the forms will be considered. Additional Conditions and Requirements including Source and Use of Funds: 2/

If the conditions set forth in this commitment are not met within _____ days from the date of this commitment, USDA reserves the right to discontinue the processing of the application and terminate its commitment. If USDA decides to terminate this commitment USDA will provide the Lender a written notice at least 14 days prior to termination. 3/

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 number for this information collection is 0570-0017 and 0570-0050. 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 for Guarantee 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, variable interest rate followed by a "V" and the appropriate loan subsidy rate, if applicable.
- 2/ Insert any additional conditions or requirements in this space or on an attachment referred to in this space; otherwise, Insert "NONE".
- 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.

BORROWERNAME

Case Number *****

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

Approval Date:

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 current (not due to debt restructuring) for at least 12 months prior to the refinancing.

PERCENTAGE OF GUARANTEE:

2. A(n) ****** % guarantee will be issued after any development work is completed.
- or**
2. A(n) ****** % guarantee will be issued prior to the substantial completion of development work. 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-year/5-year reset index + BASIS POINTS**. The loan is to be fully amortized with **(PICKONE)** monthly/quarterly/annual installments. The interest rate is not to vary more often than quarterly. When the rate changes, installments are to be adjusted to assure there are no balloon payments. Prepayment will not be prohibited. Default interest rates are not covered by the guarantee.
- or**
3. The term of the loan is to be ****** years. The interest rate is to be fixed at ****** % per annum. Prepayment will not be prohibited. Default interest rates are not covered by the guarantee.

RENEWAL FEE:

4. This loan guarantee is subject to an annual renewal fee of **.50%** percent of the guaranteed portion of the outstanding principal as of December 31st of each year. The calculation is ****** percent 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 1 and December 31, 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 located 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

This loan is to be secured by a second mortgage or deed of trust (including assignment of rents) on a ***-acre commercial property located at **ADDRESS** -- junior only to a first mortgage or deed of trust pledged to **LIENHOLDER**, 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

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

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 **BORROWERNAME**, *** 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 – Business and Industry Guaranteed Loan Program."

or, if there will be no guarantors:

BORROWERNAME is to have full liability for the loan.

INSURANCE:

7. Hazard insurance naming the lender as beneficiary will be maintained in an amount at least equal to the outstanding loan balance or the replacement value (whichever is greater) of 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 assignee 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 subordinated debt or appraisal surplus. Prior to issuance of the Loan Note Guarantee, the lender will provide Rural Development with a balance sheet reflecting the business' post closing status and a certification that the borrower met the minimum tangible balance sheet equity requirement at loan closing.

Add if applicable:

Based upon the company'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). The following language would comply with § 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 of the end of the borrower's fiscal year.
 - b. All personal and commercial guarantors of this loan must provide **(PICK ONE)** compiled/reviewed/audited financial statements to the lender within 90 days of guarantor's fiscal or calendar yearend.

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

- a. The borrower must obtain **(PICK ONE)** compiled/reviewed/audited financial statements annually *on the business operation being financed with this loan*, 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 an analysis to Rural Development within 120 days of the end of the borrower's fiscal year.
- 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 will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. No dividend payments 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. Compensation of officers and owners will be limited to an amount that, when taken, will not adversely affect the repayment ability of the borrower. This amount may not be increased year to year 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.
- g. Borrower's debt-to-net worth, based upon yearend financial statements and as defined by Generally Accepted Accounting Principles, shall not exceed ******* to 1, and the Borrower's current ratio, similarly defined, shall not fall below ******* to 1.
- h. Borrower shall not enter into any merger or consolidation or sell the business without prior written concurrence of the lender.
- i. 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:

- j. 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.

Also, for franchise motels:

Also, a “comfort letter” from the franchisor stating that the franchise will maintain its flag on the property during a liquidation.

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 a subdivision involving five or more sites, multiple family projects with five or more units, or nursing homes/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 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.

APPRAISAL:

11. A current (less than 12 month old) appraisal acceptable to Rural Development and 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. Lenders will be 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, prior to issuance of the Loan Note Guarantee. Collateral must have documented value sufficient to protect the interest of the lender and the Agency. The discounted collateral value will normally 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 completed in accordance with accepted architectural and engineering 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 which involve the construction of or addition to commercial facilities that accommodate the public must comply with the Americans with Disabilities Act which became effective January 26, 1992. 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 completion of development work:

The lender is to ensure that all work is properly planned and carried out. The lender will monitor the progress of design and construction and undertake the reviews and inspections necessary to ensure that construction is done in accordance with RD Instruction 4279-B, section 4279.156, and conforms to applicable Federal, State, and local code requirements. Copies of any written inspections will be furnished to the lender and the Agency. Proceeds are to be used in accordance with approved plans, specifications, and contract documents, and funds are to be used for eligible project costs. Prior to disbursement of construction funds, the lender ordinarily will have:

- a. Have a complete set of plans and specifications for the project on file.
- b. Have 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.
- c. Have a qualified individual confirm that the budget is adequate for the planned development.
- d. Have firm construction contract costs and provisions for change order approvals, a retainage percentage, and a disbursement schedule.
- e. Make sure the borrower has 100 percent performance/payment bonds on the contractor or provide a construction monitoring plan acceptable to the Agency. The bonding agent must be listed on Treasury Circular 570.

- f. Have contingencies in place to handle foreseeable cost overruns without seeking additional guaranteed B&I assistance. These are to be agreed to by the borrower.

Furthermore, once construction begins, the lender is to:

- g. Use any borrower funds in the project first.
- h. Have inspections made by a qualified individual prior to any progress payment.
- i. Obtain lien waivers from all contractors prior to any disbursement.
- j. Provide at least monthly, written reports to Rural Development on fund disbursement and project status.

Once construction is completed, the lender is to provide Rural Development with:

- k. A copy of all required building permits, with sign-offs, and Notice of Completion.

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 **\$\$\$** (= **\$\$\$** x ****%** x 3%) made payable to the U.S. Treasury
or
A guarantee fee of **\$\$\$** (= **\$\$\$** x ****%** x 2%) made payable to the U.S. Treasury
 - b. Form RD 1980-19, "Guaranteed Loan Closing Report."
 - c. An executed RD Form 4279-4, "Lender's Agreement."
or
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 loan conditions set forth by the Agency in this Conditional Commitment.
 - e. A copy of the executed Promissory Note(s)
 - f. A copy of 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.
 - j. A current (not more than 90 days old) balance sheet for the business prepared in accordance with Generally Accepted Accounting Principles. The balance sheet must reflect the business' post-loan closing status. The business must have a tangible balance sheet equity position of no less than ** percent at the time the loan is closed.
15. The lender is required to hold in its own portfolio or retain a minimum of 5 percent of the total guaranteed 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 within 90 days of issuance of the guarantee and whenever the lender revises its classification of the loan.
 18. 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.
 19. *For loans to States, Local Governments, and Non-Profit Organizations* - For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," recipients agree to separately identify the expenditures for Federal awards under ARRA on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. This shall be accomplished by identifying expenditures for Federal awards made under the Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix "ARRA" in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF-SAC.
 20. **LENDERNAME** (lender) certifies by accepting this Conditional Commitment for a \$*** guarantee the lender understands that the intent of RD Instruction 4279-B, section 4279.181(m), is 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 this 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.

AD-3031

U.S. Department of Agriculture

ASSURANCE REGARDING FELONY CONVICTION

OR TAX DELINQUENT STATUS FOR CORPORATE APPLICANTS

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 55a – as amended). The authority for requesting the following information for USDA agencies and offices is in sections 738 and 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. 112-55. The authority for Forest Service is in sections 433 and 434 of the Consolidated Appropriations Act 2012, P.L. 112-74. The information will be used to document applicant response concerning entity, convicted of a felony criminal violation, and unpaid Federal tax liability status.*

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 of this information collection is 0505-0025. The time required to complete this information collection is estimated to average 3 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. The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

This award is subject to the provisions contained in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. 112-55, Division A, Sections 738 and 739 for USDA agencies and offices (except Forest Service) which is subject to the provisions contained in the Consolidated Appropriations Act 2012, P.L. 112-74, Sections 433 and 434 regarding corporate felony convictions and corporate federal tax delinquencies.

Accordingly, by accepting this award the recipient acknowledges that it:

1. Does not have a 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. Has not been convicted (or had an officer or agent acting on its behalf convicted) of a felony criminal violation under any Federal or State law within 24 months preceding the award, unless a suspending and debaring official of the United States Department of Agriculture has considered suspension or debarment of the recipient corporation, or such officer or agent, 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 sections, 738 and 739, or 433 and 434.

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.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB No. 0570-0017
OMB No. 0570-0050

**LENDER'S AGREEMENT
BUSINESS AND INDUSTRY GUARANTEED LOAN PROGRAM AND
SECTION 9006 PROGRAM**

Participating Lender:	Tax Identification Number:
Business Address:	Telephone Number:

Complete the appropriate box indicating lender status in business and industry program. For the Section 9006 program, check regular lender program.

- Regular Lender Program
- Certified Lender Program

I. General Provisions

A. Purpose.

The participating lender ("Lender") is designated as a Lender for the purpose of processing and requesting Loan Note Guarantees authorized under 7 C.F.R. part 4279, and servicing those loans as authorized herein and under 7 C.F.R. part 4287. The Lender enters into this agreement as a condition for obtaining the guarantees. For the Section 9006 program, the citation is 7 C.F.R., part 4280, subpart B.

The United States of America, acting through the United States Department of Agriculture ("USDA"), agrees to enter into Loan Note Guarantees with the Lender issued pursuant to the regulations for B&I/Section 9006 Program Loans, 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 violation of usury laws, negligent servicing, or failure to obtain 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 are used for purposes other than those specifically approved by USDA in its Conditional Commitment for Guarantee. Negligent servicing is defined as the failure to perform those services which a reasonably prudent Lender would perform in 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 7 C.F.R. part 4279 in accordance with the terms of Form RD 4279-3, "Conditional Commitment for Guarantee." For the Section 9006 program, the citation is 7 C.F.R., part 4280, subpart B.
- B. The Lender certifies that none of its officers or directors, stockholders, or other owners (except stockholders in a Farm Credit Bank or other Farm Credit System ("FCS") Institution with direct lending authority that have normal stock or share requirements for participation) has a substantial financial interest in the Borrower. The Lender certifies that neither the Borrower nor its officers or directors, stockholders or other owners has 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 Bank or other FCS Institution with direct lending authority, the Lender certifies that an FCS institution on the next highest level will independently process the loan request and will act as the Lender's agent in servicing the account.
- 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 Agency's issuance of the Conditional Commitment for Guarantee to issuance of the Loan Note Guarantee regardless of the case 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 4279-5, "Loan Note Guarantee" is issued.

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 and 0570-0050. The time required to complete this information is estimated to average 2 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.

III. Lender's Sale or Assignment of Guaranteed Loan

- A. The Lender may retain all of the guaranteed loan. The Lender is not permitted to sell or participate in 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 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 4279-6, "Assignment Guarantee Agreement". Holders, upon written notice to Lender and USDA, may reassign the unpaid guaranteed portion of the sold thereunder. Upon notification and completion of the assignment through the use of Form 4279-6, "Assignment Guarantee Agreement," the assignee shall succeed to all rights and obligations of the Holders thereunder. If this option is selected, the Lender may not 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 insure to its and the Government's benefit notwithstanding any contrary provisions of law.
 - a. At Loan Closing: Provide for no more than 10 notes, unless the Borrower and USDA agree otherwise, 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.
 - b. After Loan Closing:
 - (1) Upon written approval by USDA, the Lender may cause to be issued a series of new notes, not to exceed the total provided in 2. a. above, as replacement for previously issued guaranteed notes provided:
 - (a) The Borrower agrees and executes the new notes.
 - (b) The interest rate does not exceed the interest rate in effect when the loan was closed.
 - (c) The maturity of the loan is not changed.
 - (d) USDA will not bear or guarantee any expenses that may be incurred in reference to such reissue of notes.
 - (e) There is adequate collateral securing the notes.
 - (f) No intervening liens have arisen or have been perfected and the secured lien priority remains the same.
 - (g) All holders agree USDA will issue the appropriate Loan Note Guarantees to be attached to each of the notes then extant in exchange for the original Loan Note Guarantee which will be cancelled by USDA.
 3. Participations.
 - a. The Lender may obtain participation in its loan under its normal operating procedures. Participation means a sale of an interest by the Lender in the loan wherein the Lender retains the note, collateral securing the note, and all responsibility for loan servicing and liquidation.
 - b. The Lender is required to hold in its own portfolio or retain a minimum of 5% of the total guaranteed 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. 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, and this agreement, and the USDA program regulations found in 7 C.F.R. part 4279 and to future USDA program regulations not inconsistent with the express provisions hereof. For the Section 9006 program, the citation is 7 C.F.R., part 4280, subpart B.
- C. The Holder upon written notice to the Lender may resell the unpaid guaranteed portion of the loan sold under section III A.

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 not 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. 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 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, 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. Obtaining the lien coverage and lien priorities specified by the Lender and agreed to by USDA, 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 USDA regulations.
10. Providing Finance Office with loan status reports semiannually as of June 30 and December 31 on Form RD 1980-41, "Guaranteed Loan Status Report."
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 the USDA servicing office within 120 days of Borrowers fiscal year end.
12. Ensuring that the borrower complies with the measures identified in the Government'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, see 7 C.F.R. part 1940.

V. Default

- A. The Lender will notify USDA when a Borrower is thirty (30) days past due on a payment 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." Actions taken by the Lender with written concurrence of USDA will include but are not limited to the following or any combination thereof:
 1. Deferment of principal 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 C.F.R. part 4287.
 5. Reorganization.
 6. Liquidation.
 7. Subsequent loan guarantees.
- 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.

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 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. 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.
- C. 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. 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 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.

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 office serving the Borrower will promptly notify the Lender of the Holder's demand for payment. The Lender will promptly provide the USDA office servicing the Borrower 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 office servicing the Borrower will review the demand for verification.

- D. 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 the Borrower on the loan and the amount due the 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 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.

VI. Liquidation

If the Lender concludes pursuant to USDA regulations that liquidation of a guaranteed loan account is necessary because of one or more defaults or third party actions that the Borrower cannot or will not cure or eliminate within a reasonable period of time liquidation may be considered. If the Lender concludes that liquidation is necessary, it must request USDA's concurrence. 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 as follows:

1. The Lender will liquidate the loan unless USDA, at its option, decides to carry out liquidation.
 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 first 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 to establish 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 advice 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. If the outstanding principal loan balance including accrued interest is less than \$200,000, the Lender will obtain an estimate of the market and potential liquidated value of the collateral. On loan balances in excess of \$200,000, the Lender will obtain an independent appraisal report on all collateral securing the loan, which will reflect the current market value and potential liquidation value. All real property appraisals with Agency guaranteed loanmaking and servicing transactions will meet the requirements set forth by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and appropriate guidelines set forth in Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practices ("USPAP"). Chattels will be evaluated in accordance with normal banking practices and generally accepted methods of determining value. The appraisal report is for the purpose of permitting the Lender and USDA to determine the appropriate liquidation actions. Any independent appraiser's fee will be shared equally by USDA and the Lender.
 - B. USDA will inform the Lender in writing whether it concurs in the Lender's liquidation plan within 30 days after receipt of such notification from the Lender. If USDA needs additional time to respond to the liquidation plan, it will advise the Lender of a definite time for such response. 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. The Lender will ordinarily conduct the liquidation; however, should USDA determine that USDA will conduct the liquidation, the parties will proceed as follows:
 1. The Lender will transfer to USDA all rights and interest necessary to allow USDA to liquidate the loan. In this event, the Lender will not be paid for any loss until after the collateral is liquidated and the final loss is determined by USDA.
 2. USDA will attempt to obtain the maximum amount of proceeds from liquidation.
 3. Options available to USDA include any one or combination of the usual commercial methods of liquidation.
 - C. Acceleration. The Lender or USDA, if it liquidates, will proceed as expeditiously as possible when acceleration of the indebtedness is necessary including giving any notices and taking any other legal actions required by the security instruments. A copy of the acceleration notice or other acceleration document will be sent to USDA or the Lender, as the case may be.
 - 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 the 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." When USDA liquidates, the Lender will be provided with similar reports on request.

- E. Determination of Loss and Payment. In all liquidation cases, final settlement will be made with the Lender after the collateral is liquidated. 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 of the guaranteed portion of the loan, it may request a tentative loss estimate by submitting to USDA an estimate of loss that will occur in connection with liquidation of the loan. USDA will agree to pay an estimated loss settlement to the Lender provided the Lender applies such amount due to the outstanding principal balance owed on the guaranteed debt. 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 appraisal value will be used in lieu of the amount received from the sale of collateral. The Lender will discontinue interest accrual on the defaulted loan and the loss claim will be promptly processed in accordance with the applicable USDA regulations. After the Report of Loss estimate has been approved by USDA, and within 30 days thereafter, USDA will institute procedures to cause the issuance of payment of the estimated amount due the Lender.

After liquidation has been completed, a final loss report will be submitted on Form RD 449-30 by the Lender to USDA.

3. Within 30 days after liquidation of the collateral is completed, a final report of loss on Form FmHA 449-30 must be prepared and submitted by the Lender to USDA. USDA will not guarantee interest beyond this 30-day period other than for the period of time it takes USDA to process the loss claim. 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 the account and will determine the final loss. The Lender will make its records available to and otherwise assist USDA in making any audit. 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:
 - a. If the loss is greater than the estimated loss payment, USDA will cause a Treasury check to be issued in payment of the additional amount owed by USDA to be issued to the Lender.
 - b. 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. If USDA has conducted liquidation, it will provide an accounting and report of loss to the Lender and will pay the Lender in accordance with the Loan Note Guarantee.
 6. 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. If USDA conducts the liquidation, any loss occasioned by accruing interest will be covered to the extent of the guarantee to the date USDA accepts this responsibility. 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 FmHA 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 \$5,000. 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 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 which 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.

- N. 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 C.F.R. 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, line 13 and 14.

VII. 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 a bankruptcy results in a reorganization of the borrower, including a reorganization that results in a write down of the debt, legal expenses during the bankruptcy will be shared equally by USDA and the lender. 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 a 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.
 - b. 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.
 - c. 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.
 - a. Interest loss payments sustained during the period of the reorganization plan will be processed in accordance with section VII B1.
 - b. Interest loss payments sustained after the reorganization plan is confirmed will be processed annually when the Lender sustains a loss as a result of a permanent interest rate reduction.
 - c. 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.
 - 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 addition 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 made prior to the borrower having filed bankruptcy as a result of prior liquidation action, these protective advances and accrued interest will be entered on Form RD 449-30.

VIII. Duration and Modification

- 1. Duration of Agreement. This Lender's Agreement applies to all Business and Industry ("B&I") guaranteed loans or Section 9006 loans made by the Lender from the date of this agreement until terminated or superceded by another Lender's Agreement..
- 2. Modification of Agreement. This Agreement may only be modified only in writing.
- 3. Other Requirements. This agreement is subject to all requirements of the applicable subpart of 7 C.F.R. parts 4279 and 4287 and, for Section 9006 loans, 7 C.F.R., part 4280, in effect on the date of this agreement.
- 4. 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

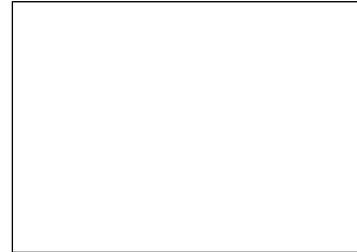
LENDER _____

(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: _____

(Name Typed or Printed)

Date: _____

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT**

LOAN NOTE GUARANTEE
(Business and Industry and Section 9006 Program)

7 CFR Part 4279
7 CFR Part 4280

State	County	Date of Note
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 _____

<u>Lender's Identifying Number</u>	<u>Face Amount</u>	<u>Percent of Total Face Amount</u>	<u>Amount Guaranteed</u>
	\$	%	\$

TOTAL \$ _____ 100% \$ _____

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"), pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), 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 and on interest due on such portion.
- B. The Lender the lesser of paragraph 1 or 2 below:
 - 1. Any loss sustained by such Lender on the guaranteed portion including:
 - a. Principal and interest indebtedness as evidenced by said notes or by assumption agreements, and
 - b. Principal and interest indebtedness on secured protective advances for protection and preservation of collateral made with USDA's authorization, including but not limited to, advances for taxes, annual assessments, any ground rents, and hazard or flood insurance premiums affecting the collateral, or
 - 2. The guaranteed principal advanced to or assumed by the Borrower under said notes or assumption agreements and any interest due thereon.

If USDA conducts the liquidation of the loan, loss occasioned to a Lender by accruing interest after the date USDA accepts responsibility for liquidation will not be covered by this Loan Note Guarantee. If Lender conducts the liquidation of the loan, accruing interest shall be covered by this Loan Note Guarantee to 30 days after liquidation of collateral when the lender conducts the liquidation expeditiously in accordance with the liquidation plan approved by USDA.

Definition of Holder.

The Holder is the person or organization ("investor") other than the Lender who owns all or part of the guaranteed portion of the loan with no servicing responsibilities. Holders are prohibited from obtaining any parts of the guaranteed portion of the loan with proceeds from any obligation, the interest on which is excludable from income, under section 103 of the Internal Revenue Code of 1954, as amended (IRC). When the single note option is used and the Lender assigns a part of the guaranteed loan to an assignee, the assignee becomes a Holder only when USDA receives notice and the transaction is completed through use of Form 4279-6, "Assignment Guarantee Agreement."

Definition of Lender.

The Lender is the person or organization making and servicing the loan which is guaranteed under the provisions of 7 C.F.R. part 4279 or C.F.R. part 4280, subpart B, as applicable . The Lender is also the party requesting a loan guarantee.

CONDITIONS OF GUARANTEE

1. Loan Servicing.

Lender will be 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 not 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 guarantee will be unenforceable to the extent that any loss is occasioned by a provision for interest on interest. In addition, the Loan Note Guarantee will be unenforceable by Lender to the extent any loss is occasioned by the violation of usury laws, negligent servicing, or failure to obtain 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 for Guarantee. Negligent servicing is defined as the failure to perform those services which a reasonably prudent lender would perform in 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. 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. 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 Lender's servicing fee, within thirty (30) days after written demand to USDA from Holder. 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 Holder to the Lender requesting the repurchase. 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.

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 Holder will sell the 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 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.

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.

14. Notices.

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 _____

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

ASSIGNMENT GUARANTEE AGREEMENT
(Business and Industry and Section 9006 Program)

Type of Loan _____

USDA Loan Identification Number _____

7 C.F.R. part 4279, subparts A and B
7 C.F.R. part 4287, subpart B
7 C.F.R. part 4280, subpart B

_____ of _____

(Lender) has made a loan to _____

in the principal amount of \$ _____ as evidenced by a note dated _____.

The United States of America, acting through the U.S. Department of Agriculture (USDA) entered into a Loan Note Guarantee (Form 4279-5) with the Lender applicable to such loan to guarantee the loan not to exceed _____ % of the amount of the principal advanced and any interest due thereon as provided therein.

_____ of _____

(Holder) desires to purchase from Lender _____ % of the guaranteed portion of such loan. Copies of Borrower's note and the 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 _____ % 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.

2. **Loan Servicing.** The Lender will be 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 C.F.R. parts 4279 and 4287 and for the Section 9006 Program, 7 C.F.R part 4280, now in effect and future USDA program regulations not in conflict with the provisions hereof.

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.

6. **Rights and Liabilities.** The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentations 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 resell the unpaid balance of the guaranteed portion of the loan assigned hereunder.

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.

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 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. 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. Purchase by USDA. 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 Lender's servicing fee, within 30 days after written demand to USDA from the Holder. 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 Holder to the lender requesting the repurchase. 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 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 right 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 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 demand letter of the lender or USDA to the Holder requesting the Holder to tender their guaranteed portion.

- a. The Lender will not repurchase from the Holder for arbitrage purpose 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. 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.

12. **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.

13. Notices. All notices and actions will be initiated through the USDA _____

for _____ (state) with mailing address

at the date of the assignment: _____

Dated this _____ day _____, 20_____

LENDER:

ADDRESS:

By _____

ATTEST:

_____ (SEAL) Title _____

HOLDER:

ADDRESS:

By _____

ATTEST:

_____ (SEAL) Title _____

UNITED STATES OF AMERICA
Department of Agriculture

ADDRESS: _____ By _____

Title _____

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

UNCONDITIONAL GUARANTEE
BUSINESS AND INDUSTRY GUARANTEED LOAN PROGRAM

RBS Loan #	
RBS Loan Name	
Borrower	
Guarantor	
Lender	
Date	
Note Amount	

1. GUARANTEE

Guarantor unconditionally guarantees payment to Lender of _____% 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, 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. The time required to complete this information collection is estimated to average 30 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,

Guarantor Initial: _____

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 or 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 did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note;

Guarantor Initial: _____

- 10) Lender made errors or omissions in Loan Documents or administration of the Loan;
- 11) The financial condition of Borrower or any guarantor was overstated or has adversely changed;
- 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights;
- 14) 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;
- 15) Borrower has avoided liability on the Note; or
- 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

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.

Guarantor Initial: _____

- 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.

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.

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 _____, 2013.

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 _____, 2013, 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: _____

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 _____, 2013.

Signed, seal and delivered
In the presents of:

WITNESSES:

GUARANTOR:

COMPANY NAME:

Print Name: _____

BY: _____

Title:

Print Name: _____

ATTEST: _____

Title:

[Corporate Seal]

STATE OF FLORIDA
COUNTY OF _____

The foregoing document was acknowledged before me on the ____ day of _____, 2013, 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: _____

ENVIRONMENTAL ASSESSMENT STATUS SHEET/CHECKLIST

(For use with Rural Housing, Community Facilities & RBS projects)

PROJECT NAME	LOCATION	PREPARER & OFFICE
File		
Position		
1. (1)	Environmental Assessment Status Sheet/Checklist	
2. (3)	A. Form RD 1940-20 - "Request for Environmental Information" (Information to reflect existing and proposed projects) Provided by the applicant.	
(3)	B. Exhibit I (Items 1-17 of RD 1940-20 as applicable) provided by the applicant.	
(2)	C. NRCS soils map with site/service area and important land resources (prime farmland, forestland, rangeland, wetlands, etc.) shown and comments from NRCS regarding important land resources.	
(2)	D. USGS topographic map with site/service area shown.	
(2)	E. FEMA floodplain map with site/service area shown.	
(2)	F. Site photos (with aerial photo if available with site/service area shown).	
(2)	G. Site plan with flood hazard and wetland areas identified within the scope of overall project site/service areas.	
3. (3)	Visit project site and review "Natural Resource Management Guide" for potential affected resources - wetlands, wild and scenic rivers, national trails, historical structures, endangered species, etc. <u>SITE VISIT DATE (/ /)</u>	
4. (3)	Standard Flood Hazard Determination Form (SFHDF- FEMA Form 81-93)	
5. (3)	Civil Rights Impact Analysis Certification (Form RECD 2006-38)	
6. (3)	A. Confirmation of determination of no impact to threatened or endangered species and/or consultation with U.S. Fish and Wildlife Service (USFWS) as required	
(3)	B. Copy of biological survey, if required.	
(3)	C. Final response from USFWS accepting results of biological survey, if applicable.	
7. (3)	A. Confirmation from State Historical Preservation Officer (SHPO) of of impact.	
(3)	B. Letter from SHPO requesting archeological survey, if applicable.	
(3)	C. Final response from SHPO with archeological survey, if applicable.	
8. (3)	State Clearinghouse comments with all attachments.	
9. (3)	Regional Planning Council comments.	
10. (3)	E. P. A. comments on project impact to sole source aquifer or recharge area, if applicable.	
11. (1)	Preliminary Public Notice of potential impacts to important land resources, floodplains, wetlands, etc.	
(1)	A. Individual (user) notification to affected property owners, when applicable, of potential impacts to important land resources, including mitigation measures, such as hook up restrictions. (By applicant)	
(1)	B. Affidavit of Publication, a copy of the newspaper notice and any notices sent to interested parties, such as SHPO, State Clearinghouse, EPA, affected property owners, etc.	
12. (3)	RD 1940-G, Exhibit "H" - Environmental Assessment (Class 2) or Form RD 1940-21 (Class 1) as applicable. (Executed by the preparer and signed by the concurring official)	
13. (1) *	Finding Of No Significant Impact (FONSI) (By USDA/RD State Director)	
14. (1) *	Final Published Public Notice (FONSI, Combined Final Notice and FONSI, Final Notice (By applicant))	
15. (1) *	A. Affidavit of Publication, a copy of the newspaper notice and any notices sent to interested individuals, SHPO, State Clearinghouse, EPA, affected property owners, etc.	
(1) *	B. Individual (user) notification to affected property owners, when applicable, of potential impacts to important land resources, including mitigation measures, such as hook up restrictions, if not done at the time of the preliminary notice (By applicant).	
16. (1) *	Private party notification (letter to borrower) of potential risk of development in floodplain areas, if applicable. (By USDA/RD loan approval official)	
17. *	Notify applicant and project consultants of required mitigation measures.	

Material to be anchored chronologically in a four position file folder in the indicated positions - amendments to Exhibit "H" should be placed on top in position (3). Maps may be neatly folded and anchored in position (2) in the same or separate folder as required.

*NOTE: These items shall be completed after approval by the State Environmental Coordinator.

(Revised 3/2000)

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 45 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 used by applicants as a required face sheet for pre-applications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item:	Entry:	Item:	Entry:																
1.	Select Type of Submission.	11.	Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.																
2.	Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).	12.	List only the largest political entities affected (e.g., State, counties, cities).																
3.	State use only (if applicable).	13.	Enter the proposed start date and end date of the project.																
4.	Enter Date Received by Federal Agency Federal identifier number: If this application is a continuation or revision to an existing award, enter the present Federal Identifier number. If for a new project, leave blank.	14.	List the applicant's Congressional District and any District(s) affected by the program or project																
5.	Enter legal name of applicant, name of primary organizational unit (including division, if applicable), which will undertake the assistance activity, enter the organization's DUNS number (received from Dun and Bradstreet), enter the complete address of the applicant (including country), and name, telephone number, e-mail and fax of the person to contact on matters related to this application.	15.	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. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.																
6.	Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.	16.	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.																
7.	Select the appropriate letter in the space provided. <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">A. State</td> <td style="width: 50%;">I. State Controlled</td> </tr> <tr> <td>B. County</td> <td>Institution of Higher Learning</td> </tr> <tr> <td>C. Municipal</td> <td>J. Private University</td> </tr> <tr> <td>D. Township</td> <td>K. Indian Tribe</td> </tr> <tr> <td>E. Interstate</td> <td>L. Individual</td> </tr> <tr> <td>F. Intermunicipal</td> <td>M. Profit Organization</td> </tr> <tr> <td>G. Special District</td> <td>N. Other (Specify)</td> </tr> <tr> <td>H. Independent School District</td> <td>O. Not for Profit Organization</td> </tr> </table>	A. State	I. State Controlled	B. County	Institution of Higher Learning	C. Municipal	J. Private University	D. Township	K. Indian Tribe	E. Interstate	L. Individual	F. Intermunicipal	M. Profit Organization	G. Special District	N. Other (Specify)	H. Independent School District	O. Not for Profit Organization	17.	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.
A. State	I. State Controlled																		
B. County	Institution of Higher Learning																		
C. Municipal	J. Private University																		
D. Township	K. Indian Tribe																		
E. Interstate	L. Individual																		
F. Intermunicipal	M. Profit Organization																		
G. Special District	N. Other (Specify)																		
H. Independent School District	O. Not for Profit Organization																		
8.	Select the type from the following list: <ul style="list-style-type: none"> • "New" means a new assistance award. • "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date. • "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision enter the appropriate letter: <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">A. Increase Award</td> <td style="width: 50%;">B. Decrease Award</td> </tr> <tr> <td>C. Increase Duration</td> <td>D. Decrease Duration</td> </tr> </table> 	A. Increase Award	B. Decrease Award	C. Increase Duration	D. Decrease Duration	18.	To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as 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.)												
A. Increase Award	B. Decrease Award																		
C. Increase Duration	D. Decrease Duration																		
9.	Name of Federal agency from which assistance is being requested with this application.																		
10.	Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.																		

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.

REQUEST FOR ENVIRONMENTAL INFORMATION

Name of Project
Location

Item 1a. Has a Federal, State, or Local Environmental Impact Statement or Analysis been prepared for this project?
 Yes No Copy attached as EXHIBIT I-A.
 1b. If "No," provide the information requested in Instructions as EXHIBIT I.

Item 2. The State Historic Preservation Officer (SHPO) has been provided a detailed project description and has been requested to submit comments to the appropriate Rural Development Office. Yes No Date description submitted to SHPO _____

Item 3. Are any of the following land uses or environmental resources either to be affected by the proposal or located within or adjacent to the project site(s)? (Check appropriate box for every item of the following checklist).

	Yes	No	Unknown		Yes	No	Unknown
1. Industrial.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Dunes.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Commercial.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Estuary.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Residential.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. Wetlands.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Agricultural.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. Floodplain.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grazing.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23. Wilderness..... (designated or proposed under the Wilderness Act)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Mining, Quarrying.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. Wild or Scenic River..... (proposed or designated under the Wild and Scenic Rivers Act)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Forests.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25. Historical, Archeological Sites..... (Listed on the National Register of Historic Places or which may be eligible for listing)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Recreational.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26. Critical Habitats..... (endangered/threatened species)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Transportation.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	27. Wildlife.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Parks.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	28. Air Quality.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Hospital.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	29. Solid Waste Management.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Schools.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30. Energy Supplies.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Open spaces.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	31. Natural Landmark..... (Listed on National Registry of Natural Landmarks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Aquifer Recharge Area.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	32. Coastal Barrier Resources System.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Steep Slopes.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
16. Wildlife Refuge.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
17. Shoreline.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
18. Beaches.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Item 4. Are any facilities under your ownership, lease, or supervision to be utilized in the accomplishment of this project, either listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities? Yes No

(Date)

Signed: _____
(Applicant)

(Title)

INSTRUCTIONS FOR PREPARING FORM RD 1940-20

Federal agencies are required by law to independently assess the expected environmental impacts associated with proposed Federal actions. It is extremely important that the information provided be in sufficient detail to permit Rural Department to perform its evaluation. Failure to provide sufficient data will delay agency review and a decision on the processing of your application.

This information request is designed to obtain an understanding of the area's present environmental condition and the project's elements that will affect the environment. Should you believe that an item does not need to be addressed for your project, consult with the RD office from which you received this Form before responding. In all cases when it is believed that an item is not applicable, explain the reasons for this belief.

It is important to understand the comprehensive nature of the information requested. Information must be provided for a) the site(s) where the project facilities will be constructed and the surrounding areas to be directly and indirectly affected by its operation and b) the areas affected by any primary beneficiaries of the project. The amount of detail should be commensurate with the complexity and size of the project, and the magnitude of the expected impact. Some examples:

A small community center project may not require detailed information on air emissions, meteorological conditions and solid waste management.

A water resource, industrial development, or housing development project will require detailed information.

Item 1a - Compare the Environmental Impact Statement or Analysis that was previously prepared with the information requested in the instructions for Item 1b below to be sure that every point in the information request is covered in the Environmental Impact Statement or Analysis. If any of the requested information is not covered, attach to the Environmental Impact Statement or Analysis a supplemental document that corrects any deficiencies or omissions.

Item 1b - Provide responses to the following items in the order listed and attach as EXHIBIT I. In order to understand the full scope of the land uses and environmental factors that need to be considered in responding to these items, it may be helpful to complete Item 3 of the Form before completing these narrative responses. If your application is for a project that Rural Development has classified as a Class I action, complete only parts (1), (2), (13), (15), (16), and (17) of this Item. The Rural Development office from which you received this Form can tell you if your application falls within the Class I category.

(1) Primary Beneficiaries

Identify any existing businesses or major developments that will benefit from the proposal, and those which will expand or locate in the area because of the project. These businesses or major developments hereafter will be referred to as primary beneficiaries.

(2) Area Description

- (a) Describe the size, terrain, and present land uses as well as the adjacent land uses of the areas to be affected. These areas include the site(s) of construction or project activities, adjacent areas, and areas affected by the primary beneficiaries.
- (b) For each box checked "Yes" in item 3, describe the nature of the effect on the resource. If one or more of boxes 17 through 22 is checked "Yes" or "Unknown," contact Rural Development for instructions relating to the requirements imposed by the Floodplain Management and Wetland Protection Executive Orders.
- (c) Attach as Exhibit II the following: 1) a U.S. Geological Survey "15 minute" ("7 ½ minute" if available) topographic map which clearly delineates the area and the location of the project elements; 2) the Federal Emergency Management Administration's floodplain map(s) for the project area; 3) site photos; 4) if completed, a standard soil survey for the project area; and 5) if available, an aerial photograph of the site. If a floodplain map is not available, contact Rural Development for additional instructions relating to the requirements imposed by the Floodplain Management Executive Order.

(3) Air Quality

- (a) Provide available air quality data from the monitoring station(s) either within the project area or, if none exist nearest the project area.
- (b) Indicate the types and quantities of air emissions to be produced by the project facilities and its primary beneficiaries. If odors will occur, indicate who will be affected.
- (c) Indicate if topographical or meteorological conditions hinder the dispersal of air emissions. (d) Indicate the measures to be taken to control air emissions.

(4) Water Quality

- (a) Provide available data on the water quality of surface or underground water in or near the project area.
- (b) Indicate the source, quality, and available supply of raw water and the amount of water which the project is designed to utilize.
- (c) Describe all of the effluents or discharges associated with the project facilities and its primary beneficiaries. Indicate the expected composition and quantities of these discharges prior to any treatment processes that they undergo and also prior to their release into the environment.
- (d) Describe any treatment systems which will be used for these effluents and indicate their capacities and their adequacy in terms of the degree and type of treatment provided. Indicate all discharges which will not be treated. Describe the receiving waters and their uses (e.g., recreational) for any sources of treated and untreated discharge.
- (e) If the treatment systems are or will be inadequate or overloaded, describe the steps being taken for necessary improvements and their completion dates.
- (f) Describe how surface runoff will be handled if not discussed in (d) above.

(5) Solid Waste Management

- (a) Indicate the types and quantities of solid wastes to be produced by the project facilities and its primary beneficiaries.
- (b) Describe the methods for disposing of these solid wastes plus the useful life of such methods.
- (c) Indicate if recycling or resource recovery programs are or will be used.

(6) Transportation

- (a) Briefly describe the available transportation facilities serving the project area.
- (b) Describe any new transportation patterns which will arise because of the project.
- (c) Indicate if any land uses, such as residential, hospitals, schools or recreational, will be affected by these new patterns.
- (d) Indicate if any existing capacities of these transportation facilities will be exceeded. If so, indicate the increased loads which the project will place upon these facilities, particularly in terms of car and truck traffic.

(7) Noise

- (a) Indicate the major sources of noise associated with the project facilities and its primary beneficiaries.
- (b) Indicate the land uses to be affected by this noise.

(8) Historic/Archeological Properties

- (a) Identify any known historic/archeological resources within the project area that are either listed on the National Register of Historic Places or considered to be of local and state significance and perhaps eligible for listing in the National Register.
- (b) Attach as EXHIBIT III any historical/archeological survey that has been conducted for the project area.

(9) Wildlife and Endangered Species

- (a) Identify any known wildlife resources located in the project area or its immediate vicinity. (b) Indicate whether to your knowledge any endangered or threatened species or critical habitats have been identified in the project area or its immediate vicinity.

(10) Energy

- (a) Describe the energy supplies available to the project facilities and the primary beneficiaries.
- (b) Indicate what portion of the remaining capacities of these supplies will be utilized.

(11) Construction

Describe the methods which will be employed to reduce adverse impacts from construction, such as noise, soil erosion and siltation.

(12) Toxic Substances

- (a) Describe any toxic, hazardous, or radioactive substances which will be utilized or produced by the project facilities and its primary beneficiaries.
- (b) Describe the manner in which these substances will be stored, used, and disposed.

(13) Public Reaction

- (a) Describe any objections which have been made to the project.
- (b) If a public hearing has been held, attach a copy of the transcript as EXHIBIT IV. If not, certify that a hearing was not held.
- (c) Indicate any other evidence of the community's awareness of the project such as through newspaper articles or public notification.

(14) Alternatives to the Proposed Project

Provide a description of any of the following types of alternatives which were considered: (a)

Alternative locations.

- (b) Alternative designs.
- (c) Alternative projects having similar benefits.

(15) Mitigation Measures

Describe any measures which will be taken to avoid or mitigate any adverse environmental impacts associated with the project.

(16) Permits

- (a) Identify any permits of an environmental nature which are needed for the project. (b) Indicate the status of obtaining each such permit and attach as EXHIBIT V any that have been received.

(17) Other Federal Actions

Identify other federal programs or actions which are either related to this project or located in the same geographical area and for which you are filing an application, have recently received approval, or have in the planning stages.

Item 2 - All applicants are required to provide the State Historic Preservation Officer (SHPO) with (a) a narrative description of the project's elements and its location, (b) a map of the area surrounding the project which identifies the project site, adjacent streets and other identifiable objects, (c) line drawings or sketches of the project and (d) photographs of the affected properties if building demolition or renovation is involved. This material must be submitted to the SHPO no later than submission of this Form to Rural Development. Additionally, the SHPO must be requested to submit comments on the proposed project to the Rural Development office processing your application.

Item 3 - Self-explanatory.

Item 4 - Self-explanatory.

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS		2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached)		
3. LENDER ID NO.	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED		

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name	2. County(ies)	3. State	4. NFIP Community Number

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

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A")	2. NFIP Map Panel Effective/ Revised Date	3. LOMA/LOMR	4. Flood Zone	5. No NFIP Map
		YES Date		

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

1. Federal Flood Insurance is available (Community participates in NFIP). Regular Program Emergency Program of NFIP
2. Federal Flood Insurance is not available because community is not participating in the NFIP.
3. Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA). Federal Flood Insurance may not be available.
CBRA/OPA Designation Date:

D. DETERMINATION

IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")? YES NO

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.

E. COMMENTS (Optional)

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.

F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)	DATE OF DETERMINATION

STANDARD FLOOD HAZARD DETERMINATION FORM INSTRUCTIONS
PAPERWORK BURDEN DISCLOSURE NOTICE

Public reporting burden for this data collection 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 this form. You are not required to respond to this collection of information unless a valid OMB control number is displayed on 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 (1660-0040) NOTE: Please do not send your completed form to the above address.

SECTION 1

1. LENDER NAME: Enter lender name and address.
2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS: Enter property address for the insurable collateral. In rural areas, a postal address may not be sufficient to locate the property. In these cases, legal property descriptions may be used and may be attached to the form if space provided is insufficient.
3. LENDER ID NO: The lender funding the loan should identify itself as follows: FDIC-insured lenders should indicate their FDIC Insurance Certificate Number; Federally-insured credit unions should indicate their charter/insurance number; Farm Credit institutions should indicate their UNINUM number. Other lenders who fund loans sold to or securitized by FNMA or FHLMC should enter FNMA or FHLMC seller/service number.
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. Lenders may exceed the minimum federal requirements. National Flood Insurance Program (NFIP) policies do not provide coverage in excess of the 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; Worchester, 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. LOMA/LOMR. If a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) has been issued by FEMA since the current Map Panel Effective/Revised Date that revises the flood hazards affecting the building or mobile home, check "yes" and specify the date of the letter; otherwise, no entry is required. Information on LOMAs and LOMRs is available from the following sources:

* The community's official copy of its NFIP map should have a copy of all subsequently-issued LOMAs and LOMRs attached to it.

* For LOMAs and LOMRs issued on or after October 1, 1994, FEMA publishes a list of these letters twice a year as a compendium in the Federal Register. This information is also available on FEMA's website at <http://msc.fema.gov>.

* A subscription service providing digitized copies of these letters on CD-ROM is also available by calling 1-800-358-9616.

4. Flood Zone. Enter the flood zone(s) covering the building or mobile home. (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 Special Flood Hazard Areas (SFHAs). 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. Check all boxes that apply; however, note that boxes 1 (Federal Flood Insurance is available ...) and 2 (Federal Flood Insurance is not available ...) are mutually exclusive. Federal flood insurance is available to all residents of 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://msc.fema.gov>. 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 designated Coastal Barrier Resources Areas (CBRA) and Otherwise Protected Areas (OPAs) 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 may be obtained on FEMA's website at <http://www.fema.gov/nfip/cobra.shtml>.

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.

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 hazard determination was completed.

MULTIPLE BUILDINGS: If the loan collateral includes more than one building, a schedule for the additional buildings/mobile homes indicating the determination for each may be attached. Otherwise, a separate form must be completed for each building or mobile home. Any attachments should be noted in the comment section. A separate flood insurance policy is required for each building or mobile home.

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: 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 <http://www.fema.gov/nfip/sfhform.shtml>.

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.

Environmental Responsibilities of USDA Rural Development

USDA Rural Development has established written policies and procedures designed to ensure that its rural housing, business/cooperative, community development and utility programs comply with the environmental requirements of the National Environmental Policy Act, as well as other environmental statutes, Executive Orders and USDA regulations. Rural Development program goals are developed and advanced in a manner that will protect, enhance, and restore the environment. Environmental quality is given equal consideration with economic, social, and other relevant factors in program development and decision making processes.

Before Rural Development can agree to provide financial assistance for a special project, it must consider the environmental impacts of the proposed action and ensure that steps are taken to avoid or mitigate any adverse environmental impacts. This analysis of environmental impacts is accomplished through consultation with applicants and borrowers; other Federal, State and local agencies; Indian tribes; and interested public parties.

An environmental review document is prepared. The extent of analysis and level of detail reflected in the environmental review will depend on the size and complexity of the proposal and the scope and intensity of the expected environmental impacts. The environmental review is used as a management tool in the planning process to help Rural Development and the applicant or borrower to make better decisions based on an understanding of the environmental consequences of the proposal, and to take actions to avoid or minimize environmental impacts.

How Rural Development Environmental Reviews are Classified

USDA Rural Development uses a four-tiered classification system that considers the size and complexity of the project or action and the magnitude of the expected environmental impact. The extent of the environmental analysis depends on these four levels of classification:

Categorical Exclusion: Actions that do not have a significant impact on the quality of the human environment. (RD Instruction 1940.310)

Class 1: Actions that involve small-scale projects having limited environmental impacts. (RD Instruction 1940.311)

Class 2: Actions that create the potential for more varied and substantial environmental impacts. (RD Instruction 1940.312)

Environmental Impact Statements: Actions that are determined to have a significant impact on the quality of the human environment. (RD Instruction 1940.313)

Applicant and Lender Responsibilities

Rural Development expects applicants (and in the case of guaranteed loans, lenders and the lender's clients) to consider the potential environmental impacts of their proposal at the earliest planning stages and to develop proposals that minimize adverse environmental impacts. Prospective applicants and lenders should contact the USDA Rural Development office to identify

environmental requirements as soon as possible after the decision to pursue funding has been made. Applicants and lenders will be required to assist Rural Development to evaluate the proposal's potential environmental impacts and may be requested to publish public notices to inform and involve the public in the environmental impact analysis, to assist in the investigation of project alternatives, and implement measures to mitigate or minimize potential adverse impacts.

Protected Environmental Resources

Some of the environmental resources that deserve special consideration in the applicant's planning process and that will be examined by Rural Development through its environmental review process are:

- **Coastal barrier resources**
- **Coastal zone management areas**
- **Endangered/threatened species or critical habitat**
- **Floodplains**
- **Historic and archaeological sites**
- **Important farmland**
- **Prime forest lands**
- **Prime range lands**
- **National landmarks**
- **Sole source aquifer recharge areas**
- **Water**
- **Wild and scenic rivers**
- **Wilderness areas**
- **Wetlands**

Public Involvement

The National Environmental Policy Act encourages participation of Federal and State Agencies and any interested or affected citizens and organizations in the environmental review process. Rural Development environmental regulations require that interested parties be able to obtain information on the status of environmental reviews of all projects and that they have the opportunity to comment on the potential environmental impacts of specific projects. The regulations also ensure that interested parties have access to environmental documents supporting Rural Development decisions.

To Obtain Technical Help

USDA Rural Development office staff will help applicants and borrowers integrate environmental considerations into the planning and design of their project proposals as early in the planning process as possible. If appropriate, Rural Development staff will recommend alternative actions, including mitigation measures that can be taken to minimize adverse impacts.

For Additional Information

Wetlands:

<http://wetlandsfws.er.usgs.gov/wtlnds/launch.html>

Topography (including aerial photos & maps):

<http://msrmaps.com/advfind.aspx>

Regional Planning Councils

Districts	Councils	Counties		Executive Directors
1	West Florida	Bay Escambia Holmes Okaloosa	Santa Rosa Walton Washington	Terry Joseph 4081 East Olive Road, Suite A Pensacola, FL 32514 850.332.7976 Fax1: 850.637.1923 Fax2: 850.637.1932 Email: joseph@wfrpc.dst.fl.us Website: wfrpc.org
2	Apalachee	Calhoun Franklin Gadsden Gulf Jackson	Jefferson Leon Liberty Wakulla	Charles D. Blume 20776 Central Avenue East Blountstown, FL 32424 850.674.4571 Fax: 850.674.4574 <u>Tallahassee Office</u> 850.488.6211 Fax: 850.488.1616 Email: cblume@gtcom.net Website: thearpc.com
3	North Central Florida	Alachua Bradford Columbia Dixie Gilchrist Hamilton	Lafayette Madison Suwannee Taylor Union	Scott R. Koons 2009 NW 67 Place Gainesville, FL 32653-1603 352.955.2200 Fax: .352.955.2209 Email: koons@ncfrpc.org Website: ncfrpc.org
4	Northeast Florida	Baker Clay Duval Flagler	Nassau Putnam St. Johns	Brian D. Teeple 6850 Belfort Oaks Place Jacksonville, FL 32216 904.279.0880 Fax: 904.279.0881 Email: bteeple@nefrpc.org Website: nefrpc.org
5	Withlacoochee	Citrus Hernando Levy	Marion Sumter	Michael Moehlman 1241 SW 10th Street Ocala, FL 34474-2798 352.732.1315 Fax: 352.732.1319 Email: moehlman@wrpc.cc Website: wrpc.cc

6	East Central Florida	Brevard Lake Orange	Osceola Seminole Volusia	Philip Laurien 309 Cranes Roost Blvd., Suite 2000 Altamonte Springs, FL 32701 407.262.7772 Fax: 407.262.7788 Email: plaurien@ecfrpc.org Website: ecfrpc.org
7	Central Florida	DeSoto Hardee Highlands	Okeechobee Polk	Patricia M. Steed 555 East Church Street Bartow, FL 33830 863.534.7130 Fax: 863.534.7138 Email: psteed@cfrpc.org Website: www.cfrpc.org
8	Tampa Bay	Hillsborough Manatee	Pasco Pinellas	Manny L. Pumariega 4000 Gateway Centre Blvd., Suite Pinellas Park, FL 33782 727.570.5151 Fax: 727.570.5118 Email: manny@tbrpc.org Website: tbrpc.org
9	Southwest Florida	Charlotte Collier Glades	Hendry Lee Sarasota	Ken Heatherington 1926 Victoria Ave. Fort Myers, FL 33901 239.338.2550 Fax: 239.338.2560 Email: kheatherington@swfrpc.org Website: swfrpc.org
10	Treasure Coast	Indian River Martin	Palm Beach St. Lucie	Michael J. Busha 421 S.W. Camden Avenue Stuart, FL 34994 772.221.4060 Fax: 772.221.4067 Email: mbusha@tcrpc.org Website: tcrpc.org
11	South Florida	Broward Dade	Monroe	Jack Osterholt (Interim) 3440 Hollywood Blvd., Suite 140 Hollywood, FL 33021 954.985.4416 Fax: 954.985.4417 Email: josterholt@sfrpc.com Website: sfrpc.com Revised 12/10

STATE AGENCIES FOR FLORIDA

Barbara Mattick
State Historic Preservation Officer
Bureau of Historic Preservation
500 S Bronough St.
Tallahassee, FL 32399-0250
Phone: 850-245-6333
Fax: 850-245-6437
bmattick@dos.state.fl.us

Florida State Clearinghouse
Department of Environmental Protection
Attn: Environmental Manager
3900 Commonwealth Blvd.
Mail Station #47
Tallahassee, FL 32399-3000
Phone : 850-245-2161
Fax : 850-245-2189

AGENCIES FOR THE VIRGIN ISLANDS

Government of the Virgin Islands of the
United States
Department of Planning & Natural
Resources
Cyril E. King Airport
Terminal Bldg., 2nd Floor
St. Thomas, VI 00802
Phone: 340-774-3320

Government of the Virgin Islands of the
United States
Office of Management & Budget
#41 Norre Gade
Emancipation Garden Station, 2nd Floor
St. Thomas, VI 00802
Phone: 340-774-0750
Fax: 340-776-0069

THREATENED AND ENDANGERED SPECIES

USDA/Rural Development may not participate in any action that would jeopardize the existence of any species or its associated critical habitat as listed by the United States Fish and Wildlife Service. Determinations must be made on all proposals as to the presence of threatened or endangered species in the project area. Information regarding the type and location of listed species may be obtained from the following office:

U.S. Fish and Wildlife Service
6620 Southpoint Drive South
Suite 310
Jacksonville, FL 32216-0958
Phone: 904-232-2580
Fax: 904-232-2404

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>

Coastal Barrier Resource System

General locations include but are not limited to:

Talbot Islands-Duval Co. Conch	Unias Beach-St. Johns. Co.
Island-St. Johns Co.	Matanzas River-St. Johns Co.
Ormond-By-The-Sea-Volusia Co.	Ponce Inlet-Volusia Co.
Smyrna Beach-Volusia Co.	Coconut Point-Brevard Co.
Vero Beach-Indian River Co.	Blue Hole-Indian River & St. Lucie Co.
Hutchinson Island-St. Lucie Co.	Hobe Sound-Martin Co.
Jupiter Island-Martin Co.	North Hollywood Beach-Broward Co.
Cape Romano Island-Collier Co.	Keewaydin Island-Collier Co. Bodwitch
Lovers Key-Lee Co.	Point-Lee Co.
Sanibel Island-Lee Co. Cayo	North Captive Island-Lee Co.
Costa-Lee Co. Manasota Key	Bocilla Island-Charlotte Co.
Sarasota Co. Longboat Key	Casey Key-Sarasota Co.
Manatee Co. Mandala Point	The Reefs-Pinellas Co.
Pinellas Co. Pepperfish Key-	Atsena Otie Key-Levy Co.
Dixie Co. Dog Island-Franklin	Ochlockonee Area –Franklin & Wakulla Co.
Co.	Cape San Blas-Gulf Co.
St. Andrew Area-Bay Co.	Four Mile Village-Walton Co.
Moreno Point-Okaloosa & Walton Co.	

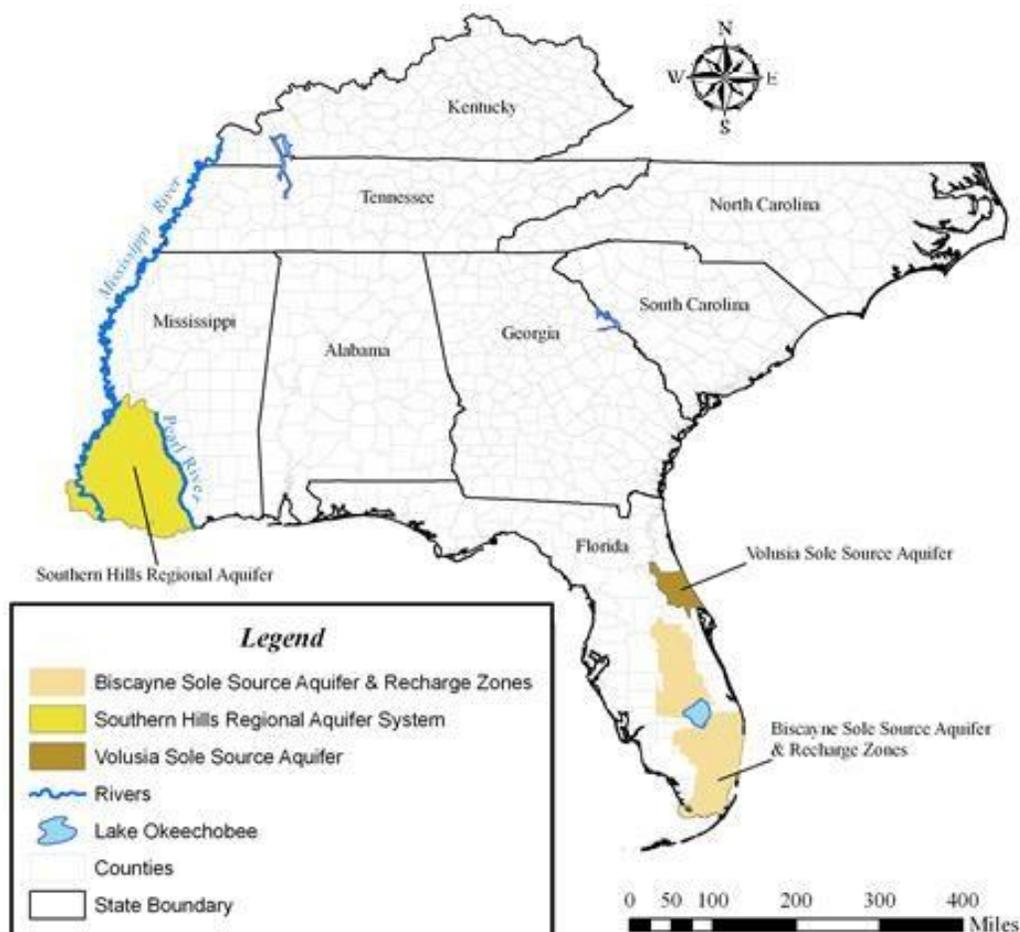
To determine if property is located within a Coastal Barrier Resource System, check the FEMA Flood Maps at <https://msc.fema.gov>

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:

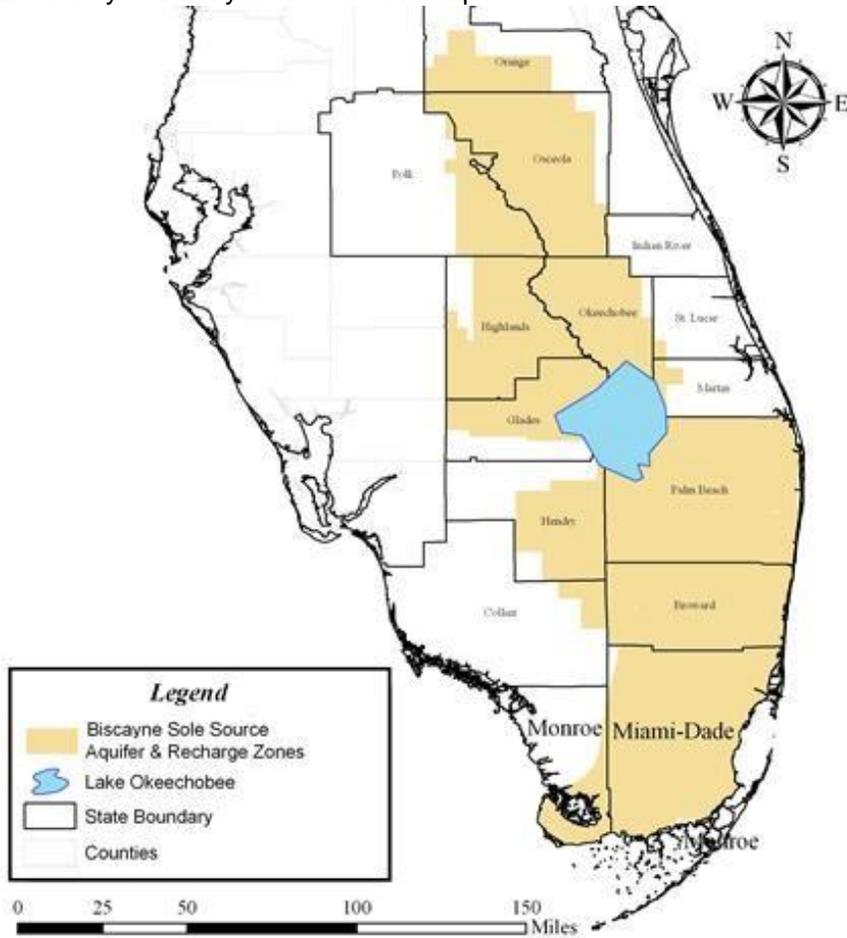
U.S. Environmental Protection Agency
Region 4
Groundwater & Drinking Water Branch
Sam Nunn Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, GA 30303-3104
Phone: 404-562-9424
Fax: 404-562-9439
www.epa.gov/region4/

Approximate Boundaries of Region 4 Sole Source Aquifers:



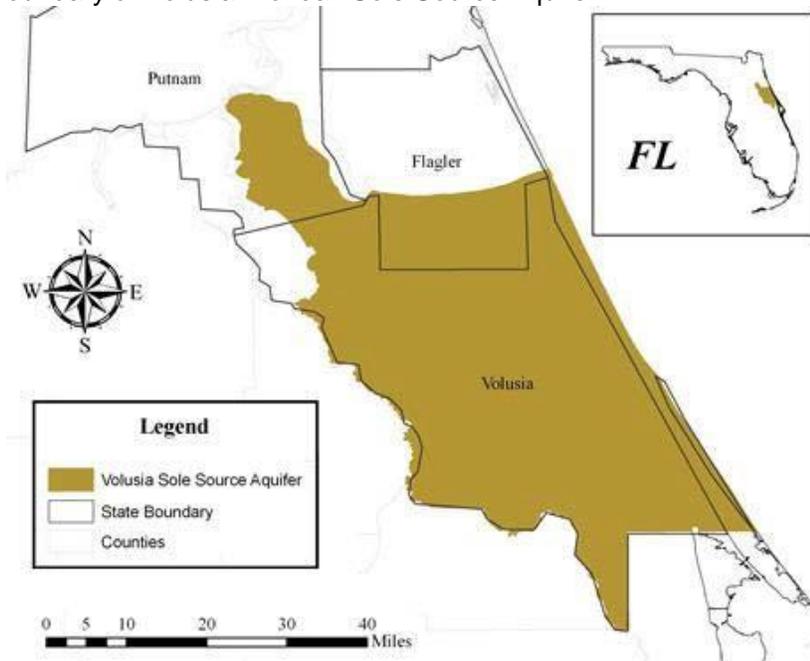
Biscayne Sole Source Aquifer

Approximate Boundary of Biscayne Sole Source Aquifer

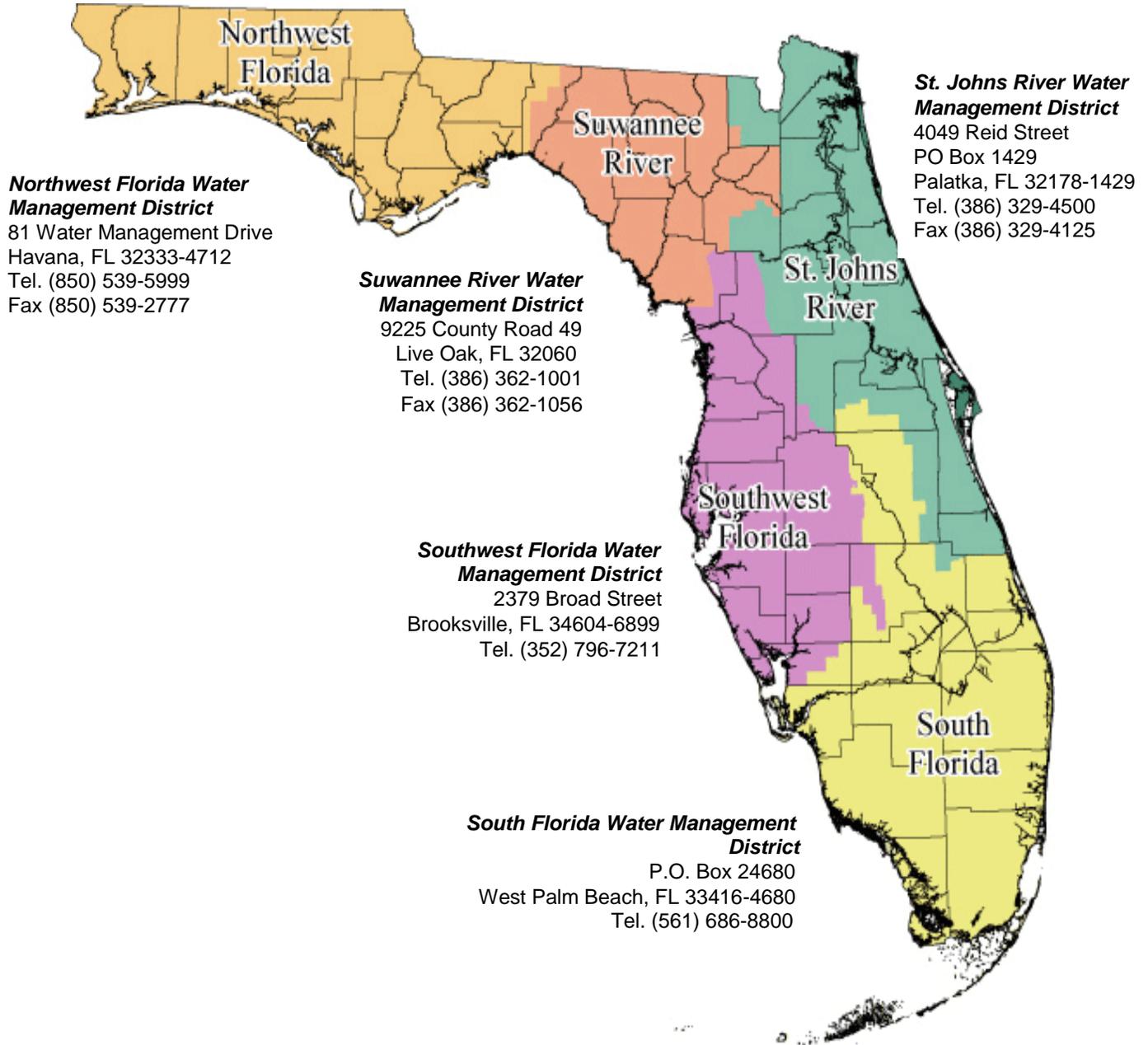


Volusia-Floridan Sole Source Aquifer

Approximate Boundary of Volusia-Floridan Sole Source Aquifer



Florida Water Management Districts



**Natural Resource Conservation Service (NRCS)
State Office**

<u>Post Office Address</u> Box 141510 Gainesville, FL 32614-1510	<u>Street Address</u> 2614 NW 43 rd Street Gainesville, FL 32606-6611
Telephone 352-338-9500 Human	Fax Numbers: 1 st floor, Main 352-338-9574 Resources 352-338-9575 2 nd floor 352-338-9578
Visit us on the internet: http://www.fl.nrcs.usda.gov	

Administrative Area 1 - Marianna

Administrative Area Office – Jackson County 850-482-2002
 4155 Hollis Drive 850-526-2218 (Fax)
 Marianna, FL 32448-2708

Jeff Norville ASTC/Field Office Operations Jeff.Norville@fl.usda.gov
 Violet M. Whitman Area Administrative Coordinator Violet.Whitman@fl.usda.gov

Administrative Area 2 – Lake City

Administrative Area Office (Columbia County) 386-755-5100/5101
 2080 SW Main Blvd. 386-752-7866 (Fax)
 Lake City, FL 32025-4212

Frank E. Ellis ASTC/Field Office Operations Frank.Ellis@fl.usda.gov
 Teal O’Neal Area Administrative Coordinator Teal.Oneal@fl.usda.gov

Administrative Area 3 -Palmetto

Administrative Area Office (Manatee County) 941-729-6804
 324 8th Avenue, West, Suite 104 941-722-8133 (Fax)
 Palmetto, FL 34221

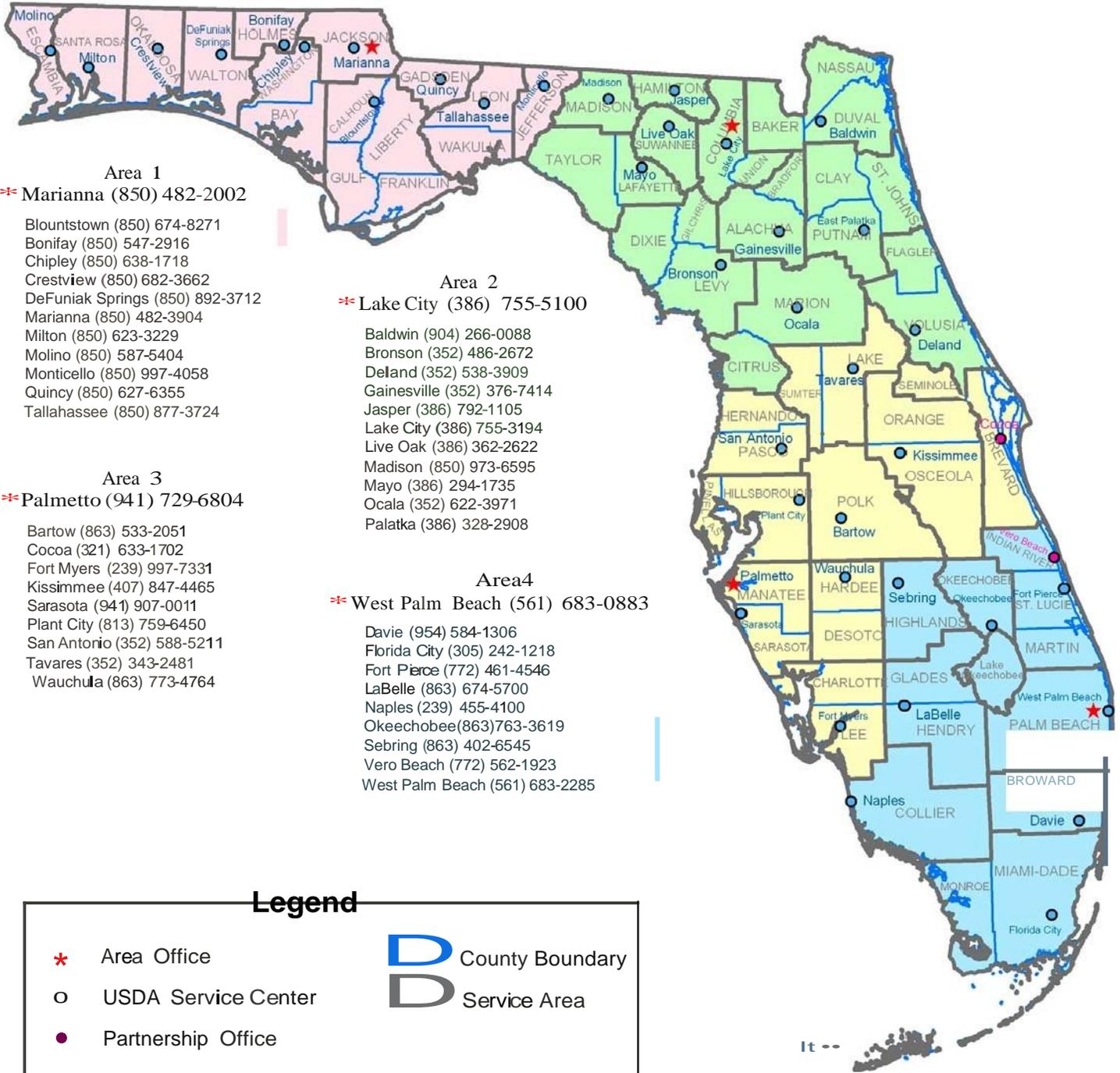
Jeff White ASTC/Field Office Operations jeffrey.white@fl.usda.gov
 Carolinda Batson Area Administrative Coordinator carolinda.batson@fl.usda.gov

Administrative Area 4 –West Palm Beach

Administrative Area Office (Palm Beach County) 561-792-2811
 420 S. State Road 7, Suite 160 561-792-2821 (Fax)
 Royal Palm Beach, FL 33414-4306

Jeff Schmidt Area Conservationist jeff.schmidt@fl.usda.gov
 Deborah Lee Secretary deborah.lee@fl.usda.gov

NRCS ADMINISTRATIVE AREAS & FIELD SERVICE CENTERS FLORIDA



Area 1

✧ Marianna (850) 482-2002

- Blountstown (850) 674-8271
- Bonifay (850) 547-2916
- Chipley (850) 638-1718
- Crestview (850) 682-3662
- DeFuniak Springs (850) 892-3712
- Marianna (850) 482-3904
- Milton (850) 623-3229
- Molino (850) 587-5404
- Monticello (850) 997-4058
- Quincy (850) 627-6355
- Tallahassee (850) 877-3724

Area 2

✧ Lake City (386) 755-5100

- Baldwin (904) 266-0088
- Bronson (352) 486-2672
- Deland (352) 538-3909
- Gainesville (352) 376-7414
- Jasper (386) 792-1105
- Lake City (386) 755-3194
- Live Oak (386) 362-2622
- Madison (850) 973-6595
- Mayo (386) 294-1735
- Ocala (352) 622-3971
- Palatka (386) 328-2908

Area 3

✧ Palmetto (941) 729-6804

- Bartow (863) 533-2051
- Cocoa (321) 633-1702
- Fort Myers (239) 997-7331
- Kissimmee (407) 847-4465
- Sarasota (941) 907-0011
- Plant City (813) 759-6450
- San Antonio (352) 588-5211
- Tavares (352) 343-2481
- Wauchula (863) 773-4764

Area 4

✧ West Palm Beach (561) 683-0883

- Davie (954) 584-1306
- Florida City (305) 242-1218
- Fort Pierce (772) 461-4546
- LaBelle (863) 674-5700
- Naples (239) 455-4100
- Okeechobee (863) 763-3619
- Sebring (863) 402-6545
- Vero Beach (772) 562-1923
- West Palm Beach (561) 683-2285

Legend

- ✧ Area Office
- USDA Service Center
- Partnership Office
- County Boundary
- Service Area



0 25 50 100 150 200 250
Miles

FLORIDA

August 2009

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 53.



United States Department of Agriculture