

**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?	<input type="checkbox"/> OK
4. Contact Person	5. Mailing Address	6. Project Street Address	Population?	_____
7. Contact phone number	8. City	9. County	Rural?	<input type="checkbox"/> OK
10. E-mail address (optional)	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?	<input type="checkbox"/> 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?	<input type="checkbox"/> OK
22. If purpose of loan is a transfer of ownership or debt refinance, explain how this will save or create jobs.			Justified.	<input type="checkbox"/> 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	\$	<input type="checkbox"/> OK
			M / F	%	Y / N		Y / N	\$	<input type="checkbox"/> OK
			M / F	%	Y / N		Y / N	\$	<input type="checkbox"/> OK
			M / F	%	Y / N		Y / N	\$	<input type="checkbox"/> OK
			M / F	%	Y / N		Y / N	\$	<input type="checkbox"/> OK
			M / F	%	Y / N		Y / N	\$	<input type="checkbox"/> 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?	<input type="checkbox"/> 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:
 - 1 Report your name and account information to a credit reporting agency.
 - 1 Assess interest and penalty charges for the period of time that payment is not made.
 - 1 Assess charges to cover additional administrative costs incurred by the Government to service your account.
 - 1 Offset amounts to be paid to you under other Federal programs.
 - 1 Refer your account to a private collection agency to collect the amount due.
 - 1 Foreclosure on any security you have given for the loan.
 - 1 Pursue legal action to collect through the courts.
 - 1 Report any written off debt to the Internal Revenue Service as taxable income.
 - 1 If you are a current or retired Federal employee, take action to offset your salary or civil service retirement benefits.
 - 1 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:

- 1 To provide the basis for borrower success stories in USDA news releases.
- 1 Referral to the appropriate law enforcement agency as required by 40 FR 38924 (1975).
- 1 Referral to employees, businesses, landlords, creditors, or others to determine repayment ability and eligibility for USDA programs-
- 1 Referral to a contractor providing services to USDA in connection with your loan.
- 1 Referral to a credit reporting agency.

- 1 Referral to a person or organization when USDA decides such referral is appropriate to assist in the collection or servicing of the loans.
- 1 Referral to the Treasury Department pursuant to the Debt Collection Improvement Act..
- 1 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	Shaded area for USDA use only 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 %		Shaded area for USDA use only. Eligible amount? <input type="checkbox"/> OK Reasonable rates & terms? <input type="checkbox"/> 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

Shaded area for USDA use only				
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? <input type="checkbox"/> 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/TangibleAssets)	%	NA	NA

Shaded area for USDA use only

≥ 10% for existing business:	<input type="checkbox"/> OK	15% Equity if loan ≤ \$600 000	<input type="checkbox"/> OK
≥ 20% for new business:	<input type="checkbox"/> OK	25% Equity if loan > \$600 000	<input type="checkbox"/> 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 Adequate? <input type="checkbox"/> OK
RE		*	\$	%	\$	\$	
RE		*	\$	%	\$	\$	
M&E		*	\$	%	\$	\$	
M&E		*	\$	%	\$	\$	
Inventory		*	\$	%	\$	\$	
A/R		*	\$	%	\$	\$	
Other		*	\$	%	\$	\$	
Other		*	\$	%	\$	\$	
	Total		\$		\$	\$	

*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 Adequate? <input type="checkbox"/> OK Adequate? <input type="checkbox"/> OK Adequate? <input type="checkbox"/> OK
Hazard		\$	
Key person life		\$	
Business Interruption (9006 only)		\$	

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.