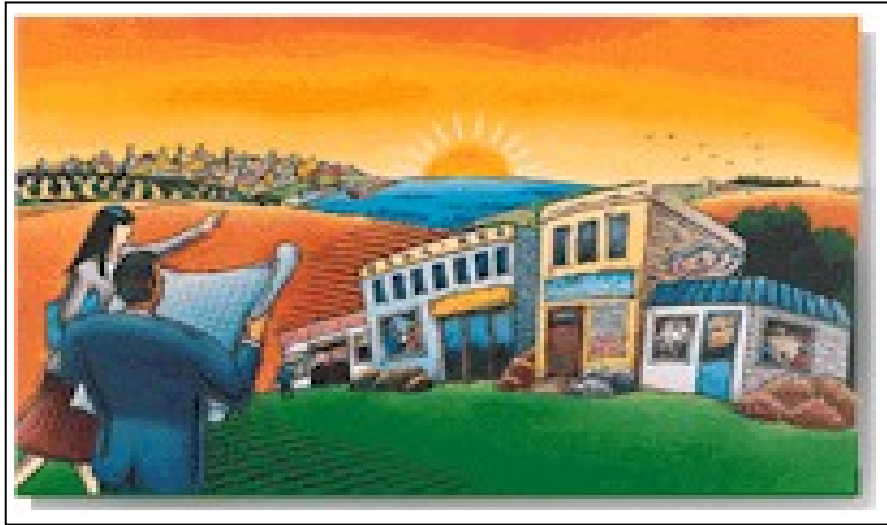


BUSINESS PROGRAM **LOAN** **GUARANTEES**



RURAL DEVELOPMENT BUSINESS & COOPERATIVE PROGRAMS

Revised 02/08



*USDA Rural Development
Florida/Virgin Islands
4440 NW 25th Place
P.O. Box 147010
Gainesville, FL 32614-7010*

*Rural Development
Business &
Cooperative Programs
Telephone: (352) 338-3482
FAX: (352) 338-3450
TDD: (352) 338-3499
www.rurdev.usda.gov/fl*

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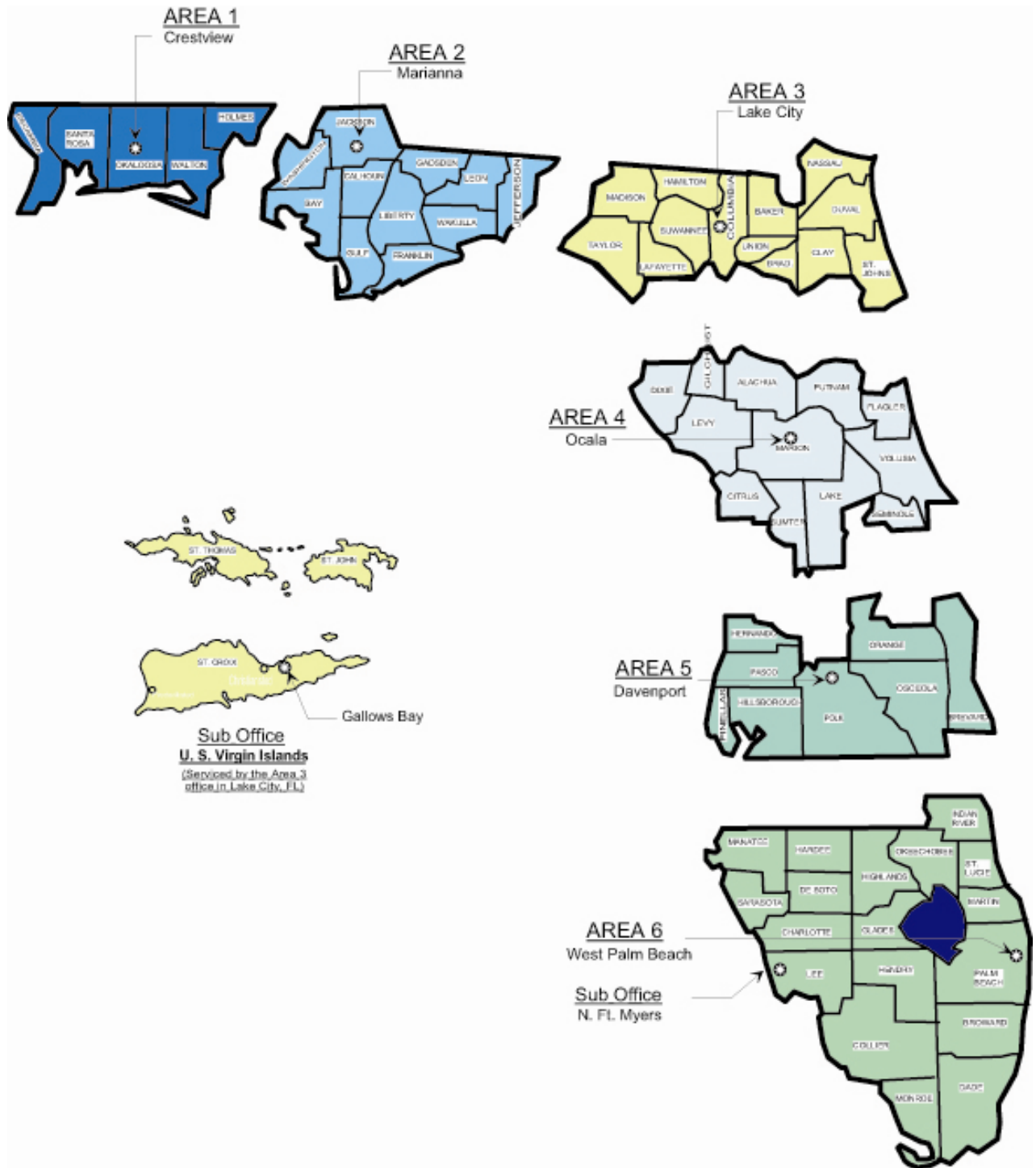
**RURAL DEVELOPMENT
BUSINESS & COOPERATIVE PROGRAMS
FLORIDA**

STATE OFFICE
Joseph M. Mueller
B&C Programs Director

4440 NW 25th Place (32606)
PO Box 147010
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 Joseph Fritz Area Director	932 N Ferdon Blvd. Suite B Crestview, FL 32536 Phone: 850-682-2416, Ext. 4 Fax: 850-682-8731 Email: joe.fritz@fl.usda.gov
Area Office II Jim Dean Area Director	2741 Pennsylvania Avenue Suite 5 Marianna, FL 32448-4014 Phone: 850-526-2610 Ext. 5 Fax: 850-526-7534 Email: jim.dean@fl.usda.gov
Area Office III Peggy S. Johns Area Director	971 W Duval Street Suite 190 Lake City, FL 32055-3736 Phone: 386-719-5590 Fax: 386-754-4139 Email: peggy.johns@fl.usda.gov
Area Office III Sub-Office	5030 Anchor Way Suite 4 Gallows Bay, St. Croix, VI 00820 Phone: 340-773-9146 Fax: 340-692-9607
Area Office IV Roderick Quainton Area Director	2303 NE Jacksonville Road Suite 400 Ocala, FL 34470 Phone: 352-732-7534, Ext. 5 Fax: 352-732-9728 Email: roderick.quainton@fl.usda.gov
Area Office V Vernon M. Fuller Area Director	2629 Waverly Barn Road Suite 129 Davenport, FL 33897 Phone: 863-420-4833 Fax: 863-424-7333 Email: vernon.fuller@fl.usda.gov
Area Office VI Gregory L. Caruthers Area Director	750 S Military Trail Suite J West Palm Beach, FL 33415 Phone: 561-683-2285, Ext. 5 Fax: 561-683-6249 Email: greg.caruthers@fl.usda.gov
Area Office VI Sub-Office	3434 Hancock Bridge Parkway Suite 209-A N Ft Myers, FL 33903-7557 Phone: 239-997-7331 Fax: 239-997-7557



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 can guarantee losses 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.

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
- ✦ Investor-type loans – shopping centers, mini-storage facilities

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

Fees and Charges

There are two types of non-refundable guarantee fees

- Initial Guarantee Fee – 2 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 2008, rate is ¼% multiplied by the principal balance of the guaranteed portion of the loan.

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: www.rurdev.usda.gov/rbs/.
- 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 determined in accordance with Generally Accepted Accounting Principles (GAAP)
- Collateral – Collateral must secure the entire loan. Repayment of the loan must be reasonably assured. 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 - Quality loans of up to \$10 million may be made by lenders to rural businesses with a guarantee of up to 80% against any loss of principal or interest on the loan. The Administrator may, at his discretion, approve a loan up to \$25 million for certain high impact/high priority projects.

Loan amount 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.

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

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)

Jennifer L. Bruce, Business & Cooperative Specialist (jennifer.bruce@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.

Business & Industry Guaranteed Loan Checklist

4279.161 (b)(c)	<u>Rural Development Instruction 4279-B</u> http://www.rurdev.usda.gov/regs/regs/pdf/4279b.pdf Maximum guaranteed loan – \$10 million with some exceptions up to \$25 million and up to \$40 million on rural cooperatives that process value-added agricultural commodities.	Guaranteed Loans \$600,000 or less	Guaranteed Loans > \$600,000
1	APPLICATION INFORMATION		
	4279-1 “Application for Loan Guarantee” including certification pages for applicant and lender. Forms available at: http://www.rurdev.usda.gov/regs/formstoc.html#4200	N/A	X
	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>)	X	N/A
	4279-2 “Certification of Non-Relocation and Market Capacity Information Report” when loan exceeds \$1 million and direct employment will increase by more than 50 employees	N/A	X
	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 C. 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	X	X
	Certification by lender that it has completed a comprehensive written analysis of the proposal, the applicant is eligible, the loan is for authorized purposes, and there is reasonable assurance of repayment ability based on the borrower’s history, projections and equity, and the collateral to be obtained.	In lender’s file	X
	Lender’s Proposed Loan Agreement (see page 9 for required provisions)	X	X
	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 corporate parent, affiliates, and subsidiaries.	In lender’s file	X
2	FINANCIAL STATEMENTS		
	Pro forma Balance Sheet at startup	X	X
	Interim financials (less than 90 days)	X	X
	Balance sheets (2 years of projected year-end)	X	X
	Income and expense statements (2 years of projected year-end)	X	X
	Cash flow statements (2 years of projected year-end)	X	X
	For existing business, 3 years historical financial statements on the applicant, any parent, affiliate, and subsidiary	X	X
	Aging of Accounts Receivable and Accounts Payable (existing business only)	X	X
	Current personal & corporate financial statements of guarantors (<90 days)	In lender’s file	X
	Personal credit reports for all with 20% or more interest in the applicant	In lender’s file	X
	Commercial credit reports on the applicant, any parent, affiliate, and subsidiary	In lender’s file	X
	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	X
	Certificate of need for health care facilities (if required by statute)	N/A	X

4279.161 (b)(c)	<u>Rural Development Instruction 4279-B</u> http://www.rurdev.usda.gov/regs/regs/pdf/4279b.pdf Maximum guaranteed loan – \$10 million with some exceptions up to \$25 million and up to \$40 million on rural cooperatives that process value-added agricultural commodities.	Guaranteed Loans \$600,000 or less	Guaranteed Loans > \$600,000
3	ENVIRONMENTAL INFORMATION – Consult with our office to determine the level of environmental review required.		
	1940-20 “Request for Environmental Information” + attachments	X	X
	Standard Flood Hazard Determination (FEMA Form 81-93)	X	X
	Standard Form 424 signed by applicant	X	X
	Borrower and Lender letter (see page 8 for details)	X	X
	Intergovernmental consultation comments – Send Borrower and Lender letter with Form 424 to the following government offices (see page 93 for addresses and contact persons): ___ State Clearinghouse ___ Regional Planning Council ___ State Historic Preservation Office	X	X
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). - Copy of appropriate environmental site assessment, if available	X	X
	(B) Chattels: In accordance with normal banking practices and generally accepted methods of determining value.	X	X
5	FEASIBILITY INFORMATION		
	Comprehensive Independent Feasibility Study, if required by the Agency (see page 11)	In lender's file	X
6	MISCELLANEOUS INFORMATION		
	Copy of legal entity documents	X	X
	Certification by the applicant concerning any pending or final regulatory or legal action applicant or owners and any delinquent indebtedness to the Federal Government	X	X
	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, etc.	X	X

Please submit information in a 3 ring binder, tabbed as indicated above.

Applications and related materials must be submitted to:

**State Office of USDA Rural Development
ATTN: Business and Cooperative Programs
4440 NW 25th Place
Gainesville, FL 32606**

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.

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

A feasibility study by a recognized independent consultant may be required by the Agency for start-up businesses or existing businesses when the project will significantly affect the borrower's financial operations. An acceptable feasibility study should include, but not be limited to:

(a) Economic feasibility. Information related to the project site; availability of trained or trainable labor; utilities; rail, air, and road service to the site; and the overall economic impact of the project.

(b) Market feasibility. Information on the sales organization and management, nature and extent of market and market area, marketing plans for sale of projected output, extent of competition, and commitments from customers or brokers.

(c) Technical feasibility. Technical feasibility reports shall be prepared by individuals who have previous experience in the design and analysis of similar facilities or processes proposed in the application. The technical feasibility reports shall address the suitability of the selected site for the intended use including an environmental impact analysis. The 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. The 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. The report shall also identify and estimate project operating and development costs and specify the level of accuracy of these estimates and the assumptions on which these estimates have been based. For the purpose of the technical feasibility reports, the 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.

(d) Financial feasibility. An opinion on the reliability of the financial projections and the ability of the business to achieve the projected income and cash flow. An assessment of the cost accounting system, the availability of short-term credit for seasonal business, and the adequacy of raw materials and supplies.

(e) Management feasibility. Evidence that continuity and adequacy of management has been evaluated and documented as being satisfactory.

oOo

(12-23-96) SPECIAL PN

**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		2. DATE SUBMITTED	Applicant Identifier
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name:		Organizational Unit:	
Organizational DUNS:		Department:	
Address:		Division:	
Street:		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City:		Prefix:	First Name:
County:		Middle Name	
State: Zip Code		Last Name	
Country:		Suffix:	
		Email:	

6. EMPLOYER IDENTIFICATION NUMBER (EIN): □□-□□□□□□□□	Phone Number (give area code)	Fax Number (give area code)
--	-------------------------------	-----------------------------

8. TYPE OF APPLICATION: <input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) <input type="checkbox"/> <input type="checkbox"/> Other (specify)	7. TYPE OF APPLICANT: (See back of form for Application Types) Other (specify)
9. NAME OF FEDERAL AGENCY:	

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): □□-□□□□	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:
--	--

12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):
--

13. PROPOSED PROJECT Start Date: Ending Date:	14. CONGRESSIONAL DISTRICTS OF: a. Applicant b. Project
--	--

15. ESTIMATED FUNDING:	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal \$.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:
b. Applicant \$.00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372
c. State \$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
d. Local \$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
e. Other \$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input type="checkbox"/> No
f. Program Income \$.00	
g. TOTAL \$.00	

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative		
Prefix	First Name	Middle Name
Last Name		Suffix
b. Title		c. Telephone Number (give area code)
d. Signature of Authorized Representative		e. Date Signed

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 style="width: 100%; border: none;"> <tr> <td style="width: 50%;">A. State</td> <td style="width: 50%;">I. State Controlled Institution of Higher Learning</td> </tr> <tr> <td>B. County</td> <td>J. Private University</td> </tr> <tr> <td>C. Municipal</td> <td>K. Indian Tribe</td> </tr> <tr> <td>D. Township</td> <td>L. Individual</td> </tr> <tr> <td>E. Interstate</td> <td>M. Profit Organization</td> </tr> <tr> <td>F. Intermunicipal</td> <td>N. Other (Specify)</td> </tr> <tr> <td>G. Special District</td> <td>O. Not for Profit Organization</td> </tr> <tr> <td>H. Independent School District</td> <td></td> </tr> </table>	A. State	I. State Controlled Institution of Higher Learning	B. County	J. Private University	C. Municipal	K. Indian Tribe	D. Township	L. Individual	E. Interstate	M. Profit Organization	F. Intermunicipal	N. Other (Specify)	G. Special District	O. Not for Profit Organization	H. Independent School District		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 Institution of Higher Learning																		
B. County	J. Private University																		
C. Municipal	K. Indian Tribe																		
D. Township	L. Individual																		
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G. Special District	O. Not for Profit Organization																		
H. Independent School District																			
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 style="width: 100%; border: none;"> <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.																		

20. PROVIDE INFORMATION BELOW ON KEY PEOPLE (PROPRIETOR, PARTNERS, OFFICERS, DIRECTORS, KEYS 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 materials 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 9006 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 9006 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.

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 190 1. 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 thereof

B. Recipient shall:

- (1) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain compliance with this agreement and the regulations.
- (2) Permit access by authorized employees of the USDA during normal business hours to such books, records, accounts and other sources of information and its facilities as may be pertinent to ascertaining such compliance.
- (3) Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the USDA finds necessary to inform such persons of the protection assured them against discrimination.

C. The obligations of this agreement shall continue:

- (1) As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer.
- (2) As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.
- (3) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.

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

- (1) Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
- (2) Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or 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 11246, 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 Account 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 information not clearly marked "Confidential" may routinely be released if a request is received for same. Further, if we receive a request for information marked "Confidential," the Federal Government will release the information unless you can demonstrate to our satisfaction that release of the information would be likely to produce substantial competitive harm to your business or would constitute a clearly unwarranted invasion of personal privacy. Also, forms, consultant reports, etc., cannot be considered confidential in their entirety if confidential material contained therein can reasonably be segregated from other information.

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

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, DIRECTOR, STOCKHOLDER OR EMPLOYEE WHO HAS A FINANCIAL INTEREST IN THE BORROWER, OR VICE VERSA AND DESCRIBE THE RELATIONSHIP AND INTEREST:

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

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

12. LIST ANY OTHER USDA GUARANTEED 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?
	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 of 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 property 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 principles, 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 9006 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, proforma 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 authorize 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

By: _____
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 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 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.

PROJECT SUMMARY
(Business & Industry and 9006 Program)
Part C: Completed by USDA

B&I ASSISTANCE PROPOSED

\$	Loan Amount
%	Percentage Guarantee Recommended
%	Guarantee Fee

APPLICATION PROCESSING TIME-LINE

Preapplication	
Field visit	
Complete application	

Insert the following, only if appropriate:

NOTE: Lender requested \$ *. A reduced amount is recommended in this Project Summary.**

BORROWER

BORROWER

Type of Business

Location

(proprietorship/partnership/corporation /cooperative)

(1990 population =)

In Business Since

Affiliated Businesses

dba

Case Number

00-0

Congressional District

Borrower:

Lender:

PROJECT

Project Type

Project Description

If this is a business acquisition project, edit the following comment as appropriate:

This business acquisition will:

- keep the business from closing
- prevent the loss of employment opportunities
- provide expanded job opportunities

because ...

If the loan is less than \$750,000, edit the following comment as appropriate:

SBA financing is not appropriate:

- This applicant is not eligible for SBA assistance because ...
- The applicant has already used up their SBA authority.
- This lender does not use the SBA guaranteed lending program.
- This is a subsequent loan to a B&I borrower.

OWNERSHIP

<u>Owners</u>	<u>Share</u>	<u>Position</u>	<u>Citizenship</u>	<u>Commercial Guaranty</u>	<u>Outside Net Worth</u>
	%		US	yes/no	\$
	%		US	yes/no	\$

LENDER

LENDER

Loan Officer

PROJECT SUMMARY (Business & Industry and 9006 Program)

B&I LOAN

<u>Loan</u>	<u>Amount</u>	<u>Rate</u>	<u>IR Formula</u>	<u>V/F</u>	<u>Term</u>	<u>Monthly Payment</u>	<u>Annual Debt Service</u>
Initial				F			

Approval Level
State or National Office

Funding Plan
FY00 Regular State allocation or National Office Reserve

SOURCE & USE OF FUNDS

Purpose	Borrower Contribution	B&I Loan	Other *	Total	
Land					#DIV/O!
RE Improvements					#DIV/O!
Contingency & Reserve					#DIV/O!
M&E					#DIV/O!
Working Capital					#DIV/O!
Refinance **					#DIV/O!
Fees & Costs					#DIV/O!
Total =					

Percent Contribution = #DIV/O! #DIV/O! #DIV/O!

If there is an "Other" source of funds, use the following table as appropriate:

*** Other source of funds:**

Source	Type of Assistance	Amount	Rates & Terms	Comment
	Grant			
	Loan			
	Line of Credit			

If there is debt refinance, use the following table as appropriate:

**** Explanation of refinance:** The debt being refinanced is owed to . The original purpose of this loan was .

Annual debt service before refinance	Annual debt service after refinance	Annual savings	Additional benefits:
\$ /yr	\$ /yr	\$ /yr	<ul style="list-style-type: none"> • Creates and/or saves *** jobs. • removes balloon payment • allows lender to gain needed lien priority • frees up SBA authority for other project add or delete benefits as appropriate

If the lender is refinancing its own debt, edit the following comment as appropriate:

The debt being refinanced that is in the lender's existing portfolio has been current for the last 12 months not due to debt restructuring. This refinance represents only % (<50%) of the loan.

PROJECT SUMMARY (Business & Industry and 9006 Program)

COMMUNITY & JOBS IMPACT

<u>Jobs created</u>	<u>Jobs retained</u>	<u>Total Jobs</u>	<u>Average Wage Rate</u>
			\$ /hour

Loan to Job Ratio:
(Loan / No. Jobs)
 \$ /job

<u>Priority Score Points</u>

Community Benefits

Targeted Area?

Dept. of Labor Clearance

BUSINESS REPUTATION & CREDIT HISTORY

Business and personal credit reports indicate . All existing loans are .

FINANCIAL POSITION

Historical Balance Sheets

None. This is a start-up.

OR

(in \$1,000's)

	12/31/2002	12/31/2003	12/31/2004	Current 6/30/2005	RMA
Current Assets	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?
Fixed Assets	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?
<u>Other Assets</u>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Asset	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Current Liabilities	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?
<u>Term Liabilities</u>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Liabilities	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?
Equity	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?

Discussion of significant changes or trends in liquidity and solvency

Compared to RMA industry standards,

PROJECT SUMMARY (Business & Industry and 9006 Program)

Tangible Balance Sheet Equity calculation

(in \$1,000's)	Current 6/30/2005	less intangibles	plus Additions	less Subtractions	Tangible Pro Forma
Current Assets	#DIV/O!				#DIV/O!
Fixed Assets	#DIV/O!				#DIV/O!
Other Assets	#DIV/O!				#DIV/O!
Total Asset	#DIV/O!				#DIV/O!
Current Liabilities	#DIV/O!				#DIV/O!
Term Liabilities	#DIV/O!				#DIV/O!
Total Liabilities	#DIV/O!				#DIV/O!
Equity	#DIV/O!				#DIV/O!

Pro forma working capital position and liquidity

Compared to RMA industry standards,

The business will have adequate operating capital from _____

Pro forma equity position and solvency

Compared to RMA industry standards,

The business will meet the _____ % minimum pro forma equity requirement for an existing or startup business.

FEASIBILITY & REPAYMENT ABILITY

Feasibility study:

Management experience:

Industry trends -- strength & weakness:

Market -- supply/demand, competition, locational factors, & demographics:

Lease or contractual commitments:

Support from related enterprises:

PROJECT SUMMARY (Business & Industry and 9006 Program)

Historical & Projected Income Statements

(in \$1,000's)	12/31/2002	12/31/2003	12/31/2004	6/30/2005	RMA	Year 1	Year 2
Gross Revenue							
CGS							
Gross Profit	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!
Op'g & Other Exp							
Net Profit	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!
Add Back							
+Rent							
+Depreciaton							
Interest							
Funds Available	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!
<i>Debt Service Ability (comparing historical / projected Funds Available with projected Debt Service)</i>							
New B&I Loan							
Continuing Debt							
Debt Service							
Margin							
Coverage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!

Historical trends:

Comparison with RMA industry averages:

Basis for projections:

Outlook:

PROJECT SUMMARY (Business & Industry and 9006 Program)

COLLATERAL

B&I Loan= \$ _____

Type	Description	Source	Value	Discount	Prior Liens *	Collateral Value
RE	1st d/t on	FMV		%		
RE		FMV		%		
M&E		Cost		%		
Inventory		Book		%		
A/R		Book		%		
Total =						

Total Loan-to-Value = _____

Coverage = _____

* Prior lienholders:

Key Person Life Insurance Proposed Rationale

LOAN SUPERVISION

<u>Level of Financials Proposed</u>	<u>FYE Date</u>	<u>Additional loan covenants needed</u>
	12/31	

ENVIRONMENTAL

<u>Type of Environmental Analysis</u>	<u>Status</u>	<u>Studies Required</u>	<u>Environmental concerns</u>
<input type="checkbox"/> Categorical Exclusion (CE)	<input type="checkbox"/> In Progress	<input type="checkbox"/> Archeological Cost \$ _____ BA Cost \$ _____	<input type="checkbox"/> None
<input type="checkbox"/> Environmental Assessment (EA)	<input type="checkbox"/> Completed	<input type="checkbox"/> Historic Structures, Buildings, Objects Cost \$ _____	<input type="checkbox"/> Mitigation Required
<input type="checkbox"/> Environmental Impact Statement (EIS)		<input type="checkbox"/> Flood Insurance Required Cost \$ _____ <input type="checkbox"/> TSQ Screening Cost \$ _____ <input type="checkbox"/> Phase I ESA Cost \$ _____	

Other Environmental Comments:

PROJECT SUMMARY (Business & Industry and 9006 Program)

SUMMARY

<u>Strengths</u>	<u>Weaknesses</u>
------------------	-------------------

RECOMMENDATION

Approval is recommended subject to the attached draft conditions.

_____ B&I LOAN OFFICER NAME

_____ Date

Use the following only if applicable to the project. Otherwise, delete them.

1% GUARANTEE FEE PROPOSAL

This project appears to satisfy the criteria for a 1% fee, subject to the approval of the RBS Administrator:

<u>RD Instruction 4279-B, § 4279.107 criteria</u>		<u>B&I Project</u>
High Impact Business	20%+ sales in international markets	
	Industry not now present in area	
	High value products & services	
	Provides market for local businesses	
	Locally owned & managed	
	Natural resource value-added product	
Hard Hit Community	Job deterioration	
	Natural disaster	
	Structural change in economic base	

90% GUARANTEE PROPOSAL

This project appears to satisfy the criteria for a 90% guarantee, subject to the approval of the RBS Administrator:

<u>RD Instruction 4279-B, § 4279.119(b) criteria</u>	<u>B&I project</u>
Project is a high-priority project	
Loan will not be made <u>and</u> project will not be completed without a 90% guarantee	

**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 my 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. 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?	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

**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, 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 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 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 the 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? 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	
								Reasonable rates & terms? OK	

28. E. Source & Use of Funds

Purpose	Borrower Contribution	B&I Loan	Other Funds (describe)	Total	Shaded area for USDA use only. <50% of purpose? OK
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	%	%	%	%	

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:	\$
Less Intangible Assets	\$	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: <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? 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? OK Adequate? OK Adequate? 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 recognized environmental conditions associated with the security property 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.

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

CONDITIONAL COMMITMENT
(Business and Industry and Section 9006 Program)

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: _____

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.

****SAMPLE****

(NAME OF BORROWER)

Attachment A to Form 4279-3, Conditional Commitment

This commitment is generally not to be modified as to the scope of the project, overall facility concept, project purpose, use of proceeds or terms and conditions. Any changes or an extension to this Conditional Commitment must be requested in writing and approved by USDA Rural Development (RD). Only those changes which do not materially affect the project, its capacity, employment, original projections or credit factors may be approved.

1. LOAN REPAYMENT:

A loan in the amount of \$_____ for _____ years (___ yrs.) at _____ interest rate, payable monthly. Interest rate is not to be changed more often than quarterly. Any fees or penalties shall be customary and reasonable. No penalties or additional charges will be assessed as a result of non-monetary loan covenant default. Any future advances to the borrower, accelerated interest in the event of default, or late charges will not be covered by the guarantee.

2. RURAL DEVELOPMENT GUARANTEE:

The percentage of guarantee will be eighty percent (80%) in accordance with Form 4279-4, "Loan Note Guarantee." Late charges and other customary and reasonable penalties, fees, etc. will not be covered by the guarantee.

_____ (the Lender) may sell, assign or participate the loan in accordance with Form 4279-4 "Lender's Agreement," but must retain a minimum of five percent (5%) in its portfolio. The amount required to be retained must be of the unguaranteed portion of the loan. The lender will not require compensating balances or other collateral as a means of eliminating exposure for the unguaranteed portion of the loan.

3. GUARANTEE FEES

There are two types of non-refundable guarantee fees to be paid by the lender. The fees may be passed on to the borrower.

An initial guarantee fee is paid at the time the loan note guarantee is issued and will be two percent (2%) of the guaranteed portion (80%) of the loan (\$_____ x .80 x .02 = \$_____).

An annual renewal fee of ¼th of one percent is paid once a year and is required to maintain the enforceability of the guarantee to the lender. The annual renewal fee is due on January 31 of each year and is calculated by multiplying the fee rate by the outstanding principal loan balance as of December 31 of each year (beginning December 31, 200__) multiplied by the percent of guarantee. The rate will remain in effect for the life of the loan.

4. USE OF LOAN FUNDS:

RE Purchase or Improvements	\$
Debt restructuring	\$
Working Capital, Equipment	\$
Fees & Costs	\$
TOTAL	\$

The lender will submit a report at the guaranteed loan closing showing that all loan funds were disbursed as required. All loan proceeds must be used for authorized purposes as outlined above. Loan proceeds may be used to pay reasonable and customary fees as specifically authorized under RD Instruction 4279-B, section 4279.120(a) and (b). All fees financed must be customary and reasonable as determined by the lender and USDA Rural Development.

5. COLLATERAL FOR THE (\$ _____) LOAN WILL CONSIST OF THE FOLLOWING:

- A. A first lien on the borrower's real estate and improvements as described in appraisal report dated _____, by (Name of Appraiser), State Certified General Appraiser, consisting of approximately _____ acres located at _____, _____ County, Florida. Appraisal will be reviewed by RD prior to issuance of the Loan Note Guarantee.
- B. A first security interest on Borrower's furniture, fixtures, machinery, equipment (including titled/untitled vehicles, if any). Assets acquired after loan closing, subject to purchase money financing, will also secure the loan.
- C. A first security interest on all current assets and other tangible and intangible assets of the company and corresponding affiliated corporate guarantors.
- D. All collateral for this loan must secure the entire indebtedness. Discounted collateral value will be at least equal to the loan amount.
- E. Absolute and irrevocable assignment of life insurance in the following amounts:
(Name of Key Person and amount assigned)
- F. Absolute and unconditional guarantee and guarantee of payment by [Name of Guarantor(s)]
- G. Loans refinanced by the B&I guaranteed loan must be secured, at a minimum, by all previously held security.

6. INSURANCE:

- A. Hazard insurance with a standard mortgage clause naming the lender as beneficiary is required in an amount which is at least the greater of the depreciated replacement value of the loan security or the amount of the loan balance. Hazard insurance will be in an amount sufficient to avoid the borrower becoming a co-insurer of the collateral. Hazard insurance includes fire, windstorm, lightening, hail, explosion, riot, civil commotion, aircraft, vehicle, marine, smoke, public liability, property damage, flood or mudslide or other hazard insurance that may be required to protect the collateral.

Borrower shall purchase and maintain hazard insurance on all collateral, for maximum insurable values, with lender named as mortgagee and/or lender loss payee, as applicable, by endorsement to policy(s), which must contain a "Standard Mortgage Clause," and a "Lender's Loss Payable Clause" as applicable, providing that lender and/or its assigns shall be paid under the policy regardless of the actions of, or insurer's defenses against the borrower.

- B. Worker's compensation insurance in accordance with Florida State law.
- C. Borrower shall maintain general liability insurance for not less than one million dollars (\$1,000,000) per occurrence.

7. FINANCIAL STATEMENTS:

Annual (compiled/reviewed/audited) financial statements prepared by a Certified Public Accountant, beginning (date), are required for (Name of Borrower) and they will be forwarded to the lender within 120 days of fiscal year end. The financial statements will be prepared using Generally Accepted Accounting Principles (GAAP). The lender will provide RD with a complete analysis of this annual statement within 30 days of receipt. Quarterly in-house financial statements are also to be submitted to the lender within ____ days of the end of each quarter. Personal financial statements will also be provided annually to the lender, within 120 days of fiscal year end.

A current financial statement prepared in accordance with GAAP, less than 90 days old, is required at loan closing for the Borrower. This financial statement must reflect the required ____% equity position at closing as outlined under Section 11 of this commitment. Personal financial statements of guarantor, less than 90 days old, are also required at loan closing for the issuance of the Loan Note Guarantee.

8. LENDER SERVICING REQUIREMENTS

The lender must service the loan in a reasonable, timely and prudent manner. Servicing actions will include, but will not be limited, to:

- A. Quarterly financial statements from borrower will be reviewed and forwarded to USDA RBS within 30 days of receipt. When violations of loan covenants exist, an analysis of these statements is required along with recommendations and/or planned curative actions.
- B. Lender will conduct an annual UCC Search to determine lien state of collateral and the extent to which other debt has been incurred.
- C. A minimum of one comprehensive annual collateral inspection to insure that collateral position is adequately protected. This will include detailed inspection of all personal property serving as collateral. A report of the status, condition and disposition of the collateral will be submitted to USDA RBS following the inspection(s). This may be made a part of the annual analysis.
- D. The lender is responsible for obtaining and forwarding to the Agency the financial statements required by the Loan Agreement. The lender is responsible for providing the Agency with (1) an analysis of the borrower financial statements (including spreadsheets), (2) a written trend analysis that compares borrower year-to-year historical financial information, and (3) a borrower ratio comparison to industry standards for similar size businesses. The lender's written analysis to the Agency should include the borrower's strengths, weaknesses, extraordinary transactions, term loan agreement violations, and other indications of the financial condition of the borrower. The lender will submit the annual financial statements to the Agency, along with its spreadsheets and written analysis, within 30 days of receipt from the borrower. Failure to obtain the required financial statements or to document efforts to obtain financial statements could result in the loan guarantee being unenforceable due to negligent servicing.
- E. Annual financial statements and tax returns of owners will be included in the lender's analysis.

9. CONSOLIDATIONS, MERGERS, SALE OF BUSINESS:

- A. The Borrower will not merge, consolidate, reclassify, or sell the business or any of its capital stock without the written approval of the lender and RBS.
- B. Borrower will not purchase any treasury stock. Borrower shall make no investment out of the day-to-day operation of the business.

10. WORKING CAPITAL:

The corporation will maintain a current ratio (current assets divided by current liabilities) of not less than ____ to ____ as shown on the annual balance sheet prepared using Generally Accepted Accounting Principles.

11. EQUITY:

A. Equity at Closing - When the Loan Note Guarantee is issued by USDA RD the borrower will provide the lender a current balance sheet, certified by the company, showing that the borrower has at least tangible balance sheet equity of ____%. Lender must certify that tangible balance sheet equity was calculated in accordance with and from financial statements prepared in accordance with GAAP.

B. Equity after closing - The borrower must increase balance sheet equity (total equity plus subordinated stockholder loans divided by total assets) to ____% and tangible balance sheet equity (total tangible equity plus subordinated stockholder loans divided by total assets) to ____% through retention of profits and maintain it as long as the guarantee is in effect.

12. DEBT TO EQUITY:

A. The Borrower must decrease balance sheet debt to equity ratio (total balance sheet debts divided by balance sheet equity plus subordinated stakeholder loans) to ____ to ____ through retention of profits and, once achieved, retain this balance sheet debt to equity ratio throughout the term of the loan on the required financial statements.

B. Any and all debts to stockholders now or hereafter made will be subordinated to the guaranteed loan.

13. DEBT SERVICE COVERAGE:

The borrower will maintain a minimum debt service coverage of ____ to 1.0 defined as profit plus non-cash expenditures divided by current maturities of long-term debt (CMLTD) plus forecast planned cash capital expenditures and planned dividends for the coming year (to be calculated using annual CPA prepared financial statements).

14. DIVIDENDS:

The corporation shall not, during the life of the guaranteed loan, declare or pay a cash dividend unless a profit was made in the year prior to the year in which the dividend is being declared, all debts are paid current and all loan covenants and ratios are being met and will continue to be met on the annual statement in accordance with Generally Accepted Accounting Principles (GAAP) after the dividends are paid. If the borrower operates as a subchapter S corporation, then dividends or distributions are allowed to pay taxes on borrower's profits.

15. COMPENSATION OF OFFICERS AND OWNERS:

- A. No advances or loans from the business are to be made to officers or owners during the life of the guaranteed loan without the written approval of the lender and RBS.
- B. Salaries and/or compensation of officers and/or owners, i.e. bonuses, etc., will not be increased unless a profit was made in the preceding fiscal year and all of the borrower's debts are paid to a current status. Any increases then will be limited to 5%, unless otherwise authorized by the lender and USDA RBS.

16. FIXED ASSET LIMITATION:

- A. All fixed assets purchases or sales (including assignments, transfers and leases) by the borrower in excess of \$_____ in the aggregate in any fiscal year, other than in ordinary course of business, require prior written consent of the lender and USDA RBS. The lender will insure that all such purchases are added to the collateral for this loan under the after acquired clause and the security agreement is to be updated.

17. ADDITIONAL DEBT:

- A. Additional borrowing up to \$_____ for fixed asset purchases (including leases) or working capital purposes for any fiscal year shall be allowed if the financial ratios and loan terms are met after incurring the debt.
- B. The borrower shall not co-sign or endorse any liability or obligation which will materially weaken its financial condition. The borrower will not assume the liabilities or obligations of others without prior written concurrence of the lender and USDA RBS.

18. UNCONDITIONAL GUARANTEE

The guarantor(s) must execute Form RD 4279-14, "Unconditional Guarantee", before issuance of the Loan Note Guarantee

19. ADVERSE CHANGE:

_____ (lender), certifies that by accepting this Conditional Commitment for a \$_____ guaranteed loan the lender understands that the intent of RD Instruction 4279-B, section 4279.181(m), is that no material adverse change may occur during the period of time from USDA RD's issuance of the Conditional Commitment to issuance of the Loan Note Guarantee relating to (Name of Borrower) regardless of the cause(s) of the change and whether the change or causes(s) of the change were within the lender's or borrower's control.

20. CONSTRUCTION:

When construction is involved, all requirements of RD Instruction 4279-B, section 4279.156(a)-(d) must be met (see page ____).

21. INSPECTIONS:

The borrower will permit the lender and USDA RD to visit and inspect any of the properties to conduct a periodic audit of the number of jobs to determine program effectiveness.

22. FLOODPLAIN NOTIFICATION:

This agency is required by Executive Order 11988 to notify lenders and borrowers of potential hazards of locating structures or improvements within flood-prone areas. At a minimum, lender is required to assure flood hazard is in place on all collateral located within the floodplain.

23. LOAN NOTE GUARANTEE:

- A. The lender will furnish USDA RD copies of closing documents prior to closing so that the documents can be reviewed by USDA RD.
- B. At the time of issuance the "Loan Note Guarantee," one copy of the executed loan closing documents will be provided to USDA RD.
- C. The lender must execute Form 4279-4, "Lender's Agreement", and initial and date the section for servicing (Section IV) before issuance of the Loan Note Guarantee.
- D. Prior to USDA's execution of Form 4279-5, "Loan Note Guarantee", lender must certify that each of the 15 provisions of Instruction 4279-B, 4279.181 has been met. (See attachment)

Attachment to Form 4279-3, Conditional Commitment

RD Instruction 4279-B

4279.181 Conditions precedent to issuance of Loan Note Guarantee.

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

- (a) No major changes have been made in the lender's loan conditions and requirements since the issuance of the Conditional Commitment, unless such changes have been approved by the Agency.
- (b) All planned property acquisition has been or will be completed, all development has been or will be substantially completed in accordance with plans and specifications, conforms with applicable Federal, State and local codes, and costs have not exceeded the amount approved by the lender and the Agency.
- (c) Hazard, flood, liability, worker compensation, and personal life insurance (when required) are in effect.
- (d) Truth-in-lending requirements have been met.
- (e) All equal credit opportunity requirements have been met.
- (f) The loan has been properly closed, and the required security instruments have been obtained or will be obtained on any acquired property that cannot be covered initially under State law.
- (g) The borrower has marketable title to the collateral then owned by the borrower, subject to the instrument securing the loan to be guaranteed and to any other exceptions approved in writing by the Agency.
- (h) When required, the entire amount of the loan for working capital has been disbursed except in cases where the Agency has approved disbursement over an extended period of time.
- (i) When required, personal, partnership or corporate guarantees have been obtained.
- (j) All other requirements of the Conditional Commitment have been met.
- (k) Lien priorities are consistent with the requirements of the Conditional Commitment. No claims or liens of laborers, subcontractors, suppliers of machinery and equipment, or other parties have been or will be filed against the collateral and no suits are pending or threatened that would adversely affect the collateral when the security instruments are filed.
- (l) The loan proceeds have been or will be disbursed for the purposes and in amounts consistent with the Conditional Commitment and Form 4279-1. A copy of the detailed loan settlement of the lender must be attached to support this certification.

- (m) There has been neither any material adverse change in the borrower's financial condition nor any other material adverse change in the borrower, for any reason, during the period of time from the Agency's issuance of the Conditional Commitment to issuance of the Loan Note Guarantee regardless of the cause or causes of the change and whether or not the change or causes of the change were within the lender's or borrower's control. The lender must address any assumptions and reservations in the requirement and must address all adverse changes of the borrower, any parent, affiliate, or subsidiary of the borrower, and the guarantors.
- (n) None of the lender's officers, directors, stockholders, or other owners (except stockholders in an institution that has normal stockshare requirements for participation) has a substantial financial interest in the borrower and neither the borrower nor its officers, directors, stockholders, or other owners have a substantial financial interest in the lender. If the borrower is a member of the board of directors or an officer of a Farm Credit System (FCS) institution that is the lender, the lender will certify that an FCS institution on the next highest level will independently process the loan request and act as the lender's agent in servicing the account.
- (o) The Loan Agreement includes all measures identified in the Agency's environmental impact analysis for this proposal (measures with which the borrower must comply) for the purpose of avoiding or reducing adverse environmental impacts of the proposal's construction or operation.

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**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT**

**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.

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

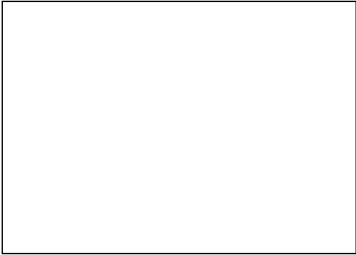
Lender: Complete this block of Section IX

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: _____

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§ 4279.156 Planning and performing development.

(a) Design policy. The lender must ensure that all project facilities must be designed utilizing accepted architectural and engineering practices and must conform to applicable Federal, state, and local codes and requirements. 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.

(b) Project control. The lender will monitor the progress of construction and undertake the reviews and inspections necessary to ensure that construction conforms with applicable Federal, state, and local code requirements; proceeds are used in accordance with the approved plans, specifications, and contract documents; and that funds are used for eligible project costs. *Normally, you should expect the lender to:*

- (1) Have inspections made by a qualified individual prior to any progress payment.*
- (2) Use any borrower funds in the project first.*
- (3) Make sure the borrower has 100 percent performance/payment bonds on the contractor.*
- (4) Have a complete set of plans and specifications at the lending institution.*
- (5) Have a firm construction contract cost and provisions for change order approval, retainage percentage, and disbursement schedule.*
- (6) Obtain lien waivers from all contractors prior to any disbursement.*

(c) Equal opportunity. 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 as supplemented by applicable Department of Labor regulations (41 CFR, part 60). The borrower and lender are responsible for ensuring that the contractor complies with these requirements.

(d) Americans with Disabilities Act (ADA). B&I Guaranteed Loans which involve the construction of or addition to facilities that accommodate the public and commercial facilities, as defined by the ADA, must comply with the ADA. The lender and borrower are responsible for compliance.

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**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 _____

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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 this 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 _____

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DEPARTMENT OF HOMELAND SECURITY
 FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION

See The Attached
 Instructions

O.M.B. No. 1660-0040
 Expires October 31, 2008

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 <input type="checkbox"/> yes _____ Date	4. Flood Zone	5. No NFIP Map

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 form is estimated to average 20 minutes per response. Burden means the time, effort and financial resources expended by persons to generate, maintain, retain, disclose, or to provide information to us. You may send comments regarding the burden estimate or any aspect of the form, including suggestions for reducing the burden to: Information Collections Management, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20742; and to the Office of Management and Budget, Paperwork Reduction Project (30676- 0264), Washington, DC 20503. You are not required to respond to this collection of information unless a valid OMB control number appears in the upper right corner of this form. **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 the FNMA or FHLMC seller/servicer 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; Worcester, Township of; Baldwin County; Jefferson Parish.) For a building or mobile home that may have been annexed by one community but is shown on another community's NFIP map, enter the Community Name for the community with land-use jurisdiction over the building or mobile home.
2. **County(ies).** Enter the name of the county or counties in which the community is located. For unincorporated areas of a county, enter "unincorporated areas". For independent cities, enter "independent city."
3. **State.** Enter the two-digit state abbreviation. (Examples: VA, TX, CA.)
4. **NFIP Community Number.** Enter the 6-digit NFIP community number. This number can be determined by consulting the NFIP Community Status Book or can be found on the NFIP map; copies of either can be obtained from FEMA's Website <http://msc.fema.gov> or by calling 1-800-358-9616. If no NFIP Community Number exists for the community, enter "none".

B. NFIP DATA AFFECTING BUILDING/MOBILE HOME

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

1. NFIP Map Number or Community-Panel Number. Enter the 11-digit number shown on the NFIP map that covers the building or mobile home. (Examples: 480214 0022C; 58103C0075 F.) 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.shtm>.

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.

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.

OTHER INFORMATION

MULTIPLE BUILDINGS: If the loan collateral includes more than one building, a schedule for the additional building(s)/mobile home(s) indicating the determination for each may be attached. Otherwise, a separate form must be completed for each building or mobile home. Any attachment(s) 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/sfhdform.shtm>.

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

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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 no 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)

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.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Mining, Quarrying.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(designated or proposed under the Wilderness Act)</i>			
7. Forests.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. Wild or Scenic River.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Recreational.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(proposed or designated under the Wild and Scenic Rivers Act)</i>			
9. Transportation.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25. Historical, Archeological Sites.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Parks.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(Listed on the National Register of Historic Places or which may be eligible for listing)</i>			
11. Hospital.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26. Critical Habitats.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Schools.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(endangered/threatened species)</i>			
13. Open spaces.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	27. Wildlife.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Aquifer Recharge Area.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	28. Air Quality.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Steep Slopes.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	29. Solid Waste Management.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Wildlife Refuge.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30. Energy Supplies.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Shoreline.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	31. Natural Landmark.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Beaches.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(Listed on National Registry of Natural Landmarks)</i>			
				32. Coastal Barrier Resources System.....	<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)

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 collections is 0575-0094. The time required to complete this information collection is estimated to average 6 to 10 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.

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 Ia - Compare the Environmental Impact Statement or Analysis that was previously prepared with the information requested in the instructions for Item Ib 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 Ib - 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.



Committed to the future of rural communities.

Environmental Policies & Procedures

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://wetlandfws.er.usgs.gov/wtlnds/launch.html>

Topography (including aerial photos & maps):

<http://teraserver-usa.com/advfind.aspx>

REGIONAL PLANNING COUNCILS

<u>NAME OF COUNCIL</u>	<u>AREA OFFICE</u>	<u>COUNTIES</u>	<u>ADDRESS</u>
West Florida	1	Bay Escambia Holmes Okaloosa Santa Rosa Walton Washington	P.O. Box 9759 Pensacola, FL 32513-9759 Phone: 850-595-8910 Fax: 850-595-8967 joseph.t@wfrpc.dst.fl.us
Apalachee	2	Calhoun Franklin Gadsden Gulf Jackson Jefferson Leon Liberty Wakulla	20776 Central Ave., East Suite 1 Blountstown, FL 32424 Phone: 850-674-4571 Fax: 850-674-4574 arpc1@gtcom.net
North Central Florida	3	Alachua Bradford Columbia Dixie Gilchrist Hamilton Lafayette Madison Suwannee Taylor Union	2009 NW 67th Pl. Suite A Gainesville, FL 32653-1603 Phone: 352-955-2200 Fax: 352-955-2209 justice@ncfrpc.org
Northeast Florida	4	Baker Clay Duval Flagler Nassau Putnam St. Johns	6850 Belfort Oaks Pl. Jacksonville, FL 32216 Phone: 904-279-0880 Fax: 904-279-0881 bteple@nefrpc.org
Withlacoochee	5	Citrus Hernando Levy Marion Sumter	1241 SW 10 th St. Ocala, FL 34474-2798 Phone: 352-732-1315 Fax: 352-732-1319 moehlman@wrpc.cc

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REGIONAL PLANNING COUNCILS

East Central Florida	6	Brevard Lake Orange Osceola Seminole Volusia	631 N. Wymore Rd. Suite 100 Maitland, FL 32751 Phone: 407-623-1075 Fax: 407-623-1084 jjones@ecrpc.org
Central Florida	7	DeSoto Hardee Highlands Okeechobee Polk	P.O. Box 2089 Bartow, FL 33831-2089 Phone: 863-534-7130 Fax: 863- 534-7138 cfrpc@cfrpc.org
Tampa Bay	8	Hillsborough Manatee Pasco Pinellas	4000 Gateway Centre Blvd. Suite 100 Pinellas Park, FL 33782 Phone: 727-570-5151 Fax: 727-570-5118 manny@tbrpc.org
Southwest Florida	9	Charlotte Collier Glades Hendry Lee Sarasota	1926 Victoria Ave. Ft. Myers, FL 33901 Phone: 239-338-2550 Fax: 239-338-2560 dburr@swfrpc.org
Treasure Coast	10	Indian River Martin Palm Beach St. Lucie	301 SE Ocean Blvd. Suite 300 Stuart, FL 34994-2298 Phone: 772-221-4060 Fax: 772-221-4067 mbusha@tcrpc.org
South Florida	11	Broward Dade Monroe	3440 Hollywood Blvd. Suite 140 Hollywood, FL 33021 Phone: 954-985-4416 Fax: 954-985-4417 cdekle@sfrpc.com

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STATE AGENCIES FOR FLORIDA

Barbara Mattick
State Historic Preservation Officer
Division of Historical Resources
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
<http://msc.fema.gov>

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

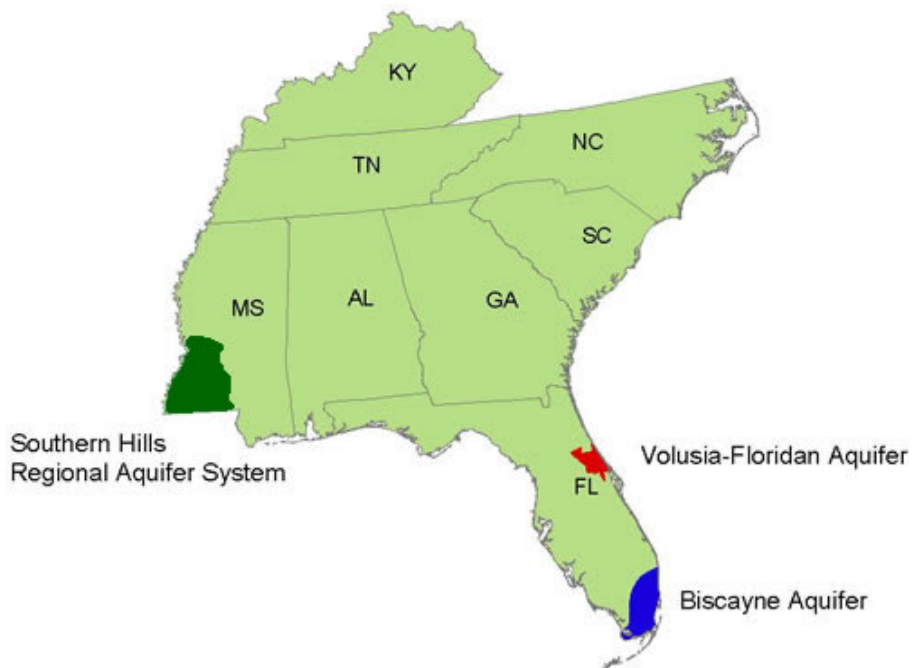
Federal Emergency Management Agency (FEMA)
Phone: 800-480-2520
Fax: 301-362-5335
<http://www.fema.gov/business/nfip/mscjumppage.shtm#1>

SOLE SOURCE AQUIFERS

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

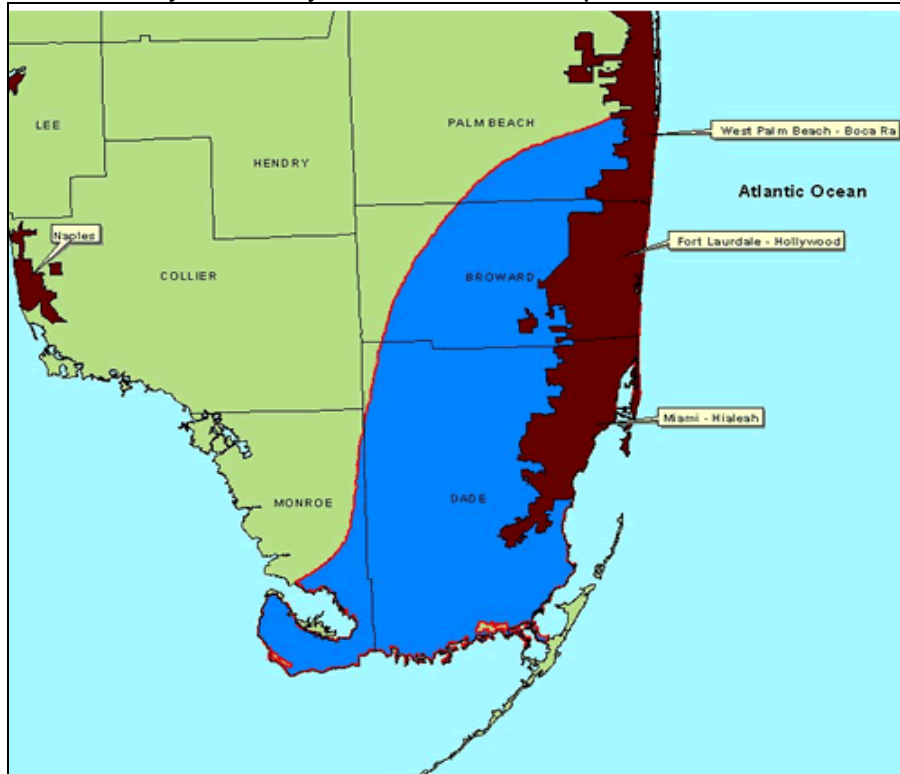
U.S. Environmental Protection Agency
Region 4
Groundwater & Drinking Water Branch
Sam Nunn Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, GA 30303-3104
Phone: 404-562-9424
Fax: 404-562-9439
www.epa.gov/region4/

Approximate Boundaries of Region 4 Sole Source Aquifers:



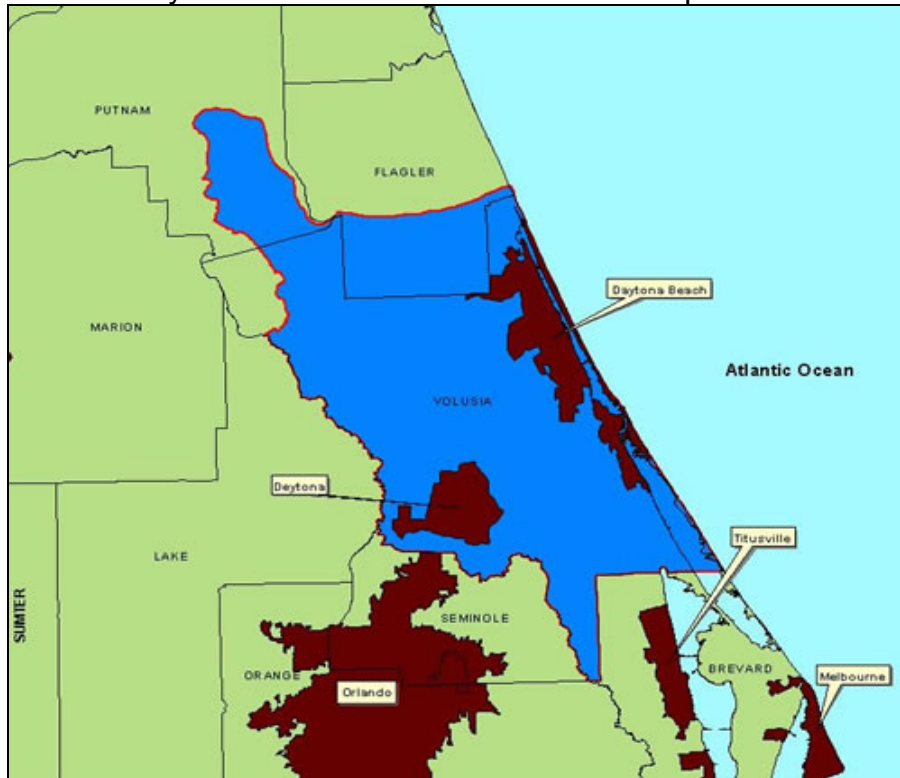
Biscayne Sole Source Aquifer

Approximate Boundary of Biscayne Sole Source Aquifer

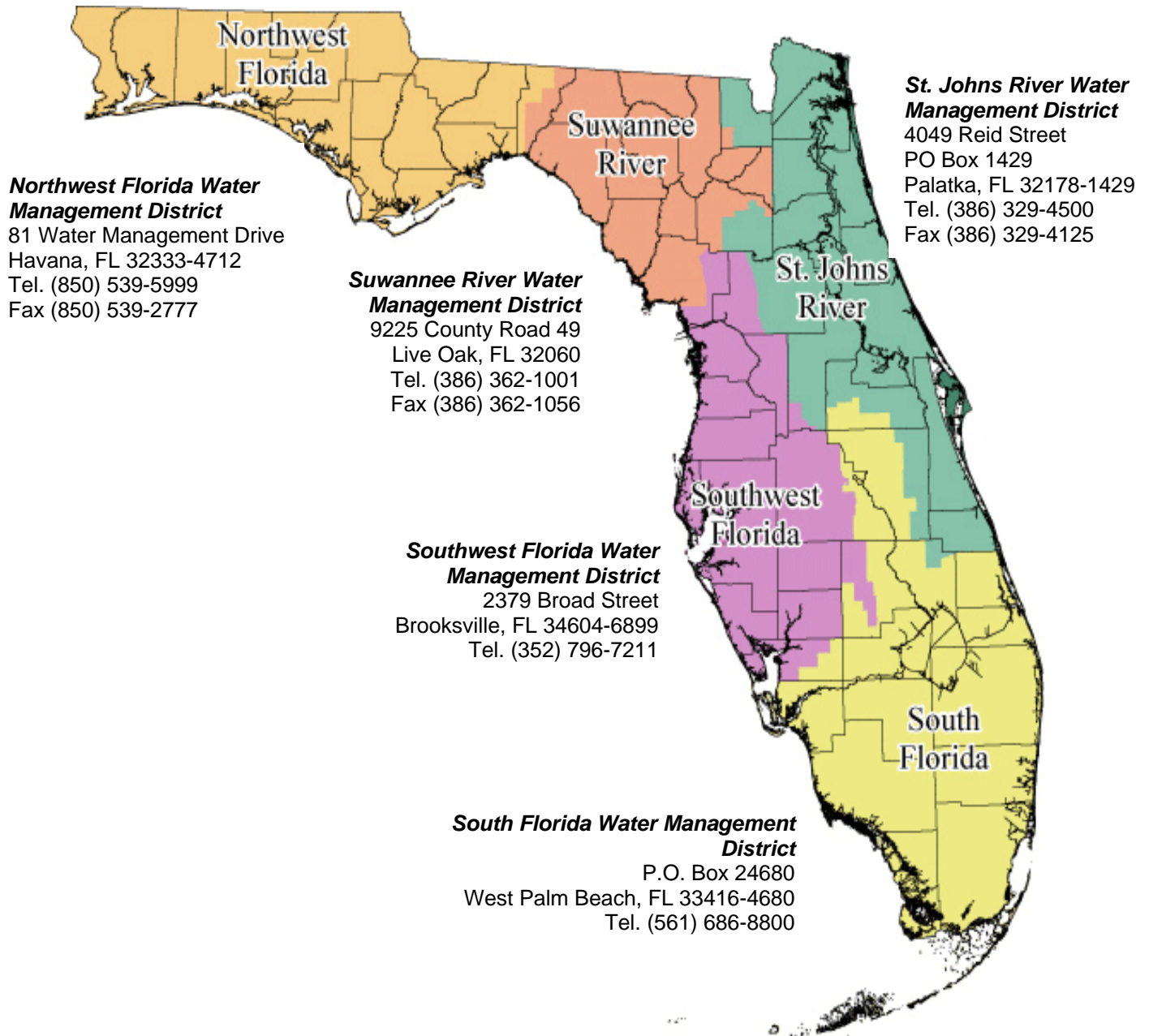


Volusia-Floridan Sole Source Aquifer

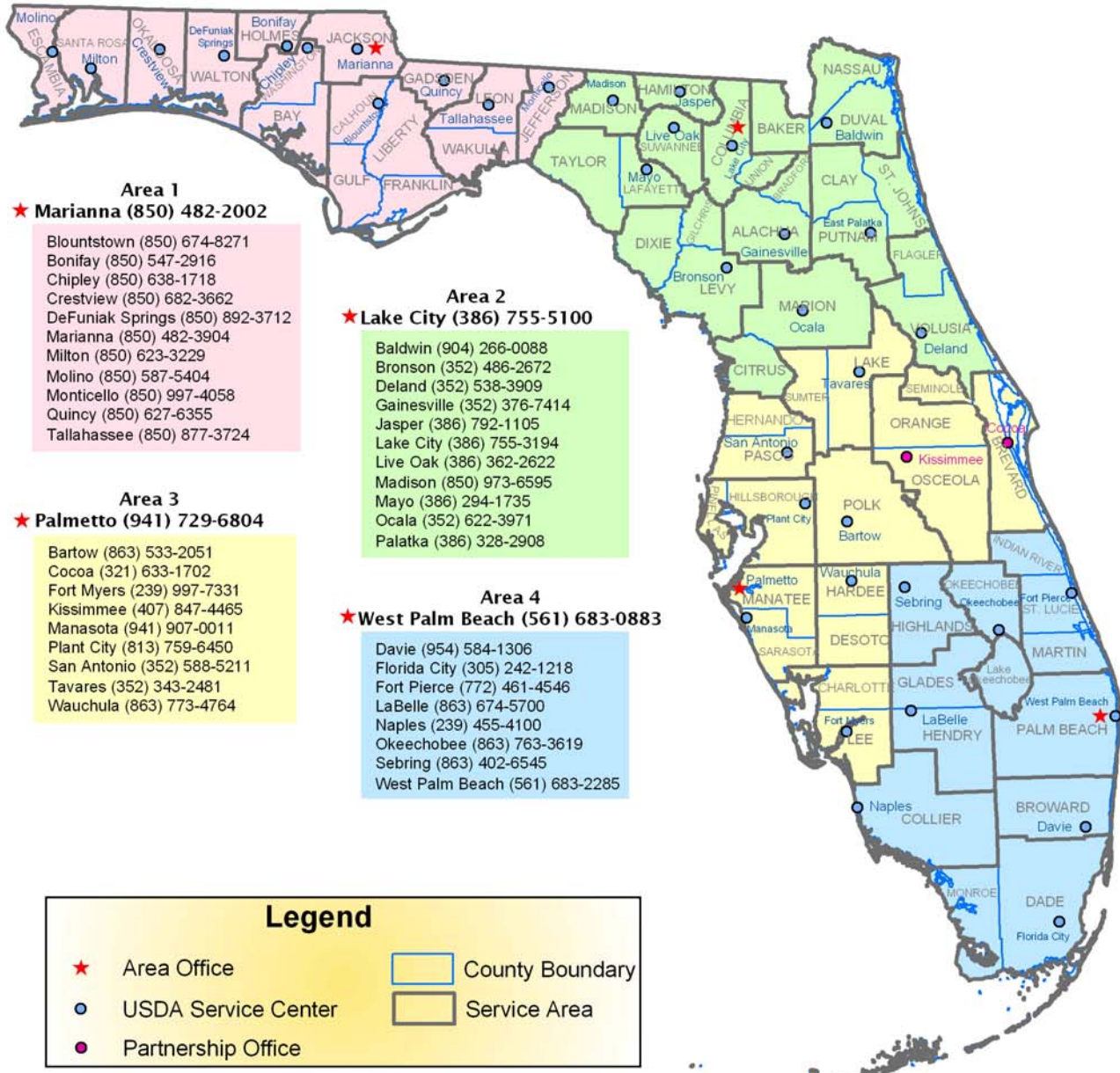
Approximate Boundary of Volusia-Floridan Sole Source Aquifer



Florida Water Management Districts



NRCS ADMINISTRATIVE AREAS & FIELD SERVICE CENTERS FLORIDA



Lender's Servicing Responsibilities

Guaranteed Loan Status Report Form RD 1980-41

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.

If the loan was closed around June 30 or December 31, the finance office may not have it in the system so that it can be automatically generated and sent to the bank. In this case, the bank should use the form contained in the closing package; complete it as indicated in the instructions on the back of the form; and send the signed original to the State Office for processing.

Lender's 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 1 Access** provides limited access to USDA Web site portals and applications that have minimal security requirements. Note: Level 1 Access is limited and does not allow you to conduct official electronic business transactions with the USDA via the internet. **A Level 1 Access account is NOT required before obtaining a Level 2 Access Account. If you already have an account with Level 1 Access, log into your profile and apply for Level 2 Access.**

Registering for an account with Level 1 Access is easy. You create a brief customer profile, User ID, password, that you can remember and respond to the confirmation email within seven (7) days. Note: You must have a valid email address to register for an account with Level 1 Access. If you do not have a permanent Internet service provider (ISP), several online services, such as Yahoo.com or Hotmail.com, provide free email accounts. If you do not confirm your email within the seven (7) day period,

you will have to start the registration process over again by creating another profile, with a new User ID.

Once you have confirmed your online registration, you have immediate access to USDA portals and applications that accept accounts with Level 1 Access.

An account with **Level 2 Access** provides access to all the portals and applications that are covered by an account with Level 2 Access, and also 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.

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.



Committed to the future of rural communities.