

<b>FSA-2235</b> (09-05-08)		<b>U.S. DEPARTMENT OF AGRICULTURE</b> <b>Farm Service Agency</b>			Position 2
<b>LOAN GUARANTEE</b>					
1. Lender's Name and Address: National Bank 123 Main Street Anytown, IN 54321  Telephone Number: (765) 555-1234			2. Borrower's Name and Address: John R. Doe, Jr. 456 Any Road Anytown, IN 54321  Telephone Number: (765) 555-4321		
3. Loan Type: <input checked="" type="checkbox"/> FO <input type="checkbox"/> OL <input type="checkbox"/> LOC			4. FSA Account Number: A. State Code      B. County Code      C. FSA ID Number  12                      034                      567891011		
5. Loan Amount or Line of Credit Ceiling \$ 300,000.00		6. Guarantee Percent 90 %		7. Date of Promissory Note or Line of Credit Agreement 7/1/2013	
8. The loan is evidenced by (a) <u>one</u> notes described below. This instrument is attached to note (b) <u>12345-6</u> in the principal amount of (c) \$ <u>300,000.00</u> and is number (d) <u>one</u> of (e) <u>one</u> .					
9. Lender Note ID Number	10. Principal Amount		11. Percent of Total Principal Amount	12. Guaranteed Amount	
12345-6	\$ 300,000.00		100	\$ 270,000.00	
	\$			\$	
	\$			\$	
	\$			\$	
<b>TOTALS:</b>		13. Total Principal Amount of Column 10 Equals Loan Amount in Item 5 \$ 300,000.00	14. Total Percentage of Column 11 must Equal 100% <b>100%</b>	15. Total Guaranteed Amount of Column 12 must Equal Item 5 Multiplied by Item 6 \$ 270,000.00	

**NOTE: Copy of Note covered by this agreement must be attached.**

16. In consideration of the lender making the listed loans or line of credit advances, the United States of America, acting through the Farm Service Agency of the United States Department of Agriculture (hereafter called "Government"), pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 *et. seq.*), agrees that in accordance with and subject to the conditions and requirements in this Loan Guarantee, it will pay to:
- A. Any holder, 100 percent of any loss on the guaranteed portion held by such holder and on interest due on such portion.
  - B. The lender, any loss sustained by such lender on the guaranteed portion including:
    - (1) Principal and interest indebtedness as evidenced by the notes or by assumption agreements,
    - (2) Any loan subsidy due and owing, and
    - (3) Principal and interest indebtedness on authorized protective or emergency advances for protection and preservation of collateral.
17. If the Government conducts the liquidation of the loan, loss occasioned to a lender by accruing interest after the date the Government accepts responsibility for liquidation will not be covered by this Loan Guarantee. The lender will discontinue interest accrual on the defaulted loan at the time the estimated loss claim is paid by the Agency. The Agency will not pay interest beyond 210 days from the payment due date.

In the case of a Chapter 7 bankruptcy, in cases where the lender filed an estimated loss claim, the Agency will pay the lender interest which accrues during and up to 45 days after the date of discharge on the portion of the chattel only secured debt, that was estimated to be secured but was found to be unsecured upon final disposition, and up to 90 days after the date of discharge on the portion of real estate secured debt that was estimated to be secured but was found to be unsecured upon final disposition. The Agency will pay the lender interest which accrues during and up to 90 days after the time period the lender is unable to dispose of the acquired property due to state imposed redemption rights on any unsecured portion of the loan during the redemption period, if an estimated loss claim was paid by the Government during the liquidation action.

This form is available electronically.

(See Page 3 for Privacy Act and Public Burden Statements.)

FSA-2242  
(08-18-08)U.S. DEPARTMENT OF AGRICULTURE  
Farm Service Agency

Position 2

## ASSIGNMENT OF GUARANTEE

## PART A - BACKGROUND INFORMATION

1. Lender's Name and Mailing Address National Bank 123 Main Street Anytown, IN 54321		2. Agency's Name and Mailing Address Farm Service Agency 567 Main Road Anytown, IN 54321		
3. Holder's Name and Mailing Address Farmer Mac II LLC 1999 K Street, NW 4th Floor Washington, DC 20006		4. Borrower's Name John R. Doe, Jr.		
		5. Loan Type <input checked="" type="checkbox"/> FO <input type="checkbox"/> OL	6. FSA Account Number	
		A. State Cd. 12	B. County Cd. 034	C. FSA ID No. 567891011
		7. Original Loan Amount \$ 300,000.00	8. Date Promissory Note Executed 7/1/2013	
		9. Amount of Principal Outstanding (a) \$ 300,000.00 (b) As of Date: 7/18/2013		

10. The United States of America, acting through the Farm Service Agency (Government), entered into a loan guarantee using FSA-2235/FSA-1980-27, or predecessor RD-449-34 or earlier version of the Agency loan guarantee with the lender. This loan has been issued with (a) \_\_\_\_\_ 90 % guarantee. The holder agrees to purchase, and the lender assigns (b) 100 % of the guaranteed portion of the loan representing (c) \$ 270,000.00 of such loan now outstanding according to the conditions in this agreement.

11. **SERVICING FEE:** The lender will retain a servicing fee of: (a) \$ \_\_\_\_\_ or (b) 1.00 %.

**Copies of the following are attached:**

- FSA-2235/FSA-1980-27, "Loan Guarantee," or predecessor RD-449-34, "Loan Note Guarantee," or earlier versions of the Agency's guaranteed document.
- Promissory Note.

## PART B - LENDER CERTIFICATION: The Lender certifies or agrees that:

1. <b>Guarantee Fee</b>	It has paid any required guarantee fee to the Government in exchange for the issuance of the loan guarantee.
2. <b>Knowledge of Borrower Prepayment</b>	It has no knowledge or information, through the exercise of reasonable diligence, that would indicate the likelihood of default or prepayment.
3. <b>Payment Funds</b>	In the event of prepayment, any funds will be either the borrower's own funds, or funds borrowed by the borrower pursuant to a separate transaction, and the prepayment is in accordance with the loan documents.
4. <b>Servicing Responsibilities</b>	It will be responsible for servicing the entire loan and will remain mortgagee and secured party of record.
5. <b>Loan Security</b>	The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan.
6. <b>Remitting Payments</b>	It will receive all payments of principal or interest (including any loan subsidy) and will promptly remit to the holder the holder's pro rata share determined according to the respective interests, in the loan, as agreed by the holder and lender.

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 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 and employer.

# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call/Coll	Account	Officer	Initials
\$300,000.00	07-01-2013	07-01-2043	12345-6	30/28		J. Smith	JS
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** John R. Doe, Jr. (SSN: 000-00-0000)  
456 Any Road  
Anytown, IN 54321

**Lender:** National Bank  
123 Main Street  
Anytown, IN 54321

**Principal Amount:** \$300,000.00

**Initial Rate:** 5.00%

**Date of Note:** July 1, 2013

**PROMISE TO PAY.** John R. Doe, Jr. ("Borrower") promises to pay to National Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Three Hundred Thousand & 00/100 Dollars (\$300,000.00), together with interest on the unpaid principal balance from July 1, 2013, until paid in full.

**PAYMENT.** Subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in 30 payments of \$19,515.43 each payment. Borrower's first payment is due July 1, 2014, and all subsequent payments are due on the same day of each year after that. Borrower's final payment will be due on July 1, 2043, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the FARMER MAC 5-YEAR RESET COST OF FUNDS INDEX (COFI) NET YIELD (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each 5 YEARS STARTING 01-01-2019. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.00% per annum. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate of 1.000 percentage point over the Index, resulting in an initial rate of 5.00% per annum. NOTICE: Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

**PREPAYMENT; MINIMUM INTEREST CHARGE.** In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$36.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: National Bank, 123 Main Street, Anytown, IN 54321.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged \$50.00.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the total sum due under this Note will bear interest from the date of acceleration or maturity at the variable interest rate on this Note. The interest rate will not exceed the maximum rate permitted by applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note: **Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Cure Provisions.** If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after

<p>John R. Doe, Jr. 456 Any Road Anytown, IN 54321</p> <p><b>BORROWER'S NAME AND ADDRESS</b> "I" includes each borrower above, joint and severally.</p>	<p>National Bank 123 Main Street Anytown, IN 54321</p> <p><b>LENDER'S NAME AND ADDRESS</b> "You" means the lender, its successors and assigns.</p>	<p>Loan Number <u>12345-6</u> Date <u>7/1/2013</u> Maturity Date <u>7/1/2043</u> Loan Amount \$ <u>300,000.00</u> Renewal Of _____</p>
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For value received, I promise to pay to you, or your order, at your address listed above the **PRINCIPAL** sum of Three Hundred Thousand and 00/100 Dollars \$ 300,000.00

**Single Advance:** I will receive all of this principal sum on \_\_\_\_\_. No additional advances are contemplated under this note.

**Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. On \_\_\_\_\_ I will receive the amount of \$ \_\_\_\_\_ and future principal advances are contemplated.

**Conditions:** The conditions for future advances are \_\_\_\_\_

**Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on \_\_\_\_\_.

**Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

**INTEREST:** I agree to pay interest on the outstanding principal balance from 7/1/2013 at the rate of 5.00 % per year until 1/1/2019.

**Variable Rate:** This rate may then change as stated below.

**Index Rate:** The future rate will be 1.00% over \_\_\_\_\_ the following index rate: Farmer Mac 5-Year Reset Cost of Funds Index (COFI) Net Yield

**No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.

**Frequency and Timing:** The rate on this note may change as often as 1/1/2019 and every 5 years thereafter. A change in the interest rate will take effect same day.

**Limitations:** During the term of this loan, the applicable annual interest rate will not be more than \_\_\_\_\_ % or less than \_\_\_\_\_ %. The rate may not change more than \_\_\_\_\_ % each \_\_\_\_\_.

**Effect of Variable Rate:** A change in the interest rate will have the following effect on the payments:

The amount of each scheduled payment will change.  The amount of the final payment will change.

\_\_\_\_\_

**ACCUAL METHOD:** Interest will be calculated on a Actual/365 basis.

**POST MATURITY DATE:** I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

On the same fixed or variable rate basis in effect before maturity (as indicated above).

At a rate equal to \_\_\_\_\_.

**LATE CHARGE:** If a payment is made more than \_\_\_\_\_ days after it is due, I agree to pay a late charge of \_\_\_\_\_.

**ADDITIONAL CHARGES:** In addition to interest, I agree to pay the following charges with  are  are not included in the principal amount above: \_\_\_\_\_.

**PAYMENTS:** I agree to pay this note as follows:

Interest: I agree to pay accrued interest \_\_\_\_\_.

Principal: I agree to pay the principal \_\_\_\_\_.

**Installments:** I agree to pay this note in 30 payments. The first payment will be in the amount of \$ \$19,515.43 and will be due 7/1/2014. A payment of \$ \$19,515.43 will be due 1<sup>st</sup> day of each July thereafter. The final payment of the entire unpaid balance of principal and interest will be due 7/1/2043.

**ADDITIONAL TERMS:**

<p><input type="checkbox"/> <b>SECURITY:</b> This note is separately secured by (describe separate document by type and date): _____</p> <p>(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)</p>	<p><b>PURPOSE:</b> The purpose of the loan is _____.</p> <p><input type="checkbox"/> <b>CONFESSION OF JUDGMENT:</b> I agree to the terms of the "Confession of Judgment" paragraph on page 2.</p> <p><b>SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2).</b> I have received a copy on today's date.</p>
<p>Signature for Lender</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p>