

**UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT**

**LOAN NOTE GUARANTEE**

Borrower Name: Doe Lumber Corporation	
Lender Name: National Bank	Lender's Tax ID Number: 12-345678
Lender's Address: 4321 Main Avenue, Anytown, IA 56789	USDA's Borrower Unique Entity Identifier: 567891011
Principal Amount of Loan ("Loan") \$ 1,000,000.00	Date of Note(s): 07-01-2021

Type of Loan:  Community Programs  Water and Waste Disposal  Business and Industry  Rural Energy for America Program

The guaranteed portion of the loan is \$ 800,000.00, which is 80 % percent of total loan principal. The principal amount of the loan is evidenced by two notes (includes bonds as appropriate) described below. The guaranteed portion of each note is indicated below.

Add/ Remove	<i>Lender's Identifying Loan Number</i>	<i>Face Amount of Note</i>	<i>Percent of Guarantee</i>	<i>Amount Guaranteed</i>
<input type="checkbox"/> + <input type="checkbox"/> -	65432-1	\$800,000.00	80	\$800,000.00
<input type="checkbox"/> + <input type="checkbox"/> -	65432-2	\$200,000.00	20	\$0.00
Total:		\$1,000,000.00	80	\$800,000.00

**All terms not otherwise defined have the definitions given to them in the 7 CFR part 5001.3.**

In consideration of the making of the subject Loan by the above named Lender, the United States of America, acting through the United States Department of Agriculture (USDA), does hereby agree that in accordance with, and subject to the conditions and requirements herein, it will pay any loss on the above referenced Loan in accordance with this agreement and 7 CFR part 5001 to the below parties as follows:

A. To any Holder holding a valid Assignment Guarantee Agreement, 100 percent of any loss sustained by such Holder on the guaranteed portion of the guaranteed Loan it owns and on interest due on such portion less any servicing fee. The Lender or the Agency will issue an interest termination letter to the Holder(s) establishing the termination date for interest accrual. This Guarantee will not cover interest to any Holder accruing after 90 days from the date of the interest termination letter.

## ASSIGNMENT AND SERVICING AGREEMENT

THIS AGREEMENT, made and entered into as of the 1st day of July, 2021, by and between National Bank (the "Bank") and Farmer Mac II LLC (the "Holder").

### WITNESSETH:

WHEREAS, the Bank has loaned Doe Lumber Corporation (the "Borrower") \$1,000,000.00.

Whereas, the Holder wishes to purchase from the Bank that certain promissory note of the Borrower dated July 1, 2021, which has an original principal amount of \$800,000.00 (the "Note"), which evidences a portion of the aforesaid term loan (the "Loan") and is the subject of a guarantee agreement executed July 31, 2021, by the USDA Rural Business Cooperative Service ("RBS") pursuant to the RBS Business and Industry Loan Program as implemented by Title 7 CFR part 4279, subpart A;

### **WHEREAS, THE HOLDER WISHES THE BANK TO SERVICE THE PORTION OF THE LOAN EVIDENCED BY THE NOTE;**

NOW, THEREFORE, the parties hereby agree as follows, subject always to the provisions of Form RD 5001-4 ("Loan Note Guarantee"), which is attached to the Note, and Form RD 5001-2 ("Lenders Agreement"):

1. On the date hereof, upon receipt of good and valuable consideration, Bank will assign, sell and set over unto Holder (except as set forth herein) the Note, together with all the Bank's right to receive payment thereunder.
2. Holder agrees to give Bank notice of a subsequent transfer, in accordance with Form RD 5001-2.
3. The Bank will perform all services and duties incident of the servicing of the portion of the Loan evidenced by the Note including but not limited to keeping complete and accurate records of all such payments made and collected, and remitting such payments to the Holder by wire in the appropriate amounts; in all cases complying with the Farmer Mac II LLC Remittance Procedures incorporated by reference into the Farmer Mac II LLC Sale Agreement.
4. **HOLDER WILL PAY A SERVICING FEE OF 1.50% per year on the unpaid principal balance on the Note for the services of the Bank hereunder, payable monthly out of interest payments received on the Note. Bank may deduct said servicing fee from payments received on the Note prior to remitting such payments to the Holder.**

5. This agreement shall terminate:
- (A) When all amounts due under the Note have been fully paid; or
  - (B) When the Bank or USDA purchases the Note from the Holder.
6. All communications, notices or remittances under this agreement shall be deemed to have been given or made on the date when deposited in the United States mail, postage prepaid, and addressed as follows (unless and until any of such parties advises the others of a change in such address):
- (A) If to the Holder: Farmer Mac II LLC, 9249 Northpark Drive, Johnston, IA 50131
  - (B) If to the Bank: National Bank, 4321 Main Avenue, Anytown, IA 56789  
Attn: Jane Smith

IN WITNESS WHEREOF, this agreement has been duly executed by the parties hereto as of the day and year first above written.

National Bank  
**BANK (LENDER)**

Farmer Mac II LLC  
**HOLDER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name:

Title:

Title:

The original note for the guaranteed portion must be included in the settlement package.

## PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call/Coll	Account	Officer	Initials
\$800,000.00	07-01-2021	07-01-2041	65432-1	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:** Doe Lumber Corporation  
567 Industrial Drive  
Anytown, IA 56789

**Lender:** National Bank  
4321 Main Avenue  
Anytown, IA 56789

**Principal Amount:** \$800,000.00

**Initial Rate:** 4.75%

**Date of Note:** July 1, 2021

**PROMISE TO PAY.** Doe Lumber Corporation ("Borrower") promises to pay to National Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Eight Hundred Thousand & 00/100 Dollars (\$800,000.00), together with interest on the unpaid principal balance from July 1, 2021, until paid in full.

**PAYMENT.** Subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in 240 payments of \$5,169.79 each payment. Borrower's first payment is due August 1, 2021, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on July 1, 2041, 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.

**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

*A copy of the note for the unguaranteed portion should be included in the settlement package.*

## PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call/Coll	Account	Officer	Initials
\$200,000.00	07-01-2021	07-01-2041	65432-2	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:** Doe Lumber Corporation  
567 Industrial Drive  
Anytown, IA 56789

**Lender:** National Bank  
4321 Main Avenue  
Anytown, IA 56789

**Principal Amount: \$200,000.00**

**Initial Rate: 4.75%**

**Date of Note: July 1, 2021**

**PROMISE TO PAY.** Doe Lumber Corporation ("Borrower") promises to pay to National Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Thousand & 00/100 Dollars (\$200,000.00), together with interest on the unpaid principal balance from July 1, 2021, until paid in full.

**PAYMENT.** Subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in 240 payments of \$1,292.45 each payment. Borrower's first payment is due August 1, 2021, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on July 1, 2041, 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 3-Month 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 the 1<sup>st</sup> day of each calendar quarter (January 1, April 1, July 1, October 1). Borrower understands that Lender may make loans based on other rates as well. **The Index currently is 3.25% per annum. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate of 1.50 percentage point over the Index, resulting in an initial rate of 4.75% 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.

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