

**Intermediary Case #** \_\_\_\_\_

**Intermediary ID #** \_\_\_\_\_

**REDL Note ID #** \_\_\_\_\_

**PROMISSORY NOTE**

**Loan Amount:** \_\_\_\_\_

**Date:** \_\_\_\_\_

For value received, \_\_\_\_\_, a corporation duly organized and existing under the laws of the State of \_\_\_\_\_, ("Intermediary") promises to pay to the order of the United States of America ("Government"), at the times and in the manner hereinafter provided, the sum of \_\_\_\_\_, \$ \_\_\_\_\_ without interest, in monthly installments of \_\_\_\_\_ \$ \_\_\_\_\_ on the last day of the month beginning \_\_\_\_\_, 20\_\_\_\_ and continuing on the last day of each month thereafter until the principal sum stated above has been paid in full or the tenth anniversary of the date first written above whichever first occurs. Intermediary shall have the right to prepay the obligation set forth in this note in whole or in part at any time without penalty; provided, however, that in the event of a partial prepayment, the Intermediary shall be obligated to continue making regular and uninterrupted monthly payments for the amount and on the monthly payment date specified in this note so long as any portion of the loan remains unpaid.

Demand, presentment, protest, notice of protest, and notice of dishonor are hereby waived.

In the event of nonpayment when due of any payment due under this note or if an event of default occurs under the Rural Development Loan Agreement described below, and such nonpayment or event of default continues for a period of thirty (30) days, then at the option of the holder of this note, the remaining balance under this note shall immediately become due and payable. The failure to assert this right shall not be deemed a waiver.

*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 0570-0035. The time required to complete this information collection is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

The Intermediary shall pay a penalty on any payment not made within ninety (90) days of the date it becomes due as originally scheduled or otherwise. The penalty shall be computed on the payment from the due date at a rate equal to the rate of the current value of funds pursuant to 31 U.S.C. 3717(e)(2), not to exceed six percent a year on the amount due on a debt that is delinquent for more than 90 days. This charge shall accrue from the date of delinquency. In addition, Intermediary shall pay administrative costs as the Government may now or hereafter prescribe pursuant to 31 CFR § 901.9.

Amounts received on account of indebtedness evidenced by this note shall be applied as follows: first to expenses, costs and penalties; second to interest payments which are past due; third to principal that is past due; and fourth to principal installments not yet due.

Upon the occurrence of an event of default as defined below, the holder of this note may declare all or any portion of the note to be immediately due and payable. An "event of default" means:

- 1) any principal installment is not paid within thirty (30) days of the date which it is required to be made;
- 2) failure, inability or unwillingness of the Intermediary to carry out or comply with, or cause to be carried out or complied with, the specific undertakings described in the Application Materials approved by Rural Development in the Letter of Conditions;
- 3) any representation or warranty made by the Intermediary in the Application Materials, Letter of Conditions, Rural Economic Development Loan Agreement, or in any certificate or report furnished by or on behalf of the Intermediary about any of the foregoing that proves to be false, incomplete or incorrect in any material respect;
- 4) default in the observance or performance of any of the covenants, conditions or agreements of the Intermediary or the Regulations that govern this loan that continues for thirty (30) days after written notice of the default has been given to the Intermediary by Rural Development;
- 5) an event of default under any mortgage of the Intermediary which secures this loan;
- 6) commencement of a case in bankruptcy by or against the Intermediary;
- 7) application for appointment of a receiver for, making a general assignment for the benefit of creditors by, or insolvency of the Intermediary; or

IN WITNESS WHEREOF the Intermediary has caused this note to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers, all as of the day and year first above written.

\_\_\_\_\_  
**Intermediary**

by: \_\_\_\_\_  
**Intermediary President**  
**Title**

(SEAL)

Attest by:

\_\_\_\_\_  
**Secretary**