

**REVOLVING LOAN FUND  
APPLICATION  
EDA Title IX Program**

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Cumberland Plateau PDC  
P.O. Box 548 - 224 Clydesway Drive  
Lebanon, VA 24266

**CUMBERLAND PLATEAU PLANNING  
DISTRICT COMMISSION**

**REVOLVING LOAN FUND PROGRAM  
APPLICATION FORM**

CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION  
REVOLVING LOAN FUND PROGRAM  
APPLICATION FORM

Please print or type. Answer all questions or indicate not applicable (NA). Applications not fully completed shall not be considered.

A. GENERAL INFORMATION

1. Applicant's Name \_\_\_\_\_ 2. Date \_\_\_\_\_

3. Address \_\_\_\_\_  
\_\_\_\_\_

4. Phone Number \_\_\_\_\_

5. Contact Person \_\_\_\_\_ Email: \_\_\_\_\_

6. If the applicant is a corporation, identify the state of incorporation, officers, directors and principal shareholders, giving complete name and address for each:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6a. Date of Incorporation \_\_\_\_\_

7. If the applicant is a partnership, give complete name and address of each partner:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. (a.) Is this a New Venture \_\_\_\_ or an Existing Business \_\_\_\_

(b.) If an existing business, what year was it established \_\_\_\_\_

B. PROJECT DESCRIPTION

1. Identify the physical location of the proposed project.

County \_\_\_\_\_

Town or City \_\_\_\_\_ (if within corporate limits)

2. Is this loan request for Fixed Assets \_\_\_\_; Working Capital \_\_\_\_\_ ;  
or Both \_\_\_\_\_
3. For loans to Corporation - Has the Board of Directors approved the loan application? Yes \_\_\_\_ No \_\_\_\_\_ (ATTACH CORPORATE RESOLUTION)
4. Has a market study been done addressing the feasibility of the project?  
Yes \_\_\_\_\_ No \_\_\_\_\_
5. When will the project be completed and fully operational?  
Month \_\_\_\_\_ Year \_\_\_\_\_
6. Generally describe the project, giving purpose of loan. Supply here any information (not specifically requested in this application) that you feel is necessary to explain the project. Attach an additional sheet, if necessary.

C COST ELEMENTS OF THE PROJECT

1.	Site Improvements (Parking, Landscaping)	_____	\$ _____
2.	Land Acquisition		\$ _____
3.	Purchase and/or Remodel Existing Building		\$ _____
4.	New Construction		\$ _____
5.	Machinery and Equipment		\$ _____
6.	Architect/Engineering Cost		\$ _____
7.	Other Costs (Contingencies)		\$ _____
8.	Working Capital		\$ _____
9.	_____		\$ _____
10.	_____		\$ _____
11.	Total Project Cost	_____	\$ _____

These estimates are based on:

- \_\_\_\_\_ Tentative plans of applicant
- \_\_\_\_\_ Preliminary estimates of architect/engineer
- \_\_\_\_\_ Detailed plans and specifications done by architect or engineer
- \_\_\_\_\_ Other \_\_\_\_\_

D. FINANCING PLAN FOR PROJECT

1. Sources of Financing

	<u>Private Lender</u>	<u>CPPDC</u>	<u>Other Public Lender</u>	<u>New Equity</u>
Amount	_____			
Term	_____			
Rate	_____			
Annual Debt Service	_____			
Collateral Position	_____			

(NOTE: CPPDC loans will ordinarily range from \$25,000 to \$250,000. The applicant must provide a minimum of 15% equity. CPPDC's participation will not normally exceed 33% of the total project cost.)

2. Name and Address of Private Lender \_\_\_\_\_  
\_\_\_\_\_

Contact Person \_\_\_\_\_

3. Please identify all other financial institutions and agencies that have been contacted concerning financing the project, but are not participating in the project.

Must have two letters attached from bank denying loan.

a. \_\_\_\_\_  
(approved \_\_\_\_\_ or disapproved \_\_\_\_\_)

b. \_\_\_\_\_  
(approved \_\_\_\_\_ or disapproved \_\_\_\_\_)

c. \_\_\_\_\_  
(approved \_\_\_\_\_ or disapproved \_\_\_\_\_)

State reasons given for each disapproval:

E. COMPANY SALES INFORMATION

1. For Existing Business:

- a. Last Year's Sales \$ \_\_\_\_\_
- b. This Year's Projected Sales \$ \_\_\_\_\_
- c. One Year Projected Sales After Disbursements of Loan \$ \_\_\_\_\_

2. For New Businesses:

- a. One Year Projected Sales After Disbursements of Loan \$ \_\_\_\_\_

F. COLLATERAL INFORMATION

	Original Cost	Present Market Value	Present liens Of Mortgage Balance, if Any
1. Land	\$ _____	\$ _____	\$ _____
2. Buildings	\$ _____	\$ _____	\$ _____
3. Business Machinery & Equipment	\$ _____	\$ _____	\$ _____
4. Business Furniture & Fixtures	\$ _____	\$ _____	\$ _____
5. Accounts Receivable	\$ _____	\$ _____	\$ _____
6. Inventory	\$ _____	\$ _____	\$ _____
7. Other (Specify)	\$ _____	\$ _____	\$ _____
8. TOTAL	\$ _____	\$ _____	\$ _____

9. Which of the above collateral is being purchased or constructed as part of the project? (1. \_\_\_; 2. \_\_\_; 3. \_\_\_; 4. X; 5. \_\_\_; 6. \_\_\_; 7. \_\_\_)

10. ' If applicant is a corporation, are any individuals willing to guarantee the loan: (Yes \_\_\_ No \_\_\_). If applicant is an individual or partnership, are any persons other than applicants willing to guarantee the loan? (Yes \_\_\_ No \_\_\_). If yes, give the name and address of each such person.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

11. Please attach separate sheets describing the nature, title and value of the assets offered as collateral for the RLF. Attach a copy of deeds of real estate.

G. PROJECTED EMPLOYMENT

1. Present Number of Employees \_\_\_\_\_
2. Projected employees six (6) months after loan disbursement \_\_\_\_
3. Projected employees twelve (12) months after loan disbursement \_\_\_\_
4. Projected employees when project is fully completed and operational  
\_\_\_\_\_
5. Projected employees to be retained if RLF funds are made available \_\_\_\_
6. Projected salary/hourly wage of workers \_\_\_\_\_

H. ESTIMATED TAX PAYMENTS

1. Estimate the amount of annual taxes to be paid by the project when it is fully operational:

	<u>Federal</u>	<u>State</u>	<u>Local</u>
a. Income Tax	_____	_____	_____
b. Real Estate	_____	_____	_____
c. Machinery & Tools	_____	_____	_____
d. Franchise	_____	_____	_____
e. TOTAL	_____	_____	_____

I. ADDITIONAL INFORMATION REQUIRED

1. Include copies of the following documents signed by the appropriate persons: (copies only, please)
  - a. For existing businesses
    - 1) Latest Balance Sheet and Profit & Loss Statement  
(Not older than 30 days)
    - 2) Annual Balance Sheet and Profit & Loss Statements for each of  
the last three years
  - b. For all individual applicants, principals in business, and persons guaranteeing loan, please attach current financial statement and resume.

2. Please complete the following certifications concerning compliance with federal regulations:

- a. Assurance of Compliance with (Civil Rights Act)
- b. Information necessary for compliance with the Davis-Bacon Act

3. Include any other information which will help us assess the chances for success of your venture or proposed project and how this project will contribute to the economic well-being of the people in the area.

J. If the answers to any of the following questions are yes, please furnish details in a separate attachment.

1. Have any of the persons listed in A- 6 or A-7 ever been charged with, or convicted of, any criminal offense, other than a minor motor vehicle violation? \_\_\_\_\_

2. Has the Applicant or management of the Applicant been informed of any current or ongoing investigation of the Applicant with respect to possible violation of state or federal securities law? \_\_\_\_\_

3. Has the Applicant or any persons listed in items A- 6 or A-7 above been in receivership or adjudicated as bankrupt? \_\_\_\_\_

K. CERTIFICATIONS & REPRESENTATIONS

1.

US DEPARTMENT OF COMMERCE  
ECONOMIC DEVELOPMENT ADMINISTRATION

Name of Project

\_\_\_\_\_

City and State

\_\_\_\_\_

ASSURANCES OF COMPLIANCE WITH THE DEPARTMENT OF COMMERCE AND THE ECONOMIC DEVELOPMENT ADMINISTRATION REGULATIONS UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, PUBLIC LAW 92-65 (AS AMENDED), SECTION 504 OF THE REHABILITATION ACT OF 1973, THE AGE



DISCRIMINATION ACT OF 1975 AND EXECUTIVE ORDER 11246 (AS AMENDED). This form applies to: A. all who are collectively known as "Recipients" due to their receipt of Federal financial assistance from the Economic Development Administration (EDA) including 1. applicants; 2. recipients of Federal financial assistance received from another recipient; 3. subgrantees; 4. lessees of or operators for a recipient; 5. successors, assignees or transferees, but not ultimate beneficiaries; and B. Other Parties, who are inclusive of any governmental, public or private agency, institution, organization or other entity, or any individual who has a direct or substantial participation in the program or project receiving Federal financial assistance from EDA, such as contractors, subcontractors, providers of employment, or users of the facilities or services.

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Name of Recipient or Other Party

(hereinafter called the "Recipient or Other Party") assures that, as a Recipient or Other Party, it will comply with Title VI of the Civil Rights Act of 1964, as amended (42 USC 2000d - 2000d 4), the requirements imposed by or pursuant to Regulations, issued for the Department of Commerce and designated as 15 CFR Subtitle A Part B, any any amendments thereto.

The Recipient or Other Party agrees to comply with the provisions of Section 112 of Public Law 92-65 (42 USC 3123), the requirements imposed by or pursuant to the Regulations of the Economic Development Administration promulgated in 13 CFR Part 311 (as amended by the April 1979 EDA Civil Rights Guidelines), and any amendment thereof. The Recipient or Other Party further agrees to comply with Section 504 of the Rehabilitation Act of 1973 (26 USC 794), the Age Discrimination Act of 1975 (42 USC 6101 et seq.), and Executive Order 11246, as amended. In addition, Recipient agrees to secure the compliance or to cooperate actively with EDA to secure the compliance by others with the acts and the regulations.

Such requirements hold that no person in the United States shall on the ground of race, color, national origin, sex, handicap, or age be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which Federal financial assistance has been extended.

In accordance with these assurances and without limiting the above, the Recipient or Other Party agrees that these assurances shall be binding upon them, their grantees, assignees, transferees, lessees, and successors in interest. These assurances shall also be binding through every modification or amendment to this project.

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SIGNATURE

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TITLE

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DATE

2. The applicant hereby certifies that RLF funds will not be used to relocate jobs from one commuting area to another. Applicant specifically acknowledges that if RLF funds are utilized, in any manner, contemporaneous or subsequent to closing, the loan shall be in default and called.

3. Applicant certifies that RLF funds will not be used in a manner which will adversely impact the flood plains, wetlands, significant historic or archeological properties, drinking water resources, nonrenewable resources, flora, and wildlife or domestic animals. Applicants which utilize RLF funds for the construction of facilities, plants or buildings may be required to attach a certification from a licensed environmental engineer attesting to the above. Applicant certifies that it will follow all federal, state and local laws and regulations regarding protection and preservation of the environment.

4. Applicant certifies that no portion of RLF funds shall be utilized in lobbying federal, state or local governments.

5. Applicant certifies that all federal, state and local civil rights labor and employment laws will be followed.

6. Applicant specifically stipulates that false or fraudulent responses shall constitute default, when discovered by the Cumberland Plateau Planning District Commission, and the RLF loan shall be called. Applicant, by its execution hereof, certifies that all information provided herein is accurate and true.

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SIGNATURE

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TITLE

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DATE

L. MANDATORY SUPPLEMENTAL DISCLOSURES

1. Financing

A. Applicant hereby certifies that it has made a good faith effort to secure the applied for funding from other conventional lending institutions and was denied the requested extension of credit. Applicants must attach hereto two (2) letters of denial from non-affiliated lending institutions clearly stating that the monies herein applied for were not available. Applicant must also provide a letter stating the other project funds are available and the source(s) thereof

2. Applicants utilizing RLF funds for new construction are required to submit herewith an environmental impact statement from a licensed environmental engineer which addresses all items set forth in Section 3 paragraph 3 under "Certifications:"

3. Applicants utilizing RLF funds for equipment must provide a certificate of insurance covering all equipment and fixtures procured by RLF funds naming the CPPDC as 1st or 2nd loss payee. Said certificate is to be provided at or before closing and maintained throughout the life of the loan.

4. Applicants utilizing RLF funds for new construction or adding to pre-existing structure must provide a certificate of insurance covering said construction or building naming the CPPDC as 1st or 2nd loss payee. Said certificate is to be provided at or before closing and maintained throughout the life of the loan.

5. Applicants utilizing RLF funds for construction must complete the following section.

Information Necessary for Compliance with the Davis-Bacon Act

6. Will any portion of this loan be used for new construction, alteration, or repair work?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

IF ANSWER IS YES, PLEASE COMPLETE THE REMAINDER OF THE FORM.

2. Please check the job categories that will be employed in the construction of the project.

BUILDING CONSTRUCTION

FOR COMPLETION BY CPPDC  
(Hourly Wage)

- a. \_\_\_\_\_ Bricklayers \$ \_\_\_\_\_
- b. \_\_\_\_\_ Carpenters \$ \_\_\_\_\_
- c. \_\_\_\_\_ Cement Masons \$ \_\_\_\_\_
- d. \_\_\_\_\_ Dry Wall Hangers & Finishers \$ \_\_\_\_\_
- e. \_\_\_\_\_ Electricians \$ \_\_\_\_\_
- f. \_\_\_\_\_ Glaziers \$ \_\_\_\_\_
- g. \_\_\_\_\_ Ironworkers, Structural \$ \_\_\_\_\_
- h. \_\_\_\_\_ Laborers, Unskilled \$ \_\_\_\_\_
- i. \_\_\_\_\_ Asphalt Raker \$ \_\_\_\_\_
- j. \_\_\_\_\_ Painter, Brush \$ \_\_\_\_\_
- k. \_\_\_\_\_ Plumbers \$ \_\_\_\_\_
- l. \_\_\_\_\_ Roofers \$ \_\_\_\_\_
- m. \_\_\_\_\_ Sheet Metal Workers \$ \_\_\_\_\_
- n. \_\_\_\_\_ Tile Setters \$ \_\_\_\_\_
- o. \_\_\_\_\_ Tile Setters' Finishers \$ \_\_\_\_\_
- p. \_\_\_\_\_ Truck Drivers \$ \_\_\_\_\_

POWER EQUIPMENT OPERATORS

- q. \_\_\_\_\_ Backhoe \$. \_\_\_\_\_
- r. \_\_\_\_\_ Bulldozer \$. \_\_\_\_\_
- s. \_\_\_\_\_ Grader \$. \_\_\_\_\_
- t. \_\_\_\_\_ Roller \$. \_\_\_\_\_

OTHER

- u. \_\_\_\_\_ \$ \_\_\_\_\_
- v. \_\_\_\_\_ \$ \_\_\_\_\_

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STATEMENT OF ASSURANCE

\_\_\_\_\_ assures that as a recipient of financial  
(Company Name)  
assistance under this program, it will comply with the provisions of the Davis-Bacon Act, as amended. I certify that I have read the requirements of the Act, and have full authority to execute this assurance.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT, made in duplicate, dated this the 8<sup>th</sup> day of March, 2012, between \_\_\_\_\_, a Limited Liability Company, whose address is \_\_\_\_\_ (the "Debtor"), and CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION, a political subdivision of the Commonwealth of Virginia, having its principal place of business at P.O. Box 548, Lebanon, Virginia 24266 (the "Secured Party").

1. **OBLIGATION TO PAY.** The Debtor, concurrently with the execution and delivery of this Agreement, is borrowing \_\_\_\_\_ Dollars from the Secured Party, which borrowing is evidenced by the Debtor's Promissory Note bearing this date in that amount.

2. **COLLATERAL.** The Debtor desires to enter into this Agreement for the purpose of creating a security interest in favor of the Secured Party in the \_\_\_\_\_ described in Exhibit C, annexed, in all additions and accessions thereto, substitutions therefore and all proceeds of the sale or disposition, (all hereinafter referred to collectively as "the secured property").

3. **CREATION OF SECURITY INTEREST.** The Debtor, in order to secure (1) payment of the debt evidenced by the Note, including renewals and extensions thereof; (2) all costs and expenses incurred in collection of the Note; and (3) all future advances made by the Secured Party for taxes, levies, insurance, and repairs to or maintenance of the real estate, hereby grants to the Secured Party a security interest in the goods. Said security interest shall be a first lien on the collateral.

The Debtor hereby agrees to execute any and all documents necessary to perfect a lien on the secured property including, but not limited to, a Deed of Trust.

4. **DEBTOR'S WARRANTIES AND AGREEMENTS.** The debtor warrants and agrees that:

a. **Title.** The goods are or will be owned by the Debtor and are not subject to any security interest except that created by this Agreement, or to any liens of record existing on the

date of this Agreement, and the Debtor will defend the goods against the claims and demands of all persons.

b. Transfer. The Debtor will not sell, exchange, lease, encumber or pledge the goods, create any security interest therein (except that created by this Agreement), or otherwise dispose of the goods or any of the Debtor's rights therein or under this Agreement without the prior written consent of the Secured Party.

c. Maintenance, taxes. The Debtor will maintain the goods in good condition and repair, reasonable wear and tear excepted, and will pay and discharge all taxes, levies, and other impositions levied on the real estate as well as the cost of repairs to or maintenance of the same; if the Debtor fails to pay such sums, the Secured Party may do so for the Debtor's account adding the amount to the secured debt.

d. Insurance. The Debtor will insure the collateral, described in "Exhibit C", against such risks and casualties and in such amounts as the Secured Party shall require and shall provide written evidence of same naming the Secured Party as a loss payee. All insurance policies shall be written for the benefit of the Debtor and the Secured Party, as their interest may appear, and such policies or certificates evidencing the same shall be furnished to the Secured Party. If the Debtor fails to pay the premium on any such insurance, the Secured Party may do so for the Debtor's account adding the amount thereof to the debt secured hereby. The Debtor assigns to the Secured party any return of unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and all proceeds of such policies and directs the insurers to pay the Secured Party any amounts so due. The Secured Party is hereby appointed the Debtor's attorney-in-fact to endorse any draft or check which may be payable to the Debtor in order to collect any return or unearned premiums or the proceeds of such insurance. Any balance of insurance proceeds remaining after payment in full of all amounts secured hereunder shall be paid to the Debtor.

e. Location. The Debtor will permit the Secured Party to inspect the real estate at any reasonable time.

f. Liens. The Debtor will not permit any other security interest to attach to any of the real estate, permit the real estate to be levied upon under any legal process, or permit anything to be done that may impair the value of any of the real estate or the security intended to be afforded by this Agreement, unless consented to in writing by the Secured Party.

g. Filings. The Debtor will pay all costs of filings and financing, continuation, or termination statements with respect to the security interest created by this Agreement. The Secured Party is hereby appointed the debtor's attorney-in-fact to do all acts and things which the Secured Party may deem necessary to perfect and continue to perfect the security interest created by this Agreement and to protect the real estate. **A photographic or other reproduction of this Agreement, or any financing statement signed by Debtor, is sufficient as a financing statement.**

h. Place of business. The Debtor will promptly notify the Secured Part of any change in the location of any place of business and residence and of the establishment of any new place of business and residence.

5. DEFAULT AND REMEDIES. In the event of default in the payment of the debt referred to in paragraph 1 or any past or future advances, expenditures, or liabilities hereby secured, or in the due observance or performance of any of the other conditions or agreements hereto; or if any of the warranties of the Debtor shall prove to be false or misleading; or if the Debtor shall become insolvent or shall be adjudicated bankrupt, or if bankruptcy, insolvency, reorganization, arrangement, debt adjustment or liquidation proceedings or receivership proceedings in which the Debtor is alleged to be insolvent or unable to pay his debts as they mature, shall be instituted by or against the Debtor, and the Debtor shall consent to the same or admit in writing the material allegations of the petition filed in such proceedings, or such proceedings shall not be dismissed within 30 days after the institution; then upon the occurrence of any of the above events, the Secured Party may declare the unpaid balance of the debt and all advance, expenditures, and liabilities immediately due and payable without demand or notice, and the secured party may, subject to conditions set forth in the Note, enter judgment on such Note or otherwise reduce such debt, advances, expenditures, and liabilities to judgment and, in addition proceed to exercise one or more

of the rights accorded by the Uniform Commercial Code in force in the Commonwealth of Virginia at the date of this Agreement. It is understood and agreed that this Agreement has been made and entered into pursuant to the Uniform Commercial Code and that the Secured Part has all the rights and remedies accorded thereby. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained in this Agreement.

6. BENEFIT. The rights and privileges of the Secured Party under this Agreement shall inure to the benefit of its successors and assigns. All covenants, warranties, and agreements of the Debtor contained in this Agreement are joint and several and shall bind personal representatives, heirs, successors, and assigns.

WITNESS the execution hereof this 8<sup>th</sup> day of March, 2012.



REVOLVING LOAN FUND ("RLF") LOAN AGREEMENT

THIS RLF LOAN AGREEMENT, made in duplicate, this 8<sup>th</sup> day of March, 2012, by and between, \_\_\_\_\_, a Virginia Limited Liability Company, whose address is \_\_\_\_\_, and the CUMBERLAND PLATEAU PLANNING DISTRICT COMMISSION, a political subdivision of the Commonwealth of Virginia, whose principal address is P.O. Box 548, Lebanon, Virginia 242666 (hereinafter "PDC").

WITNESSETH:

WHEREAS, the PDC is the recipient of a Revolving Loan Fund ("RLF") Grant from the United States Department of Commerce, Economic Development Administration ("EDA"), pursuant to the guidelines and amendments thereto established by the EDA (the "Guidelines"); and

WHEREAS, \_\_\_\_\_ is expanding and purchasing equipment for its \_\_\_\_\_, in which it intends to create employment for \_\_\_\_\_ within six (6) months of RLF disbursement; and

WHEREAS, \_\_\_\_\_ has applied for a \_\_\_\_\_ revolving loan (the "Loan") to be used as a portion of a \_\_\_\_\_ DOLLAR total project costs; and

WHEREAS, it having been determined by the PDC that the Loan to \_\_\_\_\_ will meet the goals and objectives of an RLF project after the same having been recommended by the RLF Committee at its meeting on \_\_\_\_\_, (as evidenced by letter attached hereto as "Exhibit A"), it is hereby AGREED AS FOLLOWS:

1. THE LOAN. The PDC will loan \_\_\_\_\_ a total of \_\_\_\_\_ subject to the terms and conditions set forth herein \_\_\_\_\_ agrees to use the Loan as a part of the cost for fixed assets, equipment and working capital as described in its Application for a loan under the RLF program, dated \_\_\_\_\_, a copy of which application is attached hereto and

incorporated by reference herein as "Exhibit B" (the Application). It is understood and agreed by the parties that the funds shall be transferred directly to

2. **THE COLLATERAL.** \_\_\_\_\_ which is more fully described in "Exhibit C", a copy of which is attached hereto.

3. **TERMS OF THE LOAN.** The Loan will be for \_\_\_\_\_ DOLLARS principal, and bear interest at a fixed rate of \_\_\_\_\_ shall simultaneously herewith execute a negotiable promissory note (the "Note") for the Loan providing for the repayment of the Loan in one hundred twenty-one (121) monthly installments of \_\_\_\_\_ commencing April 1, 2012. Such payment shall be in accord with the Amortization Table (the "Table") attached hereto and incorporated herein as "Exhibit D". Payment of the Note may be accelerated in the event of a breach by \_\_\_\_\_ of any representation or certification made by \_\_\_\_\_ herein or of any other material condition of this Agreement.

4. **LATE PAYMENT PENALTY.** Any payment more than ninety (90) days past due will be assessed a Twenty-five (\$25.00) Dollar late fee and, in addition, for every additional thirty (30) days that a payment remains unpaid another Twenty-five (\$25.00) Dollar late fee shall be assessed until paid. **The borrower acknowledges that pursuant to controlling regulations the lender is required to take legal action to collect any loan whose payment is six (6) months in arrears.**

5. **SECURITY.** \_\_\_\_\_ will simultaneously herewith execute a Security Agreement granting the PDC a lien on the \_\_\_\_\_; more fully described in "Exhibit C", a copy of which is attached hereto.

6. **REPRESENTATIONS.** \_\_\_\_\_ **REPRESENTS TO THE PDC THAT:**

A. The Loan funds will not be used in any manner prohibited by the Guidelines

nor be used to assist the relocation of jobs from another labor area, or for the purpose of investing in high interest accounts, certificates of deposit, or other investments not related to the purposes as set forth in the Application, or to purchase or finance equity in a business, to subsidize interest payments on existing loans, or to refinance loans made by other lenders; the occurrence of which shall be deemed default and result in a call of the Loan.

B. The monies loaned hereunder will be invested in the procurement of real estate and fixed assets at \_\_\_\_\_ in \_\_\_\_\_ Virginia.

C. The monies are loaned hereunder based on borrowers representations that it will generate new job positions of \_\_\_\_\_ within six (6) months and a total of \_\_\_\_\_ when completed. Failure of borrower to create these new job positions within the time periods represented shall be deemed default and result in a call of the Loan.

D. \_\_\_\_\_, will insure the property against loss and casualty to the extent provided for in the Security Agreement and provide a certificate of insurance naming the PDC as second loss payee.

E. **WILL NOT PLEDGE OR ENCUMBER THE PROPERTY WITHOUT THE PRIOR WRITTEN APPROVAL OF THE PDC.**

F. The Loan will not be used for any purpose which adversely impacts flood plains, wetlands, significant historic or archeological properties, drinking water resources, non renewable resources, or which materially endangers plant, animal or human life. The PDC expressly waives the requirement of an environmental impact statements for a licensed environmental engineer in that the Loan will be used solely for the purchase of Equipment.

G. \_\_\_\_\_ will adhere to all applicable civil rights, handicapped access and employment related laws.

H. The Loan proceeds will not be used for lobbying federal, state or local governments.

I. That \_\_\_\_\_ is familiar with the terms and

conditions for RLF loans and agrees to be bound thereby.

7. **CERTIFICATIONS.** The parties hereto certify one to the other that they have all necessary and requisite legal right and power to enter into this Agreement, the Note, the Deed of Trust, and the Security Agreement, and that the execution of same will not violate the terms of any other loan agreements, notes, bonds mortgages, deeds of trust, trust indentures or documents of similar import creating a credit relationship between either party and any other person.

8. **CLOSING.** The loan shall be closed on or before the 8<sup>th</sup> day of MARCH, 2012, at the office of the PDC in Lebanon, Virginia.

9. **SURVIVAL OF RIGHTS.** The rights and obligations of the parties hereto shall survive the execution of this Agreement.

10. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. No assignment by \_\_\_\_\_ shall relieve it of its obligations under this Agreement.

11. **AMENDMENTS.** This Agreement may not be amended or modified except by an instrument in writing signed by the parties.

12. **EFFECTIVE WAIVER OF FORBEARANCE.** No waiver by a party hereto of any breach by the other party hereto of any of its obligations, agreements or covenants under this Agreement shall be a waiver of any subsequent breach or of any other obligation, agreement or covenant, nor shall any forbearance by a party hereto to seek a remedy for any breach by the other party hereto be a waiver by the forbearing party of its rights and remedies with respect to that or any other breach.

13. **SEVERABILITY.** If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not effect the remainder of this Agreement and this Agreement shall be construed as if such illegal or invalid clause, provision or section had not been contained herein.

14. **APPLICABLE LAW AND FORUM FOR DISPUTES.** This Agreement shall be

governed and construed according to the laws of the Commonwealth of Virginia, and any disputes arising hereunder resulting in litigation shall be resolved by the Circuit Court for Russell County, Virginia.

15. **NOTICES.** Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications shall be in writing and be deemed to have been given when mailed by an over night mail delivery service, return receipt requested, postage prepaid and addressed:

*If to PDC:* Cumberland Plateau Planning District Commission  
P.O. Box 548  
Lebanon, VA 24266

*With Copy to:* Jay H. Steele, Esq.  
P.O. Box 2577  
Lebanon, VA 24266

*If to*

16. **RIGHTS AND REMEDIES.** The rights and remedies of the parties under this Agreement are not exclusive. The parties shall be entitled to and may exercise any other rights or remedies provided by law except as otherwise provided herein.

17. **ENTIRE AGREEMENT.** The foregoing is intended together with the Note, Security Agreement, Escrow Agreement and the Application to be a complete integration of all prior or contemporaneous agreements by and between the parties hereto, whether written or oral. Any amendment hereto shall be made pursuant to section ten (10) hereinabove.

18. **HEADINGS.** The heading of the several sections of this Agreement are inserted for convenience only and do not comprise a substantive part of the same.

19. **GUARANTEE.** , enters into this Agreement for the sole purpose of guaranteeing the performance of, and all obligations of,

, , a Virginia Limited Liability Company, hereunder.

Lebanon, Virginia  
 8<sup>th</sup> day of MARCH, 2012

PROMISSORY NOTE

For value received, the undersigned, \_\_\_\_\_ a Limited  
 Liability Company, whose address is \_\_\_\_\_ ("Maker"),  
 promises to pay to the order of CUMBERLAND PLATEAU PLANNING DISTRICT  
 COMMISSION ("Lender"), the principal sum of \_\_\_\_\_  
 DOLLARS, together with interest from the date hereof at the rate of \_\_\_\_\_ percent, such  
 principal and interest to be payable in equal consecutive \_\_\_\_\_ installments commencing on  
 April 1, 2012, each such installment to be applied first to accrued interest then to reduction of  
 principal, subsequent installments to be payable on the first day of each \_\_\_\_\_ thereafter until the  
 entire said indebtedness has been paid in full.

The right to anticipation is reserved.

This Note is issued under and pursuant to the terms and conditions of a Revolving Loan Fund  
 ("RLF") Loan Agreement between the Maker and Lender of even date herewith.

In the event of default hereunder, the unpaid principal balance and any unpaid accrued  
 interest hereon may, at the option of the holder of this Note, without notice, be declared and become  
 at once due and payable. Any failure by the note holder to exercise such option shall not be deemed  
 a waiver of the right to exercise the same in event of any subsequent default or breach.

Before exercising its option, the holder may give written notice to the Maker as provided in  
 the RLF Loan Agreement, and twenty-four hours after giving said notice, Maker shall have ten days  
 to cure the default.

Presentation, demand, protest, notices of dishonor and of protest, and all defenses and pleas  
 on the grounds of any extension or extensions of the time of payment or of the due date or dates of  
 this Note, in whole or in part, before or after maturity, hereby are waived by the Maker, who agrees  
 to pay all costs of collection, including a reasonable attorney's fee if the obligations of this Note or  
 any part thereof are placed with an attorney for collection.

WITNESS the following signatures and seals.